Developing Teams in Startups
A Case Study on Startup Team Dynamics

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ABSTRACT

Purpose

While team dynamics is a heavily researched topic, the applicability within startup companies is fairly uncommon within entrepreneurship academic research. Therefore, the purpose is to analyze the application of team development theories on startups and present team development tendencies. The ambition is to provide information for entrepreneurs to consider in their new or already existing venture. The information provided works to unveil the value of developing team dynamics within startup companies. It also works to describe how to consciously develop a team. Throughout the discussion, the following questions are answered:

- Do startup industry characteristics need varying team dynamics approaches?
- Which values do startups attribute to developing team dynamics?
- Are startups consciously working on team dynamics? If so, which techniques are used?

The methods applied include qualitative literature review through inductive reasoning combined with data collection from team members and managers among three startups. The literature review was applied to the study by offering a theoretical background while defining the scope of keywords and prolific theories. The collected data have been compared to existing theories within previous research, in order to conclude recommendations for startup stakeholders to consider while running a business.

Keywords

Startup, Team, Team Dynamics, Team Development, Team Building
We would like to thank our supervisor, Ola Mattisson, for the incredible guidance provided while piecing together the details of this degree project. We would also like to thank our classmates, for providing detailed peer reviews throughout the development of this study. Immense appreciation goes to our program director, Stein Kleppesto, who has not only provided us with the tools and mindsets to become future managers, but has inspired us to be ‘leaders’. Additionally, we would like to thank all of the educators within the Masters in Management program, who helped us to further develop our knowledge and skillsets.

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Tusen tack! Thank you!
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1. INTRODUCTION

1.1 Background

What is a Startup?

According to Global Entrepreneurship Monitor’s annual reports, the extensive data reveals nearly 100 million startups will be established each year (GEM, 2015; Guidbourg, 2015). Statistically only 10% of startups will survive (Patel, 2015; Guidbourg, 2015). Startups can consist of diverse team members, various number of founders and employees, purpose, industry personality types, environment, and so on (Zhou, Hu and Zey, 2015). Therefore, defining ‘typical startup teams’ in academia is not an easy task.

To be a startup, the term entrepreneurship is often identified among the jargon. Entrepreneurship is explained as doing things that have already been done but in a new way (Schumpeter, 1947, pp. 151). To be the owner of a startup, one is therefore an entrepreneur by venturing into something with newness for inspiration. American Heritage Dictionary suggests it is “a business or undertaking that has recently begun operation” (Robehmed, 2013). Silicon Valley entrepreneur Steve Blank (2010) says, “a startup is an organization formed to search for a repeatable and scalable business model.” CEO of Warby Parker, Neil Blumenthal says, “a startup is a company working to solve a problem where the solution is not obvious and success is not guaranteed” (Robehmed, 2013). A startup is a new business venture with a tendency for lacking structure while creating something new, and is not recognized as scalable (Robehmed, 2013). A startup is no longer a startup once it starts to scale-up and the model works (Hall, 2011). As a result of scaling-up the company requires more bureaucracy and structures and therefore starts to feel less like a startup (Messner, 2013). Based on these descriptions the certain aspects of startups can be named as being new, lacking structure, and not being scalable yet.

Startups often have people with the ability to perform a diverse skillset, because unlike large corporations, startup companies often require employees to be able to juggle various roles (White, 2017). Startups survive through either by bootstrapping (Entrepreneur, n.d.), investing with personal funds, or by crowdfunding resources such as IndieGoGo, Kickstarter, etc (Crowdfunding Hacks, n.d.). In some cases, startups may be financially supported by means in investors. However, beyond funding, the future of a startup is always uncertain and can destruct over a number of circumstances (Robehmed, 2013).

Startup success is often dependent on their interaction with other startups, development of business relations, and the utilization of resources, such as startup community events or incubator communities (Kask & Linton, 2013). Creating a positive, strong company culture at a startup is one way to help ensure longevity of the business (Burke, n.d.). Organizational culture plays a large role in the commitment of team members (Messner, 2013), and commitment is an important characteristics of team members in order to keep a startup business growing. Startup company culture offers an environment for creativity, heavy responsibility, multi-tasking, loose structural demands, and a smaller team atmosphere (White, 2017). Their infancy in business leads to flexibility and an open-minded atmosphere in comparison to a corporate environment. Because of this loose criterion, the academic research of such is still vague. Startup characteristics such as, smaller company size, newness, and uncertainty of the future, are of a particular interest to the study. These characteristics are important for understanding how startups may benefit from team dynamics. Team dynamics in this
setting may attribute to the development of communication, performance and synergy among the tasks required for business functions.

The failure rate of startups can be attributed to any of the following complications; from lack of funding, resources, team management, business model failure, market and product problems, or even an unfit team (Skok, n.d.). Many aspects regarding startup success may be measured from the previously mentioned features. By considering by this approach, the likelihood of development on team dynamics impacting startup success is questionable.

**Team Dynamics and Team Development**

The topic of team dynamics initially developed out of the term “group dynamics” introduced by Kurt Lewin in the 1940’s (Lewin, 1947). By 1958, Dr. William Shultz, introduced the concept of interpersonal relations among group development, called FIRO theory, Fundamental Interpersonal Relationship Orientation (Shultz, 1958). This theory pushes the idea of group dynamics forward as it recognizes the science behind human interaction. Shultz (1958) suggests the importance of the personal relationships and the development among a team setting where participants must have inclusion for productivity. The recognition of the initial phrase ‘group’ was later analyzed and reworked to distinguish the true difference of the meaning of a group versus a team, where a team held much greater purpose (Starbuck, 2005). Today there are countless definitions of teams, but one common definition among these includes the need for having a shared goal (Gilley et al., 2010). By 1965 the topic of teams gained a great deal of recognition following academic Tuckman’s publication on the Stages of Team Development Model, including the phases of forming, norming, storming, and performing. In 1970, Tuckman reworked his model to include a fifth stage called, adjourning (Tuckman & Jensen, 1977). Essentially the stages are the phases that a team of people will enter into as they evolve as a team and as their ability to collaborate strengthens or weakens. According to Tuckman and Jensen (1977), to be a good performing team, all of these stages must be fulfilled. They say, many teams may lightly dust the surface of these stages to have a project done, but few will deepen into the full extent possible of each of these stages. Clifton and Nelson (1992) identify a team’s strengths as determined based upon the difficulty level when problem solving or performing tasks. The strengths of the team become clear when situations become easier or mindless for teams to handle (Clifton & Nelson, 1992). They say the ease of task performing does not happen immediately, but is something developed over time.

While academia had mostly been focused on the team itself as an entity, in 1981 Belbin refocuses the attention towards the individual participants (Aritzeta, Swailes, & Senior, 2007; Belbin, 1981). Belbin’s philosophy idolized the idea of distinct team member roles (Belbin 1981, 1993; Prichard & Stanton, 1999). As the topic of roles arose, later the idea of team leadership takes shape in academia. The term shared leadership has evolved into an understanding on mutual grounds where individuals are held accountable and the workload is distributed in an informal non-hierarchical fashion (Pearce & Manz, 2005). Furthermore, the team dynamics phenomenon has left many academics in question regarding the meaning and reasons behind what it takes to be a successful or good performing team. In 2002, Richard Hackman from Harvard Business School published the “Five Factor Model” to be used as a tool for designing work groups. The model examined the criteria for what makes a successful team as well as the conditions for which the team is working to enhance the likelihood for success (Hackman, 2002).

While all of the former mentioned writers have laid a foundation for the literary approaches on the topic of teams, one team of writers, Gilley et al. (2010), has combined most of these prolific theories into one integrated model. “Integrated Theoretical Model for Building Effective Teams” has combined many approaches, as they all share equal importance in the measurement of developing an effective team (Gilley et al., 2010). Their article focuses on an overview of primary aspects for team development theory including: Team Building Philosophy, Skills-Knowledge-Attitudes of Team Members, Temperament Type Theory, Characteristics of Effective Teams, Selection Theory, Team Development Theory, Performance Theory, Synergistic Relationship Theory, Charge & Charter Theory, and Change Curve Theory (Gilley et al., 2010). As a general outcome, the model can work to describe the aspects of effective teaming and the benefits that are associated with the topic when integrated into teams.

**What is the Difference Between Team Dynamics, Team Development, and Team Building?**

Teams today are more dynamic than ever as they are diverse, dispersed, digital, and ever changing (Haas & Mortensen, 2016). Team dynamics is the process of how groups and individuals act and react to changing circumstances, or as a process of negative or positive forces among the group (Hermann, 2015; Lewin, 1951). Therefore, team dynamics are the social and communicative aspects of how a team works together.

Team development and team building coincide as topics among team dynamics. However, academic research distinguishes the
difference between the two ideals. Team building suggests a
more social nature or technique, whereas team development
is regarded as a strategic intervention on team performance
(Klein, DiazGranados, Salas, Huy, Burke, Lyons, and
Goodwin, 2009). Team building is a set of strategies designed
to improve interpersonal relations and social interactions
and it used to address problems occurring in teams (Klein et
al., 2009). Klein et. al (2009) say team building is used as an
intervention to improve the team development. According to
Shuffler, DiazGranados, and Salas (2011) team development
interventions require integrating the team training tools, thus
entails a more systematic approach.

In other words, team development is an intervention on team
dynamics, and team building is a one of the possible tools used
for team development (table 1.1). The effects of team building
and team development on a team’s performance cannot be
conclusive, as many situations can differ.

### 1.2 Problem Discussion

Despite the wide range of ideas within academia on teams, the
application and impact on the development of team dynamics
within startup companies is not a widely talked about area.
Therefore, academia has so far provided limited sources.
The available knowledge on startups currently presents key
strategic ideas for new ventures, but is not relatable to team
dynamics. As startups have been identified as having a 90% failure rate (Patel, 2015), this topic works to understand if
team development can have a positive impact on a startup’s
possible future. This research area also bridges the gap
between these two topics in order to assist entrepreneurs in
the development of their team, in the hopes of securing a more
promising startup future.

In order to reach an understanding on the development of
team dynamics and the benefits of such, a framework needs to
be set for the thesis. Gilley et al.’s innovative article, “Integrated
Theoretical Model for Building Effective Teams”, offers a
guideline specifically describing the key competencies needed
from team members to work on team development, and the
main benefits as an outcome of team development (2010). These benefits include positive effects on team collaboration,
communication, productivity, employee morale, and tangible
techniques or exercises (Gilley et al., 2010). Therefore, the
characteristics of this article is a valuable tool for further
discussing analyzing the approaches in the context of startups.

### 1.3 Purpose and Research Questions

The aim of this study is to analyze efforts made while building
team dynamics within startup companies. The purpose is to
discover and present the key aspects of team development by
describing, analyzing and comparing collected data and
theoretical approaches. This can be used by entrepreneurs to
consider for their new or already existing venture. Additionally,
through a theoretical comparison of Gilley et al. (2010), a
suggestive framework is used to fulfill the research questions
(table 1.2). In addition, it is intended to study the implication
of the framework on startups combined with the articles on
startups. The ambition is to analyze the necessity of a different
approach to team dynamics and development in startups. The
results of this will work to understand the applicability of the
relative theories as a practical interpretation for startups.

The research questions aim to investigate if startups should
approach team dynamics differently than other startups
where the industries may possess different characteristics. Additionally, the research questions explore the values
startups attribute to team development, and their conscious
efforts for developing team dynamics. The research questions
will be used to fulfill the purpose. As the research questions ask
a narrower scope on team dynamics, select area from the Gilley
et al. (2010) model will been used, while other areas will remain
less relevant for the study. This study does not explore startup
success theory regarding finances or strategy, but instead
explores factors in creating strong teams of people within the
context of startups.

### 1.4 Outline

The study outline presents the following sections in a
chronological order, and covers the theory, methodology,
findings, discussions, and in the end a conclusion. Specifically,
Chapter 2, Theory Section, discusses the theoretical research
on team development in relation to startups. The focus of this
Chapter 5, Discussion, works to generate an understanding from the information gathered from the theory and data collection to fulfill the research questions. The similarities and differences among the existing literature and startup case study will be highlighted.

Chapter 6, Conclusion, provides a summary of the study, clear response to the research questions, and suggestions on further research areas or suggestions for startups to implement.

Section starts with discussing the Gilley et al. (2010) model with supportive articles and startups characteristics. Afterwards, practical implications of team development and a suggested framework for analyzing the team development in startups is presented.

Chapter 3, Methodology, explains the research strategies and choices made for this study. This section identifies the practical process while designing the study approach, interviews, and surveys, as well as the scope required for the validity and generalizability for this study.

Chapter 4, Data Findings, describe and provide visual representations on the data collected from the interviews and surveying methods. The differences between each startup case is comparatively described. This section is a combination of tables and textual data in order to clearly outline the data collected.
In this section, an overview of the best available knowledge is offered on theoretical topics related to team development and team building. “Integrated Theoretical Model for Building Effective Teams” by Gilley et al. (2010) is briefly and comparatively examined including articles from pioneering authors. This literary review is later concluded with elaborations on implications of team building and a preliminary framework suggestion for the analysis section.

To build an understanding around the research area, the literary review has two focuses; discussing the Gilley et al. (2010) article with supportive articles and exploring the team building methods and theories. Team dynamics is a term often heard of when dealing with work groups. Teams today are more dynamic than ever as they are diverse, dispersed, digital, and ever changing (Haas & Mortensen, 2016). Therefore, a critical approach to former studies carries a significant importance. While the brief summary of the presented approaches is discussed, literary review focuses on the most relevant features to the study purpose. This section continues by explaining the practical implications of team development and team dynamics. Team dynamics is the process of how groups and individuals act and react to changing circumstances, or as a process of negative or positive forces among the group (Hermann, 2015; Lewin, 1951). Due to subjectivity of the study matter, implication examples and suggestions are used for building a rather general understanding. Based on the discussion on team development, a preliminary framework is created. Combined with the preliminary framework, the arrangements are utilized for examining their applicability on startups in the following chapter.

2.1 Understanding Team Building

Gilley et al. (2010) present a theoretical model for increasing team efficiency. They communicate the integrated model (see table 2.1) with seven components extracted from previous researches which approach team development from different perspectives (Gilley et al., 2010). Gilley et al. (2010) discuss team development elements by questioning the necessity of multiple individuals for accomplishing the task, presence of a shared goal, interdependency of team members, and skill complementarity for accomplishing the tasks. This approach is highly valuable for this study as it consists of intertwined analyzes of previously generated models.

Philosophy Behind Team Buildings

To be able to understand the philosophy behind team building it is important to understand the nature of teams. Edmondson (2012) suggests teams need to constantly work on developing their structures, as the new tasks they attempt will also require a new approach that has not been done before. In other words, former structures are not applicable when working on a new task requiring an entirely new approach. Therefore, it is important to acknowledge the benefits of team development for increasing awareness.

Benefits of Team Building

Team development efforts have positive effects both on teams and team members as individuals (Gilley et al., 2010). Team
building is a motivation factor for team members, increases their self-control and helps them exploit their strengths (Gilley et al., 2010). According to Edmondson (2012), teaming creates an environment for learning opportunities, acquiring new traits, and networking for team members. West (2004) says that compared to groups which do not have a shared goal, teams are responsive to external alterations, they create a platform for learning, provide financial advantages, and they have the ability to quickly alter themselves in an effective way. According to Gibson, Ivancevich and Donnelly (2000), the value of team building is visible by their faster change-adaptation, enhanced problem resolutions, a team feeling, and improved production efficiency. Gilley et al. (2010) elaborates by saying, team development efforts increase creativity, help building problem-solving skills, have a positive effect on cooperation, interaction, efficiency, quality, decision-making, creating solutions, dedication, self-esteem of the members, and accomplishing objectives shared communicatively.

In addition, Edmondson (2012) associates teaming with production lines, because of the linear dependency of team members needed for accomplishing tasks. When the production line is structured effectively, it helps prevent inefficient use of time and miscommunication (Edmonson, 2012). Furthermore, in effective teams, team members can raise their voices, have room for experimenting, cogitating, they pay attention to each other, and can assimilate different synthesis (Edmondson, 2012). Consequently, to use the above-mentioned benefits of having a team, teams should spend conscious efforts on team dynamics development.

### Structuring Teams

Gilley et al. (2010) focuses on systematic team building. The necessary approach to team building is highlighted in this study. According to Shuffler et al. (2011) team development interventions require integrating the tools used to train teams, thus requires a more systematic approach. Williams, Graham and Baker (2003) explains their team building goals as spending efforts on:

1. Creating solutions for improving operations and interconnections of teams
2. Developing team’s inspiration and dedication
3. Finding sources and instruments for reinforcing team and increasing teamwork
4. Working with positive and negative behavioral and action-related settings at individual level.
5. Acknowledging essentiality of:
   a. Team leadership for outcomes of accomplishments
   b. Individual and interpersonal contacts
   c. Putting sources and endowments in use
   d. Purpose and foresight
   e. Techniques for creating resolutions, managing conflicts and dissimilarities
   f. Harmony, solidness and dedication of team.

By following these philosophies and strategies, teams can create their structure for team development and design their team development techniques. By these team building efforts, team members can thrive in the team, get inspired, exploit their potential, and get empowered (Gilley et al., 2010).
Additionally, Gilley et al. (2010) also highlights “Charge and Charter Theory” as one of the theoretical constructs affecting team development. Charge resembles the objectives that teams oversee and charter is explained as organizational strategy features, such as team goals and responsibilities (Gilley et al., 2010; Weaver & Farrell, 1997). Teams that acknowledge their charge and charter can have significant benefits in terms of team building (Gilley et al., 2010).

As acknowledged earlier, teams have altering properties. When team members interact, different habits and inclinations on their actions will be observed (Morgan, 2014). As team and organizational structures is a core aspect of a team, researchers approach categorization of these structures from different perspectives. In their article, Gilley et al. (2010) give place to team categorizations according to their focus orientation (see table 2.3). Gibson et al. (2000) classes teams in five categories; problem-oriented, organization-oriented, virtual, multi-disciplinary, and self-control-oriented teams. As teams gather around numerous set-ups, impact of structural differences on their dynamics can be questioned further.

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<th>Team Types</th>
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<td>Problem Oriented</td>
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<tr>
<td>Focus on problems</td>
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<tr>
<td>Organization Oriented</td>
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<tr>
<td>Shared responsibility for organizational outcome</td>
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<tr>
<td>Virtual</td>
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<tr>
<td>Relying on interactive technology, ability to work distant</td>
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<tr>
<td>Multi-Disciplinary</td>
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<tr>
<td>Team members with differing backgrounds</td>
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<tr>
<td>Self-controlled</td>
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<td>Self-regulation without superior control</td>
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<th>Table 2.3</th>
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<td>According to Mintzberg (1981), teams consist of five different components and these components can form five different configurations based on numerous factors.</td>
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Mintzberg (1981) also states that younger organizations are more likely to have simple and adhocracy (problem focused) structures. It is a common tendency that startups lack structure, as they are creating something new and is not recognized as scalable (Robehmed, 2013). However, even though Mintzberg (1981) states that it is more likely to see hierarchy-driven structures in established companies, recent studies argue that hierarchical structures are becoming outdated (Morgan, 2014). Teams undergo complex and ambiguous processes, so it is questionable if one leader can solely conduct all the essential roles (Carson, Tesluk & Marrone, 2007).

Moreover, today teamwork is structured around the expertise of the members and their independence to decide for their specialization area (Carson et al., 2007). This scaling is moving more towards autonomous structures on Morgan’s (2014) study. Morgan (2014) categorizes organizational structures in five categories based on hierarchy level and employee empowerment (See table 2.4). According to the definitions, hierarchical structures have one way interaction and limited collaboration, thus negatively impacts interoperability (Morgan, 2014). On the other side of the spectrum, in holacracy structure having circular hierarchies; upper circles are responsible for the sub-circles (Morgan, 2014). Consequently, this structure increases interpersonal interactions, thus has a positive impact on company operability (Morgan, 2014). When chronologically analyzed, former studies reason their time-context. With the advance of business systems, it is becoming easier to encounter examples which disproves the validity of these former studies.

An example of pushing power delegation norms to the limit, unique organizational structure can be observed in Gore Tex Company. Bill Gore stated that excessive hierarchy hinders the creativity, therefore in their structure, everyone works collaboratively inside the company and they are free to generate new proposals anytime (Daft, 2013). While Mintzberg (1981) explains adhocracy structure as a property of young companies, we can see this structure at a successful and established company as Gore Tex. This example shows the relevancy problems of formerly generated structures and theories today. Therefore, this example supports concerns about applicability of the former studies especially on startups.

**Approach to Team Formation and Team Member Selection**

According to Gilley et al. (2010) after deciding the team frame, the next step is to gather a team which creates an efficient and effective combination. Gilley et al. (2010) combine theories from three different perspectives while selecting and forming teams (see table 2.5). These perspectives focus on professional...
competencies of individuals, personalities of individuals and team as an entity.

According to Gilley et al. (2010), teams can be formed based on the collective individual’s skills, knowledge, and attitude (SKAs). Required SKAs for building effective teams can be summarized as “conflict resolution, problem solving, communication, organizational understanding, decision-making, goal setting and performance management, and planning and task coordination” (Gilley et al., 2010, p.14). Forming teams systematically based on compatible competencies grants them significant operational advantages (Gilley et al., 2010). There are aligning approaches to team formation seen among different perspectives. According to Stevens and Campion (1999), chronologically, teams should have right competencies, establish a shared goal, and generate strategies for developing team and individual performance. However, Hackman (2002), describes building effective teams in five steps. Teams needs to have:

1. Clear goals, performance evaluation,
2. Functional leadership for internal and external communication, and goal alignment,
3. Task-teamwork arrangement which is complex and requires collaboration
4. Access to necessary resources
5. Supportive organizational environments for employee empowerment

Ultimately, team dynamics are influenced by the enabling conditions for which they survive under (Haas & Mortensen, 2016). Haas and Mortensen (2016) say, that teams have better performance from their dynamics when then are equipped with a compelling direction for projects, a strong structure for how they will work and the roles are set, a supportive context or resources, as well as a shared goal.

Table 2.5

Differences among team members are one of the main influences on misunderstandings and resistance on getting to know one another (Gilley et al., 2010). This phenomenon is described as the social situation within a team, and is therefore a key aspect of team dynamics. Gilley et al. (2010) promote the importance of breaking down social barriers within the team in order for team members to understand one another's thought processes and decisions. The dynamics of a team can be described as the people within that team, and how they react to one another (Gilley et al. 2010; Bolton & Bolton, 2009).

In addition, for creating solutions for occurring disputes, team members should have objective efforts on problem solving (Gilley et al., 2010). Decision-making process requires
individuals to approach to the process clearly, systematically, and analytically with the consideration of future consequences and ability to identify the most suitable strategy (Gilley et al., 2010). Therefore, team members should be competent with identifying problems in detail, create a plan aligning with the company strategy, and assess the consequences (Gilley et al., 2010). During this procedure, it is likely for team members to encounter conflicts. It is also known that with the aim of curtailing conflicts, teams tend to acquire members with parallel skills and characters (Humphrey, Morgeson & Mannor, 2009). If teams are constructed around similarities, they tend to agree more in facts which negatively impact the consideration for alternatives (Gilley et al., 2010). Diverse competencies are known to foster team creativity, and complementarity can also be considered as an important team formation criteria (Gilley et al., 2010).

For implying complementarity, Mello and Ruckes (2006) states that successful work groups are formed heterogeneously, as members have significantly different backgrounds and experiences. They say that these differences can be due to various demographic backgrounds, age or gender differences, social background such as class and ethnicity, or differences in education (Mello & Ruckes, 2006). Team composition should be complementing as it is required for effective planning and task managing (Gilley et al., 2010). Being competent for managing performance is crucial as it is also directly correlated with organizational goals and purposes (Gilley et al., 2010).

As individuals are the core element of a team, it is highly important to study individuals and their behaviors (Gilley et al., 2010). Gilley et al. (2010) elaborates on temperament theory which categorizes personalities under four different styles. The categorization of individual personalities is also a highly criticized area as it limits team building (Bolton & Bolton, 2009). Because of these extreme differences influencing team dynamics, teams can evolve if team members pay attention to one another’s assertiveness and responsiveness to given situations, for better predicting future situations and how to communicate (Gilley et.al, 2010). When individuals have relationship skills and exploit them, they can form an efficient and secure work environment (Wright, 2005).

“In fact, it is extremely difficult to produce the performance results desired by a team without team members establishing positive working relationships” (Gilley et al., 2010, pp.23).

Therefore, when teams work on communication through synergistic relationships, they can improve their individual confidence, efficiency, communication, organizational understanding, and commitment (Gilley et al., 2010). Aligning with Wright’s argument, Gilley et al. (2010) explains a new take on Synergistic Relationship Theory. When individuals work interdependently - with synergy - it instantaneously positively impacts both the individuals and the organization (Gilley et al., 2010).

Aligning with Gilley et al., Pentland’s (2012) stance on the most important aspect of team dynamics also includes communication. They say, communication is justified by the intellectual skills of team members, personality characteristics, professional traits, and the discussion-holding abilities. According to Pentland (2012) other shared characteristics of successful teams include, equal air space for everyone, face-to-face interactions, interactions between all team members, multi-dimensional communication, and members’ ability to import external facts.

Furthermore, Organizational culture plays a large role in the commitment of team members (Messner, 2013), and commitment is undoubtedly an important characteristics of team members. It is also stated that creating a positive, strong company culture at a startup is one way to help ensure longevity of their business (Burke, n.d.). Edmondson (2012) explains features of commitment under two categories: project management and team leadership. Edmondson (2012) elaborates on this with efforts as project scoping, group structure, employee empowerment, highlighting the goal, securing psychological needs, and welcoming failures and conflicts are the remedy.

When the implication of team development is studied, differences between startups and established companies should be considered. There are several significant features of startups which require different approaches than established companies. A startup is a new business venture with the tendency to have a lack of structure while creating something new and is not recognized as scalable (Robehmed, 2013). Startups also often have people with the ability to perform a diverse skillset, because unlike large corporations, startup companies often require employees who can juggle various roles (White, 2017). Therefore, while forming groups and structures for startups, unique structural conditions of startups should be taken into consideration.

Team Stages

Team development as an intervention has been described through various innovative theoretical views. On the fourth part of their study, Gilley et al. (2010) gives place to stages of team development generated by Tuckman and Jensen. They suggest multiple stages that teams must move through to reach optimum functionality (Tuckman 1965; Tuckman & Jensen, 1977). Tuckman and Jensen’s (1977) article describing teams’ experience a sequence of stages of group development, has
been the most profound model within the field as it is referred to continuously. The process described by Tuckman involves the following stages shown on table 2.6.

Tuckman and Jensen (1977) sequence worked to explain the changes of behavior within group settings from both the social and task norms over time. The first stage, Forming, focuses on issues of inclusion as the group commences, and team members try to understand the type of acceptable behaviors between members (Wheelan & Williams, 2003). It is in this stage when team members are feeling slightly nervous. The second stage, Storming, evolves as competition for authority, disagreements may arise, team member familiarity starts to take shape, and can also clarify the goals and values of the team (Wheelan & Williams, 2003). The third stage, Norming, is a point in which trust and mature negotiations can be reached to obtain the goal. It is here where the group structure and division of labor occur (Wheelan & Williams, 2003). The fourth stage, Performing, is described as an area for open idea sharing, feedback, task performance, and working to reach the end goal (Wheelan & Williams, 2003). Finally, Adjourning, is described as the final termination of the group at the end of a project or purpose.

Gilley et al. (2010) correlates Change Curve Theory to the team stages. This theory explains the four phases that individuals encounter during a change process which is shown on table 2.7 (Gilley et al., 2010). The four quadrants of the model are used for supporting and explaining the tendencies that team members have during different stages (Gilley et al., 2010). In other words, this model can be used for interpreting Tuckman’s model through a new lens. Another model which is linked to team stages and change curve is “Performance Curve Theory” (Gilley et al., 2010). This theory focuses on the correlation between team efficacy and performance impact and advocates; the more mature a team becomes, the more efficient they work (Gilley et al., 2010).

When creating the theory, the purpose of Tuckman (1975) was to trigger more dialogue on the topic and to challenge the idea that groups enter stages (Tuckman, 1965). At the time Tuckman was aware that his theory would need to be tested further very well complete a task or project successfully, but perhaps they didn’t really have a fight, or they didn’t fully get to know one another, or provide feedback (Bonebright, 2010). There is the possibility to have a good team without needing to complete all of the stages, additionally, do these stages need to come in this order (Bonebright, 2010). Furthermore, the limitations of the model are substantial, as all teams are in unique situations. Rickards and Moger (2000), recognize that the model lacks an explanation for how groups change over time and also awareness that the timespan they are working under fluxuates.

### 2.2 Practical Implications of Team Building

Aside of above mentioned studies, new models and theories are constantly suggested for implementing team development. Due to the subjective nature of the research area, the models are regularly criticized and build upon each other. To start with, for teams to foresee strong team dynamics, the following dysfunctions were identified as a guideline of negative influential situations to avoid. Team development is used as an
intervention on these types of teaming issues. There are ‘Five Dysfunctions of a Team’ originally highlighted by Lencioni, describing issues which must be conquered before a team can reach their full potential (Hackman, 2006). These common dysfunctions include (1.) Absence of trust (2.) Fear of conflict (3.) Lack of commitment (4.) Avoidance of accountability (5.) Inattentiveness to results. When these aspects can be resolved the team can evolve. Hackman (2006), suggests that these issues can be resolved through team building techniques such as “tests and exercises to guided discussions and tutorials that addressed concrete problems members were having with their work or with each other” (pp. 1). Hackman (2006) says, there are no quick fixes for a team problems, as learning processes can be slow, particularly because the process requires lots of repetitions from basic lessons, and also required a great deal of time and patience to work though. To move the process faster along, it is suggested to intervene with team building practices.

In addition to generalizing team development models, there are also several features highlighted for working within startups. The initial phase of working on team development for a startup begins from the moment new employees are hired (Forbes, 2012). It is suggested to recruit entrepreneurial-minded, flexible people, who have the competencies that the manager is lacking to have a balance of skills (Forbes, 2012). To let this business take shape, it’s important to recognize the roles that must be filled for a business (Forbes, 2012). “One aspect that stays fixed throughout each startup are the initial roles and responsibilities that the founding team performs in order to bring their product to market and begin initial growth” (Gillivan, 2016). These roles include sales, product building-technology, financial management, marketing, operations-from systems and processes, and research and development (Gillivan, 2016). As mentioned, startups often begin with team members juggling multiple of these roles at once (White, 2017). To be able to assess how these roles should be juggled, it is suggested to perform a strength and weakness activity to see who fits best with each role (Gillivan, 2016). Teams in startups are often developed as managers look to the rituals and competencies performed by older and successful startups (Forbes, 2012). Startups are often inspired to perform as a team, based on involvement in incubators and entrepreneurial events (Entrepreneur, n.d). While the knowledge on startups is becoming known, there is limited research revealing ways in which startups have been developing their team beyond the measures mentioned.

Team building involves techniques and activities to break down the social barriers hindering communications and conflict resolution skills among team members (Klein et al., 2009). It is considered the most commonly applied group development interventions in organizations (Klein et al., 2009). Team building is an important part of team efficacy as it promotes self-development, positive communication, enhances employee’s ability to collaborate and to problem solve (Gilley et al. 2010). Problem solving becomes more efficient and easier to respond to (Gilley et al. 2010). Team building is non-systematic, in comparison to team training which works to develop the team skills; therefore team building does not fit into the context of skills (Klein et al., 2009). Additionally, team building improves the working environment making it more enjoyable, where employees have a sense of belonging (Gilley et al. 2010). Team building also helps to utilize team member strengths, ensuring that the product/services are at a higher quality (Gilley et al. 2010). Klein et al. (2009) site Macy and Izumi’s study of 131 various organizations effects of team building interventions, the consensus from the study assured that team building had a positive impact on the performance and financial measures of the organization.

Team building consists of four approaches: (a) goal setting, (b) interpersonal-relationship management, (c) role clarification, and (d) problem solving (Shuffler et al., 2011). Klein et al. (2009) say it comes in many forms, including outdoor experiential activities and indoor group process discussions. They say, “No one is quite sure how and why these interventions work, or if they even work at all. Considering the vast sum of money directed toward the development of teams in organizations, it is important that practitioners (and researchers) gain a better understanding of the effectiveness and boundary conditions of team building today” (pp. 182).

Despite the positive connotation on team building, Klein et al. (2009) deny any evidence that team building has a true effect on team performance as various studies have been inconclusive or with mixed results. Team building only works when it is designed for the right type of work group, and it needs to be an appropriate intervention for that group (Shuffler et al., 2011). Shuffler et al. (2011) says it should not create a sense of being left-out for anyone; such as a physical activity or competition may not feel comfortable for everyone in the team. The group needs to be up for the challenge. (Olsen, 2009).

A practical example of team building techniques that startups utilized in California, include a forest survival challenge (Greenfield, 2015). They believe that survival situations forces team members to collaborate, thus helps building a team culture while criticizing afterworks with their lack of connection to team collaboration (Greenfield, 2015). Another point made is effects of this exercise is not tangible or solidly
visible, however they communicate that it doesn’t guide behaviors but grants experience (Greenfield, 2015). On the other hand, Olsen (2009) argues the importance of choosing activities that are specifically suitable for the team. Activities that are forcing team members to compete with each other can lead individuals to dropout and prevent fulfilling the aim of the exercise (Olsen, 2009). Teams can also back away from these techniques due to resource limitations under critical periods where team building is actually of high importance (Olsen, 2009). Olsen (2009) recommends teams to include real world problems, account different personality types, and choose an internal or external facilitator while running team building activities.

Team building can range from social, sporting, adventure, team planning, creative communication games, problem solving activities, trust and emotional intelligence activities (Keavney, 2016). The following table reveals how the activity is intended to impact the team.

### 2.3 Suggested Framework

Team development studies offer suggestions with aligning commonalities. Gilley et al. (2010) discuss team development characteristics by questioning the necessity of multiple individuals for accomplishing the task, presence of a shared goal, presence of interdependency of team members, and skill complementarity for accomplishing the tasks. As discussed during the theory section, even though the literary authors categorize these components under different titles, the essence of their discussions are highly associated.

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<tbody>
<tr>
<td></td>
<td>Social</td>
<td>Sporting</td>
<td>Adventure</td>
<td>Planning</td>
<td>Communication</td>
<td>Problem Solving</td>
<td>Trust, Rapport and Emotional Intelligence</td>
</tr>
<tr>
<td></td>
<td>Designed to reward staff with a break and enhance team relationships by facilitating a non-work social event</td>
<td>Designed to enhance team work and relationships by facilitating a non-work based sporting event</td>
<td>Designed to enhance team relationships by taking staff out of their comfort zones and facilitating a non-work based adventure event</td>
<td>Designed to develop a shared understanding, vision and team work plan</td>
<td>Designed to enhance team work, relationships, creativity, communication skills and emotional intelligence</td>
<td>Designed to enhance team work and productivity by driving team cohesion, understanding of others, relationships and self awareness</td>
<td>Designed to enhance team work and productivity by driving team cohesion, understanding of others, relationships and self awareness</td>
</tr>
<tr>
<td>Examples include team lunches, after work drinks and key milestone celebrations</td>
<td>Example include touch football, ten-pin bowling and golf days</td>
<td>Examples include abseiling, obstacle courses</td>
<td>Examples include facilitated planning workshops and brain storming sessions</td>
<td>Examples include team presentations and improvisation activities</td>
<td>Examples include group micro-construction tasks, mind bending puzzles, brain teasers, team to create and solve their own problem</td>
<td>Examples include icebreakers, trust and rapport builders, personality questionnaires and facilitated group reflection</td>
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**Table 2.8**

**Table 2.9**
Gilley et al. (2010) suggest approaching team building by first evaluating team philosophy, and secondly through team forming and team member selection. Lastly, they recognize team stages through supportive theoretical models. As pointed out on the literary findings, internal and external features have significant impacts on the startups structural setup. Therefore, it is crucial to discover the company-specific settings and tendencies for evaluating team development in startups.

Gilley et al. (2010) summarizes the essential competencies for team building as conflict handling skills, solution creating and executing abilities, interpersonal interaction, having a shared understanding in organizational level, operation management abilities, and cooperative efforts. However, it is important to consider features such as company frames, complementarity, resource utilization, commitment, and employee morale as essential competencies as well. After discussing and comparing Gilley et al.’s (2010) stance on supportive articles, table 2.9 is generated for discovering team dynamics of startups through various perspectives.

After creating the suggestive categories for examining the team development efforts on startups, it is highly important to create sub-features for covering them by various perspectives. It is believed that these sub-features can facilitate in depth analysis of the suggestive categories. For accomplishing the purpose, Gilley et al.’s (2010) points are argued with other forthcoming authors’ perspectives as well as startup-specific facts through the theory section. The category features, along with the intentions are planned to be used for examining team development in startups are communicated in table 2.10.
3. METHODOLOGY

3.1 Research Method

As the aim of this study is to analyze efforts made while building team dynamics within startup companies, the methods used have been selected to best describe conscious efforts and team development techniques. The Research Method section describes the research style used throughout the study. While designing the research method, the “Research Onion” tool by Saunders, Lewis and Thornhill (2012) is used as a guideline.

The study aims to evaluate the team development awareness and efforts on startups. However, there is not sufficient research particularly regarding existing team development within startups. Previous research approaches for established companies might not be relevant for the startup culture. Thus, the study has a critical point-of-view for the correlation between the literature review and data findings. Therefore, a pragmatic stance is taken throughout this study. Saunders et al. (2012) explains pragmatism in studies with practical consequences as the most valuable element for data interpretations. Since comparing the literature review and data findings is accomplishing the purpose of the study, an abductive approach is selected. An abductive approach is explained by Saunders et al. (2012) as exploring the generated literary ideas and testing them with collected data.

In the study, both qualitative and quantitative methods are used for data collection. The interviews have a qualitative approach, while quantitative surveys are used to assure the reliability and validity from the interview responses. During interviews, the half-structured approach is used for helping the study capture a deeper understanding on topics necessary. Gilley et al.’s (2010) innovative article, “Integrated Theoretical Model for Building Effective Teams”, offers a guideline specifically describing the key competencies needed from team members to work on team development, and the main benefits as an outcome of team development. Therefore, the topics from this article have been used as a guideline for creating the interview questions, to assure that the interviewed subjects fully cover the topic of team development from numerous bases. Ultimately, this helps the study to develop and understanding of the tendencies occurring within startups, and how these elements can be supported theoretically. The interview outcomes might be misleading for the analysis when not answered honestly due to the limited number of interviews. Therefore, while the study structure is mainly based on the qualitative findings, the surveys function to better control the interview outcome. The study values this approach because it will facilitate cross-company evaluations.

For a strategical comparison on the startup theoretical data, a case study strategy is used. George and Bennett (2005) explains the case study strategy as a means for making an analysis of particular cases, as well as evaluations between multiple cases. The primary reason behind the case study approach is the generate the least generalizability of startup structures and dynamics compared to established companies. The timeframe
and purpose for evaluating practical applicability are also the
decisive reasons for the case study choice.

The data collected has compared interview and survey
responses between the three different startups to see the
common tendencies or existing differences among the
findings. To explain the analysis based on the responses, the
literature stems to support the ideas. The data collection is in
this instance, subjective, as each interviewer shares a unique
experience within their startup. Therefore, the data collection
has been inductively reasoned to offer an understanding of
common trends. For confidentiality purposes the startup
companies have been renamed anonymously as, Lunda-Bag,
Digimö, and Consult.

In conclusion, the research method of the study can be briefly
explained as pragmatic, abductive, a qualitative case study
approach, and with use of inductive reasoning.

3.1 Research Outline

The research structure coincides with the methodology choices
described in the research methods section. The literature
review is applied to the study by offering a theoretical
background while defining the scope of the research. Through
reviews and summarizations of already existing literature on
team dynamics and startups, the study has identified the most
prolific theories to better understand the logic surrounding
the fields. Keywords and prolific theories described are team,
team dynamics, team development, and team building.
Additionally, the researchers created a preliminary assumption
on the expected behaviors of startups on team development
theories.

The theories have also worked as a guideline when communicating with interviewees and formulating survey
questions. The interview and survey questions (see appendix)
are created based on Gilley et al.’s (2010) argument and
detailed by supportive literary data. The categories which are
utilized for analyzing startups are:

For the application of case study strategy, this study focuses
on the findings from the three startups located in Lund,
Malmö and Copenhagen. With this approach it is intended to
evaluate tendencies within the geographical location where
study is conducted. These cities have a strong startup culture,
thus have relevance for data collection and are present in a
narrow geographical area. One of the challenges of this study
is to collect data from startups which is sufficient for cross-
comparison both with theories and within startups. Therefore,
several criteria were created during the startup selection
process. All three companies have a lifespan of less than five
16 years old, and the amount of employees are greater than five to have enough evidence to observe the structural creation efforts and formation of team dynamics. The selected startups are from three different industries. The purpose behind this criterion is to prevent industry-specific dynamics to mislead the focus of the study. There needs to be a relevant number of team members (five people or more) to truly examine the inner-workings of a team. The teams must also be less than 5-years-old, to ensure newness and to fulfill the definition of a startup.

During the study, four interviews were conducted with the duration of approximately one-hour each. The three interviews were with the startups’ key managers and/or CEO. With one case company, contradictions between several question responses were observed. Therefore, a following interview with a team member was conducted to search for continuity of the interview outcome. For confidentiality, companies are referred to throughout the study, based upon their industry. Following the interviews, a 20-question-survey (Appendix B) was provided to startups. The surveys were answered anonymously by nine team members in total. The survey questions measured the agreement or disagreement on matters concerning that startup’s team and individual team members’ opinions in regard to their team development and dynamics.

During the analysis, the applicability of team development methods and techniques on startups are analyzed through a comparison to the framework related to Gilley et al. (2010). As the research questions ask a narrower scope on team dynamics, select area from the Gilley et al. (2010) article will be used, while other areas will remain less relevant for the study. This will be clearly explained in the discussion. Aligning with the purpose, the interviews and surveys have been compared to existing theories, to inductively conclude team dynamics concepts for startup stakeholders to consider while running a business. The interview and survey responses revealed the tendencies that are reoccurring among several startups and reflected managerial ideas, and team members’ ideas on aspects regarding team development. Afterwards, expected outcomes based on the theories and inapplicable approaches are discussed alongside the nature of the case startups according to the collected data.
This chapter identifies the tendencies and efforts on team dynamic development through comparison of interviews and surveys collected among three different startups. The chapter is structured so that each key topic with short answers will be shown through a chart, and will be drawn into further observations below each chart where there were major differences among the interview responses. The first section, 4.1, gives an overview of company backgrounds and overall characteristics regarding the understanding of teams and team development. This section continues by showing how the startups’ current team dynamics are working, in relation to the topics outlined from Gilley et al. (2010). Lastly, section 4.2, shows observations on data which is outside of the Gilley et al. (2010) framework and can be considered as contributions to this study.

These are the results of qualitative interviews and quantitative surveys conducted for the research. The end of section 4.2 will clarify the results from the survey questions, and will be compared to the interview responses to test the validity from the interviews. For confidentiality purposes the startup companies have been renamed as, Lunda-Bag, Digimö, and Cønsult.
4.1 Findings Related to Framework

Company Background

<table>
<thead>
<tr>
<th></th>
<th>Lunda-Bag</th>
<th>Digimô</th>
<th>Cønsult</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td>Backpack</td>
<td>Software</td>
<td>Consultancy</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>2.5 years</td>
<td>2 years</td>
<td>1.5 years</td>
</tr>
<tr>
<td><strong>Number of Employees</strong></td>
<td>10</td>
<td>7 employees 2 interns</td>
<td>10 employees 2 interns</td>
</tr>
<tr>
<td><strong>CEO Background</strong></td>
<td>Business</td>
<td>Engineering</td>
<td>Business</td>
</tr>
<tr>
<td><strong>Finance</strong></td>
<td>2.5 million SEK crowdfunding</td>
<td>Bootstrapping</td>
<td>x</td>
</tr>
</tbody>
</table>

All three startup companies interviewed were from different industries with different team sizes. Lunda-Bag was founded as a side project by its CEO. The CEO has 15 years of multinational corporate background. One of the most valuable experience for them was winning 2.5 million SEK from a crowdfunding campaign. They are steadily growing brand recognition, and are mainly focusing on scaling up their company. Their driving force is to create a brand and a community with shared values. Currently, there are both full-time and freelancing employees in the startup operating from five different locations.

All the team members of Digimô have a background in computer science or mathematics. The CEO and COO were friends before they founded the startup, and other team members were not hired after being mutual acquaintances.

Currently, there are seven employees and two interns in the startup. They are developing a sustainability management software tool for industry use.

Cønsult was founded by four co-owners. All co-owners knew each other before. The organization structure of the startup is holacracy. Cønsult has the greatest number of employees despite being the youngest. Apart from four co-owners, the startup has two interns and several team members which are working as freelancers on projects. According to the interviewed co-owner, running a bigger team has a positive effect on their personal relationship. As their working hours can reach up to 70-hours a week in the consulting industry, the co-owner stated that full dedication is one of the essential aspect of their startup.
Understanding on Team, Startups, and Team Development

<table>
<thead>
<tr>
<th>Awareness of Team Development</th>
<th>Lunda-Bag</th>
<th>Digimö</th>
<th>Cønsult</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
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<table>
<thead>
<tr>
<th>Understanding of Team Development</th>
<th>Lunda-Bag</th>
<th>Digimö</th>
<th>Cønsult</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right team composition and balance</td>
<td>Strong social interactions within team</td>
<td>Respect, trust, helping each other</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Understanding of Startups</th>
<th>Lunda-Bag</th>
<th>Digimö</th>
<th>Cønsult</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brittle structure, Undefined roles, Fast changing goals</td>
<td>Mission driven, Trying to be sustainable</td>
<td>Insubstantial structure, More mistakes, Faster learning</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Satisfied Team Attributes</th>
<th>Lunda-Bag</th>
<th>Digimö</th>
<th>Cønsult</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multinationality, Challenging each other, Transparency</td>
<td>Impact-oriented structure, Altruistic behavior, Hardworking members Team feeling</td>
<td>Respect, Decision-making, Encouraging atmosphere</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dissatisfied Team Attributes</th>
<th>Lunda-Bag</th>
<th>Digimö</th>
<th>Cønsult</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
<td>External struggles related to holacracy</td>
<td></td>
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<table>
<thead>
<tr>
<th>Conscious Efforts on Team Development</th>
<th>Lunda-Bag</th>
<th>Digimö</th>
<th>Cønsult</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly feedback sessions, Scheduled badminton time, Organized expo trips</td>
<td>Scrum methodology in weekly meetings, Merging two offices, Lunch breaks</td>
<td>Team discussions on weekly meetings, One member actively searches team building methods</td>
<td></td>
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<table>
<thead>
<tr>
<th>Former Experience</th>
<th>Lunda-Bag</th>
<th>Digimö</th>
<th>Cønsult</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO - 15 years corporate background, All team members have experience</td>
<td>Everyone has varying work experience</td>
<td>Co-owners has consultancy experience at big forms, almost everyone has former experience</td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>Shared Goal</th>
<th>Lunda-Bag</th>
<th>Digimö</th>
<th>Cønsult</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, constantly changing with growth</td>
<td>Big common, small individual goals</td>
<td>Only co-owners due to commitment level</td>
<td></td>
</tr>
</tbody>
</table>

Discussions on Team, Team Dynamics & Team Development
There were similarities and differences on the understanding of the team responses of the CEOs. According to Lunda-Bag, it is the team which is behind every successful company or brand. The CEO elaborated with that in a team, individuals challenge each other's ideas and bring in new perspectives to the company strategies. The CEO of Digimö explained teams as unification of people around a common goal. Thanks to the discussions they have around their shared goals, they keep individual goals aligned with their greater goal. Consult’s approach was being a part of something bigger and appreciating value of being surrounded by people. According to Consult, when other companies are approaching team members for possible job opportunities, it is the mutual trust which holds them together as a team and their commitment and combined competencies.

In the manner of team dynamics, Lunda-Bag believes that it is greatly linked to 360-degree feedback, honesty and mutual openness as well as exploiting strengths, weaknesses and limitations of individuals in the team. Connected to the team definition, a multicultural team is essential for successful team dynamics for them. How individuals affect each other as a team is Digimo’s understanding of team dynamics. For them, the most important elements of team dynamics are the strong social interactions, role understandings, and general predisposition of certain behaviors in certain situations with each other. On the other hand, team development for Consult is the energy they use for making each other better on fulfilling their tasks and developing their individual skills. According to them, having structured meetings to discuss team building is highly important.

Conscious Efforts on Team Development
According to the CEO of Lunda-Bag, their road trips helped them developing their personal understandings of each other’s character. This allowed them to interact in a different way than an office environment. Participating in the expos and communicating with customers as a team, also positively affects their team dynamics.

The CEO of the Digimö stated that they are not working enough on team development. However, the scrum methodology usage on weekly meetings helps them evaluating the company from
all perspectives. They could immediately observe the positive effects of merging two offices and having lunch breaks together. Due to the fact that team development theories are intuition based, not usually proven by evidence, they hesitate implementing them in their organizational structure. Instead, they actively consider implementing team building exercises as they can analyze their adaptability more practical than theories.

Consult had a different stand in this subject. One of their team members is actively working on searching theories and techniques and sharing the findings via different channels with co-workers. Conversely, due to their vast workload, they are struggling with implementation of theories and techniques.

**Discussions on ‘Startup’**

Regarding the meaning of startups, all companies had a similar approach with their definitions. According to Lunda-Bag, the biggest difference for them was that in startups, team members juggle several roles at the same time. From the employee perspective, startups are not perceived as well-paid work environments. However, the biggest motivations for individuals to select working on startups are the ideology of startups and vast learning opportunities within them. Stance of the CEO of Digimö is startups have a common habit of making more sustainable and better products with lower costs. In Consult, due to the fast learning attitude of startups, they have a better chance of avoiding same mistakes occurring. Their former work experiences facilitated their efforts while founding their startup and managing projects as well. Furthermore, startups tend to try new features and work on betterment continuously. Even though this constant change creates a slightly more chaotic atmosphere compared to established companies, it is an advantage for the company in the long run. Moreover, startups are more limited in terms of resources which makes company actions and decision-making processes more complicated.

## Collaboration

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<th>Lunda-Bag</th>
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<tr>
<td><strong>Task Delegation</strong></td>
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<td><strong>Leadership Style</strong></td>
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In terms of task and responsibility delegation, the startups had differing answers. The CEO of the Lunda-Bag believes that he shouldn’t interfere with team members’ responsibilities and instead focus on meetings, marketing, and customer value. CEOs should manage the overall strategy; however the execution should be conducted together. At Digimö, tasks usually have a linear structure; product of one members’ task is source of the next one, so they don’t have alternatives for task delegation. The CEO is accountable for high level responsibilities, such as long term planning and crucial decisions. At Consult, co-owners have delegated fixed responsibilities; sales and network, finance, product development, and product facilitation. For task delegation, they are utilizing a CRM system. Poolio program helps them visualize team members’ competencies and identify who fit the tasks best.

Aside of responsibility delegation, the startups had differentiating leadership styles as well. The person who says the last word in Lunda-Bag is related to the involvement level. The CEO is always open to discussing their strategies. At Digimö, even though CEO has the last word on decisions, he is consciously working on avoiding blind authority. He is trying to listen to team members more and take all ideas into consideration. Furthermore, in the areas where the CEO is not competent with, he is authorizing the responsible members to make decisions. The co-owners of Consult avoid micro-managing the team. Team members are authorized with decision-making and co-owners are always reachable when help is needed. Consult believes that employee empowerment adds value to their startup as they can exploit team members’ unique way of thinking.
At Lunda-Bag, the CEO conducts weekly individual meetings with the team members. During the meetings, they discuss the positive and negative points, and weekly planning as well as giving mutual feedback for building a shared understanding. They respect every team member’s workload; therefore, they have shorter but more professional meetings for increasing efficiency. The scheduled meetings are only between the CEO and team members individually, nevertheless team members are open to share their ideas and opinions whenever they want.

The CEO of the Digimö stated that with growth, creating a systematic approach to reflection for securing the transparency within the team becomes more important. Currently, their transparency is more organic. The CEO also mentioned that he doesn’t have altering tones in different occasions. He added that he has a serious personal tone due to his personality. He constantly works on providing equal air-space to all team members by encouraging them to speak up on topics where they might feel more comfortable. Team members are encouraged to reach him whenever they need. As an example of their openness, when the CEO makes a mistake, he voices it out to team members, so that both he can learn from his mistakes more constructively and hearten other team members to approach to their mistakes with the same manner.

In the case of Consult, as they meet clients in daily basis, giving daily feedback on progress is important for them. All co-owners and team members are open for constructive feedbacks with the aim of developing each both personally and professionally. The CEO confidently says that they are open about their success and failures. Moreover, respect is one of their core value, so if a team member struggles with his/her task because of personal problems, they have an understanding approach. When team member can fully commit again, they switch to a more neutral tone hierarchically. The CEO explains this approach as “buddy-leadership”. Time pressure has also an impact on their tone as well. In terms of air-space, team members in Consult occasionally criticize attitude of discussion-dominating-members with humor. The interviewed co-owner however, constantly tries to involve others who are competent with the task.
Lunda-Bag used to have 9 o'clock meetings with all the team members from all locations. As efficiency of these meetings decreased, they were canceled. Instead, team members contact each other when needed or use the weekly meetings. According to the CEO, even though role juggling affects productivity negatively, it also allows team members to have a better understanding of multi-dimensional operations. They can also develop understanding on the other team members’ processes. In Digimō, team members have different behavioral approaches in the work environment. Some team members prefer to work alone, and others prefer interacting with each other while working. Personally, the CEO prefers working individually and sharing the progress in the meetings due to efficiency. With a mutual empathetic approach on working styles, they limit the personal-level interactions to coffee and lunch breaks. At Consult every team members are welcomed to reach each other when needed. For projects which require collaboration of various competencies, team members help each other without taking over the role of the project responsible.

Each startup interviewed has a team of people with a skill or background that was an asset when hiring. Despite the differences on diversity, all startups share a well-balanced and competency-based role distribution. The competencies range from computer and software skill, product fulfillment, sales and marketing, finance, business consulting, and design. Of the three companies, Digimō is potentially lacking more competencies due to their background, however they are diligently working to develop their weaker points, such as in sales.
In terms of communication tools, startups are using several similar and industry/company specific communication platforms. While Lunda-Bag uses Trello for process tracking, Consult prefers Poolio, Pipeline, and Kanben for process tracking and Disk for competency tracking. In addition, both Digimö and C use Slack for internal communication. Sales integration program Hopspot is mentioned to be useful by Digimö as it synchronizes with Slack. Lastly, while Digimö is using Pivotel to support their scrum method, Consult is using LinkedIn for reaching their potential customers.

When external interactions were examined, all startups had differing responses. Digimö views interacting with other startups useful as they can help each other related to problems and experiences. However, CEO of Digimö also mentioned that they are more helpful for other startups than they are being helped. Consult on the other hand puts an important value on startup network due to their industry specific needs. They benefit from startup events as they acquired an external consultant which helps them develop their organization.

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<tr>
<th>Communication Tools</th>
<th>Lunda-Bag</th>
<th>Digimö</th>
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<tr>
<td>Skype, Google Drive, Cloud sharing, Trello</td>
<td>Skype, Google Drive, Cloud sharing, Slack, Hopspot, Pivotel</td>
<td>Skype, Google Drive, Cloud sharing, Poolio, Pipeline, Kanben, Disk, Slack, LinkedIn</td>
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<th>External Contacts</th>
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<td>Legal consulting from incubation center, Customer focused expo events</td>
<td>Social environment of incubation center</td>
<td>Attending periodic startup events, External organization consultant</td>
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<th>Forming the Organizational Structure</th>
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<td>Hiring by role-competency matching</td>
<td>The first member who start working with the role became the department manager</td>
<td>Hiring by role-competency matching</td>
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<th>Conflict Handling</th>
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<tr>
<td>Individual meetings with team members</td>
<td>CEO needs to be reached, then voiced in the next meeting</td>
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<th>Conflict Tone</th>
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<th>Standing Behind Ideas</th>
<th>Lunda-Bag</th>
<th>Digimö</th>
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<th>Decision-making and Solution Identification</th>
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<td>Lunda-Bag</td>
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<td>Forming the Organizational Structure</td>
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<td>Standing Behind Ideas</td>
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While creating the organizational structure in startups, Lunda-Bag and Digimö had more organic approach. Lunda-Bag prefers referring to conflicts as discussion and open feedback. They believe that conflicts arise from miscommunication and can be solved through discussions. The CEO of Digimö mentioned particularly that when he disagrees, he look after persuasive arguments to change his mind. Their behaviors are more organic than structured based on shared transparency. Yet, the CEO is aware of the fact that as they grow, the necessity for a more structured system increases. In the case of Consult, they had professional help while creating their organizational structure. The four co-owners of the startup had a workshop with an external consultant about their organizational structure in the very beginning of their venture. Tone adjustments during conflicts was deliberately asked to Consult as the co-owners are acquaintance outside of work. The interviewed co-owner stated that he is proud with their ability to separate their professional and friendly tones according to different environments.

According to the responses from all the startups, it can be seen that structures are highly role and competency oriented. Due to the lack of resources, team members work as departments individually. New members join the teams when workload of a team members is unbearable or a new competency is needed for expanding their work field.
Commitment level of team members are based on different factors in all the startups. Digimö has some people working 30% more than others, but everyone still gives more effort than they have to. The more some work, the more it pushes others to work harder too. There are 2 types of motivation: 1) impact from long term (vision) 2) those who want to work in a startup to build something cool and see the fruit of their labor.

At Digimö, merging two offices to one place helped them improve their team feeling. In the manner of being heard, occasionally some team members feel that they are not listened to. As a personality trait, the CEO admits that he normally speaks in an authoritative way. He received feedback from team members regarding his tone, which can make them feel afraid while bringing up issues because of his reaction. As they are being honest and bringing this issue up, the CEO is constantly working on his attitude. He highlighted the importance of honesty for improving internal communication.

The co-owners of Cønsult rented a summer house for a team building weekend. According to the co-owner, this activity had a positive impact on their personal interaction as well. He also pointed out that, afterworks positively affects their team. On the other hand, even though they agree on not discussing work on their afterworks, they start talking about job-related topics after a while. They are a stage 5 team according to a stage test they took anonymously. According to the co-owner, team members invest too much for the company, that’s why co-owners really work on making them feel happy in the company. Except one shy team member, the team believes and perceives that they are heard by the managers. Co-owners actively talk and try to encourage the hesitant team members. However they are struggling with the balance between being encouraging and pushy.
Results from Surveys

The survey was provided to team members, aside from the CEO. The survey has been compared to the interview, to test to overall attitudes of the team following the interview. Overall, it was observed the interviewees gave consistent responses. The comparison between the interview and survey results revealed no alarming contradictions. In other words, the CEOs and team members have a relatively fair shared understanding on how they currently perceive their team. However, there were some questions where team members answered slightly differently compared to other team members.

For instance, the CEO of Lunda-Bag was certainly aware of the importance of the team for the future of the company. One of the biggest responsibilities of the CEO is to constantly help team members develop and let the team members grow the company. However, a striking comment was received from a team member of Lunda-Bag. According to the team member as a long corporate background of the CEO had both negative and positive effects on their team dynamics. As the CEO formerly managed large international teams, he was successful in exploiting the skills of team members. However, as the nature of startups are quite distinctive from corporations, according to the team member, the CEO also has struggles adapting to the startup industry. When survey results were compared, there were two striking features as team members perceived the team dynamics differently. While one team members answered that he/she highly believes to be heard and listened, two team members answered the survey with quite low scores. Another difference observed was about giving feedback. While two team members were confident about giving feedback to other team members, one team member is hesitant towards giving feedback.

The survey collected from Digimö revealed that the team does have varying opinions about the team. However, during the process of this study, Digimö was operating from two different offices, and was transitioning into one larger office. On a follow up conversation, the positive effects of merging two offices were immediately visible. This helped them to increase the team feeling as well as interpersonal interactions due to the fact that they spend more time together in the office. According to survey results, team members have different perception about efforts they spend for personal growth. The range of answers vary from very low to very high. On the other hand, they are also highly satisfied with how much they help each other and cooperate when needed. If asked in the future, their responses would likely be different as they just experienced an organizational change.

A remarkable finding was even though Consult said they are not consciously working on team development, based on their answers to the following questions, it was observed that they are the company which puts the most effort on team development among case startups. The co-owners of Consult recently rented a summerhouse and had a team development workshop together with team members by several case studies. After a stressful and successful deadline, they also awarded their team members by renting hotel rooms for them for a day. According to survey results, co-owners agree on freedom given to team members as interviewed co-owner stated. There are also several factors the co-owners don’t have shared understanding. One co-owner highly disagrees on the fact they have enough team meetings. Even though two co-owners agree on equal commitment, one co-owner highly disagrees. Same tendency is observed for team feeling as well. In the manner of conflicts, while one co-owner is confident with conflicts, two team members have hesitations about conflicts. During the interview, the commitment level was presented as dependent on responsibility level.

4.2 Observations

Outside of the Framework

Key observations were made outside of the interview framework, specifically in relation to the uniqueness of startup teams. During the interviews, the realization of industry specific approaches to competencies and operational systems were observed. For instance, while diverse professional background is essential for Lunda-Bag, the necessary competencies for Digimö were relatively less as they mainly require computer engineers. Growth speed of the companies are also highly industry dependent, as the running cost of software and consultancy companies were distinctively lower than Lunda-Bag’s backpack production. Due to the limited resources, financial facts have crucial impact on the dynamics as well as survival - i.e. bootstrapping and external funds. Additionally, even though all three startups were aware of the importance of teams, none of them had structured periodic team development meetings. They instead include their reflections alongside their structured organizational meetings.

The CEO of Digimö had an interesting opinion, suggesting that theories and methods about team building are always discussed, but generally have a larger scope. The theories seem more relevant for teams other than startups since startups are so subjective and different. As the startups have unique structures and elements, they find implication of theories and methods risky. Therefore for developing their team dynamics, they are focusing more on suggested techniques.

The importance of spatial characteristics within a teams has been observed. Digimö revealed that they had a loose team feeling as they had all been sitting in different location, or were
often never at one place simultaneously. This had an impact on their teams communication, shared understanding, and development. Once they had moved to a new office notice changes were evolving out of the team. As they shared the same space they were able to collaborate more and feel more involved in the company. Comparatively, Cønsult had been sitting in one location together from the start of the company, and it was observed that the team seemed more developed than the former.

All of the companies have interacted with other startups, through incubators and startup events. Lunda-Bag and Cønsult found this highly useful for their development, as you are able to discuss with other startups issues and hurdles arising in their growth. Digimö, however found this type of participation less useful in terms of gaining new knowledge.
Based on the interview and survey method used to collect data among the three startups, the responses have assisted in answering the research questions designed for the study. All of the companies consisted of different backgrounds, yet there were many similarities among their responses. The dissimilar responses will be discussed in further depth for analysis. The data analysis section presented information about both behavioral tendencies of startups in a broad scope and also a focus on team dynamics. While comparing the literature and data findings, the observed behavioral tendencies will be used for developing an understanding of the conditions for which startups exist. The discussion starts with elaborations on the suggested framework, then continues with answering the research questions. The observations utilized for discussion carries different values for reasoning different categories of the framework. Therefore, they are repeated in various parts of the discussion with an approach from different perspective.

5.1 Analyzing the Applicability of the Suggested Framework

The adaptation of Gilley et al. (2010) theoretical ideals for building effective teams shed light on the benefits of team development. This was applicable to the startup cases in many regards, however in relation to unique startup attributes the framework had less relevant points. Gilley et al.’s (2010) framework has a generalized approach to teams, without applicability indication for setting or environment. Therefore, this study has stepped outside of this framework to gain a full understanding of the startup’s team and unique attributes.

Elaborating on the company background was useful and allows for an analysis of the environments they exist in. This information is highly valuable to be able to draw conclusion on the logic behind their actions. When the suggested framework was tested on case startups, the following features of the Gilley et al. (2010) model were found valid for startups: team building philosophy, change curve, Tuckman’s team development stages, SKAs and team temperament. However, these ideals should be further developed to relate specifically to startups.

Gilley et al. (2010) describe the team building philosophy as an understanding of team building, types of teams, purpose of teams, and team effectiveness strategy. Alongside this notion, they say team building philosophy suggests teams should set goals for their team building. The startup’s understanding on team and team building were in-line with the Gilley et al. (2010) descriptions. However, due to the unique experiences and attributes, startup’s approach to the topic is a more organic process. Because startups are less structured, systematic (White, 2017), their approach to the team building philosophy can be of a similar nature. In this sense, Gilley et al. (2010) could offer more to the context of startups, by suggesting an approach to ‘new’ teams in order to have a more in depth philosophy approach.

The Change-Curve has been described in comparison to Tuckman’s team development stages, as teams face various phases while tackling new activities (Gilley et al., 2010). They say, teams face the following: denial (forming), resistance (storming), exploring (norming), commitment (performing). According to the interview responses, as startups are new
and lacking structure, they do not experience the change curve. The study showed the initial development of a startup is new territory with no instances to compare team processes to when handling new activities. However, as observed from case startups, as they begin to mature the applicability to the Change-Curve begins to take shape. The study showed maturing startups begin to require constant changes, and therefore the team can begin this repeatable Change-Curve process. To capture growth, the startups cases revealed the willingness to implement change is an essential company attribute. These changes were recognized from the case startups awareness on their own mistakes, and turning these into learning opportunities. For instance, Digimô spent many months deciding to move their office to one prime location rather than multiple. Much of this decision was spent in the denial stage because of the newness to the problem and the uncertainty of the end result. Additionally, Lunda-Bag is aware of the changes by sensing the need for team members to grow their goals alongside the development of company profitability (growth). For them, being aware of the changes makes it easier to tackle the change.

The study revealed a correlation to Kolb’s Learning Cycle (Kolb, 2013), as the combination of different learning styles and competencies are improved when feedback and discussion is had. Kolb (2013) says there are four different types of learners, yet to achieve the full learning process individuals must proceed through all four types. Feedback helps individuals to recognize their strengths, and how to improve their weaknesses for better learning (Kolb, 2013). According to Drucker (1999), introspection on self-strengths, weaknesses, and contribution help individuals to grow their performance. In the case of Consult, managers are actively discussing individual involvement in the team and providing feedback to improve one another’s learning. While Lunda-Bag had individual meetings with the managers to discuss feedback, and also allowed for an open environment where feedback can be comfortably exchanged between team members. However, Digimô has less individual feedback they do discuss the team’s performance among the feedback sessions. Individual feedback is provided as more of an intervention, than a means for personal development. All of the case startups offer an atmosphere for open-feedback to be communicated. Therefore, further research might be needed to see if those unstructured feedbacks are working for startups to benefit their learning process.

The applicability of Tuckman’s team development model unveiled several appealing findings among the case studies. For instance, Tuckman’s forming stage infers there are newly acquainted participants when approaching team development. Whereas, in the cases of startups, all of the cases began as new ventures created by co-owners who previously knew each. In this instance, the forming stage can speed up the process making the approach smoother. On the contrary, the pre-existing relationship could also hinder the team members ability to approach team work as their relationship is tested into a new context. In this instance, perhaps the team members need to reconsider how they approach their team work together. For instance, as Consult began the four founders had equal share and responsibility, but as time went on the need for clearer defined roles and individual responsibilities became apparent. Because the founders were such long-time friends, this became a difficult situation to resolve, as neither of them wanted to disturb the existing friendships. All of the startups had hired the rest of the team based new roles or lacking competencies as the company grows. As new people join the team, it was observed among all the case startups, that subgroups began to form. In this sense, there are the team dynamics among the founders, the team dynamics among the new hires, and the team dynamics among the whole team.

While the applicability of Tuckman’s model is relevant, team members experience different team stages in different sub-group setups. The level of the relationships among the case team members, are impacted by the team temperament. Gilley et al. (2010) says, team members are comprised of different styles of individual temperament types, and therefore they benefit by actively trying to compliment or adapt to one another’s style. As the startups are organically formed, this awareness on individual temperaments will help smaller teams of people to have smoother collaboration. This was specifically true for Lunda-Bag, as they had the most diverse team.

The Gilley et al. (2010) description of the teams SKAs are relative to the startups, however a few striking findings were observed regarding the selection criteria. As startups fulfill new roles based on the competencies needed for the tasks, the process is generally more organic than in larger organizations. The case startups were primarily hiring types of people who have the confidence to be the expert in their role, and the ability to juggle multiple roles. It is also stated by academics that startups consist of several people often juggling more than one role (White, 2017). Digimô had team members with two job titles, and even some with three jobs. The CEO was assisting each of the roles as a secondary resource to all employees. Digimô accrued more team members with software development skills, but with the willingness to take on additional tasks such as sales or consulting.

Additionally, the experience level of team members was not necessarily a key attribute of hires. It was observed that startups consist of teams from various backgrounds and levels of expertise. In the case Lunda-Bag, the CEO has an extensive corporate background, which made for a challenging transition to a loose startup environment. Additionally,
the CEO from Lunda-Bag has a great deal of knowledge on team development and feedback approaches, however it was difficult to implement because his employees (many coming from startup backgrounds) had difficulty adapting or understanding the seemingly formal approach. However, when difficult situations occur, the more experienced person often provides a faster remedy or insight to contribute. Because of lacking corporate experience for most of the startups, there is a risk they are irresponsible with deadlines, because they set unrealistic goals, or are unfamiliar with the demands of the tasks and the competencies levels from team members. While experience is not necessary in startups, vital attributes include willingness, commitment, and role juggling. Therefore, traditional explanations for organizational structures are not necessarily applicable to categorize startups under due to the role juggling, ad-hoc tasks, and various approaches to fulfilling roles based on industry. The startups indeed valued team development benefits such as stronger communication, trust, conflict handling, decision making, and smoother systematic approaches. However, as described the selection process was less relevant for startup than what was suggested by the Gilley et al. (2010) framework.

Lastly, in relation to the Gilley et al. (2010) framework, a discussion on employee morale is a lacking theoretical defense. While the article does mention team development does have a positive impact on employee morale, the practical implications on team attitudes, motivation and learning opportunities are not clear. The case startups reveal efforts to improve the employees morale, increases the overall team motivation. Such as the Consult’s planned cabin outing, which increased the new team members motivation and excitement to participate in the team and break communication walls.

5.2 Answering the Research Questions
Do Startup Industry Characteristics Need Varying Team Dynamics Approaches?

There are several startup characteristics that impact companies’ operational structures and team behaviors. It is observed startups construct their team based on unique core values. The features Lunda-Bag values the most is proper composition and balance, Digimö values social interaction, and Consult values trust. The balance feature Lunda-Bag emphasizes formulate their interactions to focus on the CEO. The CEO schedules one-on-one manager to employee meetings where they communicate individual feedback for self-development in order to maintain the balance of the team composition. As Digimö focuses more on social aspects, their team dynamics are more organic when compared to other case companies. Team members of Consult are constantly receiving job proposals from established companies, so they have trust as their core value to be able to stay together against external factors. The trust built also impacts their ability to trust to each other regarding responsibility taking. Absence of trust is named among the most common dysfunctions of a team by Hackman (2006). It can be clearly seen, team specific conditions of Consult helped them resolve trust-related issues relatively earlier than other case companies.

Based on the industry, various role delegation strategies are observed to be necessary. Company structures are created for coordinating individuals and structure type is highly related to company specific features (Mintzberg, 1981). Ferguson (2014) also emphasizes the importance of designing industry specific strategies among their suggestions to the innovative companies. In addition, startups lack resources in comparison to established corporations, and as a result much of their solutions are on a ‘do-what-you-can’ mentality (White, 2017). In the case of Digimö, they are focusing on creating and developing one software program for the Swedish market. Building a linear structure is essential for them due to operational necessities. Therefore, team members are highly specialized in their role responsibility. On the contrary, Consult is consulting various companies with distinctive features. Therefore, each case they are facing create different challenges. To foster creativity, they adopted a holacracy structure for satisfying the high creativity demand of their industry. Subsequently, team members are responsible of their tasks from the beginning, and have the authority to make all the necessary decisions. For that reason, it is important for the co-owners to be informed of the team members’ constant progress to act and prevent possible crisis situations from occurring. While Digimö operates step-by-step, Consult runs several operations simultaneously. Which is why, it is beneficial for Consult to implement more structured operational meetings than Digimö. Thus, creates different characteristics for both individual case.

Furthermore, the startup environment is not comparable to established organizations in many ways, as they are identified as lacking structure and formal procedures for handling various issues (Robehmed, 2013). The interviewed companies showed deadline flexibility internally. They were often prolonging projects, or simply putting things off until the next day. The loose deadline approach can be a result from a lack of hierarchical power, formal structure, and expectations from the “higher-up”. In larger companies, there are expectation to meet the demands of managers, shareholders, or customers (Bendickson, Muldoon, Liguori, & Davis, 2016). However,
in startups the force holding employees accountable is less powerful. Therefore, to get the job done employees need to have the self-motivation, drive and dedication towards the startup, where no one is there to hold them accountable for incomplete work. The need for personal responsibility is perhaps more important than in large organizations. Individual responsibility, makes it easier for the other team members to better handle their own responsibilities. The team should be working together in this sense to help improve one another in their roles. In Digimö, the CEO said he prefers to set the bar for high work ethic by working very hard himself, in return his employees follow his example.

Leadership styles, organizational styles and differences in involvement levels are also features which significantly impact startup characteristics. Mintzberg (1990) mentions depending on each individual case - industry and manager personality - power managers allocate to each responsibility can vary. In established companies, most often individuals fulfill one role within the company, and are therefore a smaller piece of the puzzle (White, 2017). In established companies, no single individual has a huge influence on outcomes for the whole company (White, 2017). In startups, everyone's performance matters (White, 2017). These discussed features create a specific dynamic on their decision-making and air-space domination. Team building efforts can help teams design these features to harness collaboration quality (Gilley et al., 2010). Individual performance has crucial impacts on the outcomes for the group (White, 2017). For instance, due to smaller teams and potentially employees juggling roles, employees need to be more aware of all the job functions and what is happening within that function. In the case of Lunda-Bag, decisions are made collaboratively, however employee's length of time spent in the startup has a large impact on the last decision. In Consult, due to holacracy, team members work less collaboratively during minor decision-makings thus, exposed more to making mistakes. Therefore, if suggestions to be made for the individual cases, these company-specific characteristics should be taken into consideration. When securing the equal air-space would be priority for Lunda-Bag, supporting team members more would be a more accurate suggestion for Consult. With this approach, it can be observed different strategic approaches are crucial while developing team dynamics in individual cases.

Another characteristic startups have dissimilarity is within communication tone. Communication tone is highly related to the personalities of the CEOs, the team members, and distance as teams are small, and are not influenced by a larger company culture or corporate atmosphere. In startups team members can working from home or various locations around the globe more often. The teams interviewed revealed sitting together has a large impact on them in the manner of team dynamics. Lunda-Bag and Digimö had problems dealing with a loose team dynamic due to distances between them. However, Consult all sat together in one office each day, and felt more like a team and therefore had better dynamics. Lunda-Bag also has team members working from home, which had a stressful impact on their level of communication, especially when they were dealing with language barriers. It is gathered that to be able to build a shared understanding and improve interpersonal communication, it can be beneficial for the case teams to sit together in an office setting.

Communication dynamics are also correlated to the interpersonal relation level of the team members. As an example, the CEO of the Lunda-Bag hired all the team members according to their competencies without knowing them personally. In the case of Consult, all the co-owners knew each other before they started their venture. However, the rest of team were hired regarding their competencies. Due to differentiating personal interaction levels, two different team dynamics can be observed, within co-owners and within team, thus differing team feeling. Therefore, it can be stated varying communication levels can impact the distribution of air-space, standing behind ideas, trust, and decision-making. So, the relation between communication tones and levels should be taken into account while developing team dynamics within startups individually.

It was also observed Digimö had positive impacts from role juggling on the startups functionality. Everyone in the team have a voice and are able to impact decisions revolving around the software and the company. While Lunda-Bag had less role juggling, the reason for this was due to their type of industry and customer base, as their roles were fulfilled. Digimö also had role juggling, but more so for the four major CEO’s as each of them took on additional tasks based on their competencies.

In the manner of diversity, different startups should prioritize certain features more than others. Lunda-Bag has a multinational company base, therefore having a multinational team plays an important role for them to be able to understand the tendencies of their differing customers. A multinational team increases their effectiveness while identifying the customer base values and adjusting their product according to them.

> “Diversity creates value and benefit for team outcomes, even as it creates challenges for team interaction processes” (Mannix & Neale, 2005, pp.33).

Therefore, when addressing diversity, it is important to talk about the existing differences and respecting it with the company-specific structure. For Digimö, having a multinational team comparatively has less importance.
Differences among startups regarding their core values, structure, leadership style, communication, and diversity highlights the unique nature and the subjectivity of the startups. Therefore, while researching and implementing team building techniques to startups, these factors should be considered thoroughly. Due to the fact Lunda-Bag is targeting a global market, they have several operating points. Merging the team would bring more operational disadvantages than team building advantages. However, as Digimö is focusing only on the Swedish market and not promoting a physical product, merging two teams was a highly beneficial decision for them with the aim of developing team dynamics. Joint lunch breaks in Digimö and after-works in Cønsult can be named as effective team building activities as they operate from one location. However for Lunda-Bag, even communication between team members is a struggle due to time zone differences. Coffee breaks and scheduled badminton they implemented in their team are only helpful developing the team dynamics among the team members in their headquarters. Considering this, creative approaches should be discussed for Lunda-Bag to develop a team feeling (i.e. team dynamics). Therefore, while approaching startups concerning team development, all the above mentioned factors should be considered thoroughly. When these factors are not taken into consideration while making team building suggestions, negative consequences might be faced.

**Which Values Do Startups Attribute to Developing Team Dynamics?**

Through the interviews, the companies clearly highlighted many attributes which either are or could be improved through developing team dynamics. As the CEO of the Lunda-Bag stated, it is the team behind all the successful companies, so companies should be aware of the importance of developing team dynamics. Even though team development efforts can be complicated and requires a lot of energy, it provides numerous advantages for the companies in the long run.

According to Williams et al. (2003) teaming goals should create solutions for improving operations, increase team inspiration, reinforce the resources for increasing teamwork and set the behavioral atmosphere for the team. One of the values the interviewed startups attribute to team development is the ability to see the teams as one entity. According to the Lunda-Bag, team development efforts have a significant impact on motivating employees. The co-owner of the Consult highlighted the importance of team development efforts as it helps increasing the team feeling among team members. Consult also mentioned team development helps individuals to perceive themselves as being a part of something bigger and appreciate the value of being surrounded by people.

According to the startups, the creation of a ‘team feeling’ through team development is key a tool for becoming a successful company. When asked on their perception of the meaning of teams, the CEO of the Digimö described it as unification of people around a common goal. As every team member has individual goals, these goals can only be aligned around their greater goal by team development efforts. Lunda-Bag believes by working on honesty, transparency, 360 feedback (i.e. team building), they can exploit their strengths, weaknesses and limitations of the team members. The case startups revealed the team development lead to individuals challenging one another’s ideas and contributing new perspectives to the company. The CEO of the Digimö states by working on team dynamics, they can understand how individuals affect each other as a team. Working on team development provides them advantages from improved social interactions, role understanding, general predisposition of certain behaviors in certain situations. For them, merging their two offices at one place helped them improve their team dynamics, thus their productivity.

The interviewed startups also believe team development efforts create opportunity for team members’ individual development. Through Consult’s perspective, team development is the energy they use for helping each other to be better fulfilling their tasks and developing their individual skills. By utilizing structured meetings dedicated to team building, they can provide an environment to team members for individual development. The CEO of Digimö believes a manager who is aware of the importance of team development, can provide a vast learning opportunity for the team members. According to Edmondson (2012) teams should create an environment for constantly being able to work on team development, especially as new tasks are constantly acquired, and therefore are needing new approaches. The case startups have shown this was a relevant ideal in terms of their constant new tasks within the startup environment. To promote the development on new tasks, Digimö's CEO said managers can showcase their work ethic by setting the standard for the overall expectations. They are able to increase work commitment if they themselves are working hard.

Another value the startups attribute to team development efforts is the improved systematic approach for overcoming struggles. In the case of Consult, as they encounter unique tasks for every project they work on, team development efforts
are helpful for them for exploiting their collaboration skills. Consciously working on team development also helps them better handle the crisis situations they encounter. Lunda-Bag stated they struggle with language related communication barriers as they operate from different locations all around the world. Neither of the team members has native level English, which used as the company language. This often creates situations where team members become confused by the communication and reduces their efficiency as they have to be extra careful for preventing miscommunication. By starting an interactive discussion regarding their struggle would be a way to shedding light their internal communication issues and working towards a resolution. Additionally, the case startups revealed their smaller teams, meant they had more interpersonal interactions. The smallness of the startups allows the team to see more intricate details of what is going on. This can also be interpreted as startups can generate more complex and functional strategies due to the fact team members are aware of the interconnection between different aspects of different departments.

The last, but not least, startups find team development valuable for increasing motivation within the team. The interviewed co-owners of the Consult believe they are committed to their team members by creating an enjoyable workplace. Working for the company shouldn’t be a chore, contrary a place where they can thrive. In other words, managers should implement structures where team members are becomes constantly motivated by being a part of it. Coupled with this perspective, these structures and environments can only be created by active team development efforts. As the CEO of the Lunda-Bag pointed, every team member has individual motivational factors. While some team members are motivated financially, some are motivated by empowerment or learning opportunity. According to the CEO of the Lunda-Bag, providing an environment which fulfills the motivational necessities of all the individuals is only possible by team development efforts as well. Creation of this environment will make the team members thrive in the organization and have crucial benefits for the company in the long run.

Are Startups Consciously Working on Team dynamics? If So, Which Techniques Are Used?

Team dynamics exist among all teams (Lewin, 1947). However, the conscious efforts on team dynamics implies teams are being reflective and are taking action to develop their team systematically and interpersonally (Klein et al., 2009). In the case startups observed, each of the startups displayed signs of conscious efforts on team development, however one more so than the others. Consult not only actively spends time together outside of working hours, but they also participate in many activities and events within the startup community.

Startups naturally have less resources than established companies, as they have less funding and connections (Skok, n.d.; Robehmed, 2013). Startups who participate in startup community events and incubators are more likely to have access to resources and a relatable source to turn to for advice (Entrepreneur, n.d.). Incubation centers, allow startups to interact with other startups to see how they resolve their own team, product or functionality issues. Startups often work together as a community to provide guidance on similar obstacles. The startups studied were from different industries, however there were many observable similar struggles for all of them. Such as funding, fulfilling demands from the roles, and creating an inclusive team. Involvement in startups could be the ultimate starting point for developing team dynamics as startups can mimic styles seen from their peer startups. From the case study, Consult had the most startup involvement, which happens to have an impact on their fast growth.

While teams are comprised of various roles, it was clear through the interviews an “equal air space,” or the time each team member has for idea sharing, is not always equal or necessary to be equal. While it is important each person have the respect to share their opinions, some interjections might be more valued than others. For instance, in Digitmō, a web developer has less insight on the sales and marketing of the company, and therefore in meetings might appear to say less. Digitmō also had some team members speak less, because their role had less impact on what the meeting was striving to do.
Equal air space is important for team meetings on reflection and feedback, however equal air space is not necessary when people’s competencies are not aligned. That being said, teams should show respect in a small team setting for such input, although it is not required for the team to succeed.

Teams have been identified through various literary studies, as having a shared goal (Gilley et al., 2010). When asked about shared goals, each company seemed to offer a conscious answer. Lunda-Bag stressed the importance that his team is constantly evolving alongside the growth of the company. As the company grows and becomes a more recognizable brand, the team adjusts to new demands from the product and customer base. Therefore, their shared goal is to grow with Lunda-Bag, and promote growth externally. According West (2004), groups shared goals have teams that are responsive to external alterations, they create a platform for learning, provide financial advantages, and they have the ability to quickly alter themselves in an effective way. Digimö, however recognized there are different level of shared goal, as they exist on an individual, day-to-day, and future visions. Consult took a slightly more negative approach, where the authentic shared goal only exists among the four founders of the company. The dream of expansion was not as much of a goal for the rest of the employees. Regardless, teams need to discuss these goals to better understand their expectations, planning, and motivation in the process of growing the company (Gilley et al., 2010). Teams should be moving in the same direction, not many different directions. No matter what the goal is, it is important it doesn’t go unsaid.

Team development is best evolved through feedback and reflection (Gilley et al., 2010). According to Gilley et al. (2010) “team members will need to develop competencies useful in ‘monitoring, evaluating, and providing feedback on overall team performance and individual team member performance’ (pp. 14-15). This is true for all team members. Reflection and feedback allow for an analysis on how the work has been going, and the direction it needs to go (Gilley et al., 2010). These are growing opportunities for the overall benefit of the team (Gilley et al., 2010). Improvements can’t be made, if no one knows what the area for improvement entails. The companies examined shared they do talk about overall team reflection and feedback on projects, however all of the companies seemed to share they only have one-on-one feedback with managers and not the rest of the team. This is an area that can be improved on, as feedback among team members can also open the doors for miscommunication and conflict resolution without the mediation from a manager (Gilley et al., 2010).

The teams were all consciously working on team development in various ways from meetings, activities, afterworks, lunch breaks, weekly team discussions, and even company trips. However, Digimö said they prefer team development be an organic process. If the team wants to have a social evening, they will plan it now and then but they will not rely on theories to do so. They do what feels best for their team organically without continuous inclusion of various methods or techniques, however during a stressful period of Consult they had used a startup coach to assist them on their team dynamic issues as a result from not sitting in the same work space. Digimö, ultimately decided to move their headquarters to a new city to fix the problem of distance issues, and ultimately saw a huge change after just two weeks of sitting together.

It appears Digimö only relies on conscious efforts as an intervention when things are going wrong. Additionally, Digimö had the least involvement with other startups as well. Consult said they are not consciously working on team development, however based on their answers to the interview questions, it was observed they are the company which puts the most effort on team development among all three companies. They were actively reading literature on team development, were working with a consulting firm, and also had teaming vacations.

All of the companies responded positively about spending time together outside of work as a way to develop the team. However, two of the companies appeared to have a bit a social “click” dynamic happening unintentionally. Therefore, team building outside of work isn’t truly effective if not all of the team members are included (Olsen, 2009). In Consult, the four CEOs spend a great deal of time together, but other team members only join them occasionally. As they were closer friends from the beginning compared to the others, it appears there are problems of exclusion. There are two types of team dynamics existing in their team. The dynamic between four co-owners and dynamics between all team members. This was also visible on the Lunda-Bag. They had different team dynamics existing in their team. The people who spent the most time in the company have different dynamics than the others. It was observed this type of “clicky” environment can be problematic for the team as a whole. In this case of Consult, one member felt excluded on activities, which had negative impact on their ability to openly communicate with the team. It was observed this could be affecting their feelings towards employee morale.
The final chapter of the study draws conclusions on overall findings and contributions to the study area, by first highlighting the discussion outcome of Gilley et al.’s (2010) model. This is followed by answering the research questions individually, and a section on key takeaways from the study. The following parts focuses on encountered limitations, recommendations on team development for startups and suggestions for further research on the study area.

6. CONCLUSION

6.1 Research Findings

Discussions on Gilley et al., (2010) Model

When the applicability of Gilley et al.’s (2010) model on startups was analyzed, observations revealed the need for further consideration among several topic related features. In terms of team philosophy, observations revealed startups have wider variation compared to established companies. Therefore, more in-depth analysis is necessary for understanding the team settings and dynamics in startups. When startups initiate their business, they built their structure from scratch, thus don’t experience the change curve. However, as they grow, observations showed startups encounter numerous situations where organizational change is essential. According to interview responses, startups are aware of the necessity of change and they give credit to themselves for making mistakes. Based on this extraction, it can be said startups experience relatively less struggles during change processes.

When the applicability of Tuckman’s model was studied, several appealing findings were discovered. In the example of two case startups, the co-owners knew each other before starting their venture, however, they hire the rest of the team according to their competencies. In addition, new team members are hired only when they can’t accomplish the tasks due to workload, thus the time team members spend in the companies are highly dissimilar. This creates sub teams inside the organization with various communication levels among three different dimensions. Therefore, while the applicability of Tuckman’s model is relevant, team members experience different team stages in different sub-group setups.

Research Questions

Another finding related to team member selection criteria is the features of hiring process. Startups experience a relatively more organic employee hiring process. Due to having limited resources role juggling skills are a positive feature for startup team members, in contrary to established companies. A closing section on the categories mentioned in Gilley et al.’s (2010) is related to former experiences. Even though having former work experiences is beneficial for the company performance, it is stated by the interviewee that having excessive corporate background can hinder the adaptation to the startup atmosphere.
Moreover, the startups were aware of the importance of team development for the company efficiency and effectiveness. They shared several similar and dissimilar attributed values for their understanding on developing team dynamics. Unique features of each company play an important role for the values they attribute. For example, strong team dynamics is a necessity for Consult as a defense for giving their team members rein to their competitors, while this threat does not visibly exist for the other companies. Observations indicate all startup cases are somewhat consciously working on developing their team dynamics. However, how they perceive enough consideration was utterly distinctive, as elaborated on in the discussion section.

**Key Takeaways from the Study**
During the study, several findings arose to the forefront. The study exhibited the validity of previous theories and models may expire in several instances. The reasoning behind this can be explained by the fast-changing attitude of the business environment. Based on this extraction, the inability of application towards conventional organizational structures on startups is also observed. Another striking finding revealed startups face structure-related commitment issues dissimilarly than established companies. The systems where teams lack formal control structures, such as shareholders or executive board, creates commitment dissimilarities. As startups lack authorities holding them accountable for their tasks, they are in charge of self-motivating and committing themselves to their objectives and goals. Due to the dissimilar tendencies in this manner, observations show team members have altering commitments.

Startups perceive norms and efforts on team development inconsistently both internally and externally among other startups. Startups also have limited resources through different dimensions such as human resources and finances, thus struggle to prioritize team development. Furthermore, in regards to companies with hierarchical structures, the CEOs are in charge of making the final decision. The companies have the same tendency even when the most competent team member on the decision area disagree. This inclination is prone to leading off-target strategical decisions, thus can result in severe consequences. This mentioned point also highlights the subjectivity of research area as described in the first research question.

### 6.2 Research Limitations
Most of the teams were not consciously attempting to develop their team dynamics beyond the organic process. This paralyzed the efforts to explore new techniques, habits, or development ideas to suggest to the reader beyond the scope of the literature. The allocated time allowed for the study has negatively impacted the study in the manner of presenting a wider literary scope. Generalizability has been an important factor in the study, as providing a broader overview for stakeholders in wide range was one of the initial purposes. Due to the vast number of startups with unique experiences which is not possible to interview, the conclusion cannot offer a finite solution for all startups. As stated, startup tendencies cannot be generalized. Therefore, with the aim of increasing validity of the argument, usage of generalizing conclusions is avoided.
6.3 Recommendations for Startups

Startups are known to have low survival rates and high competition among industries (Patel, 2015). Prioritizing team development efforts can grant startups significant advantages in their industries while competing. In the case of Digimo, observations reveal sitting together in one office has positive effects for team dynamics. However, the effects of gathering the team in one location is doubtful for Lunda-Bag as they market themselves internationally and need localized employees. It is crucial for startups to analyze their current conditions and dynamics before being involved in team development models and theories. Startups can exploit their internal and external resources, such as team feedback or use of team coaching to gain a better understanding of their current team dynamics. Only after evaluating afterworks, team building techniques and activities, startups should implement the examples that are suitable to their company-specific conditions. If startups don’t acknowledge their current states first, adapting to wrong techniques can result with more negative effects than positive.

It is also known that startups have less resources compared to established companies. Using the study, it was observed that involvement with other startups and appreciate the incubation center opportunities can be valuable for startups in terms of exploiting resources. Exploiting their resources through well-thought strategies which are generated collaboratively can have noteworthy impacts on their team performance. In startups which have hierarchical structures, the importance of managers’ part cannot be denied. Managers should have conscious efforts for creating environments where employees can foster and exploit their full potential. Managers can use team development by feedbacks and reflection meetings, role understanding and according task delegation, and respectively establishing equal commitment. Managers should also encourage team members to talk openly about their team and shared goal. The final suggestion for startups is having thorough considerations about task and role delegation. Change on company goals and organizational structures are discussed in the study. If companies can allocate their power delegation considerably, they can minimize the negative effects of future change adaptation processes.

6.4 Further Research

Due to the time scope, several limitations were implemented to the study. Therefore, several suggestions for further researches in this study area can be considered. The study focuses on behaviors and tendencies of three companies from three different industries in one economical region. The study also focused on acknowledging the understanding of the companies around the norms of team dynamics, team development, and team development efforts. On further studies with focus on developing team dynamics in startups, researchers can examine the characteristics on new geographical areas, with more in-depth multinational analysis and with more companies from differing industries. Examining the team development in startups from a practical lens can be another perspective to approach the research area. In addition, studying the impacts between office-setting and home-office as a work base can have beneficial outcomes on company-specific tendencies. The last, differences between interview and survey results made the perception differences between team members favorably visible. Another suggestion for researchers can be to focus on an in-depth analysis on impact that perception differences between team members on team dynamics.
7. REFERENCES


Crowdfunding Hacks (n.d.) Available Online: http://crowdfundinghacks.com/different-types-of-crowdfunding/


Interview Questions

Company Background

Can we here a little about you?
When and how did you start?
What is your industry?
How many people are you?
Did you know each other before working here?
What is the distribution of employees among the various functions/tasks?

Startup - Team

What is the meaning of “team” for you?
What is the meaning of team dynamics/team development for you?
What are the most important elements for you for team dynamics
What is the meaning of “startup” for you?
What attributes of the team are you satisfied with?
What would you like to change in your team if you could?
Can you say that you are having a shared goal for your team?
What is your main goal as a team?
Are you consciously working on team development?
Do you know any theories about team development?
Have you ever been given any recommendations about team development?
Does the manager/CEO have prior management experience?
Do all team members have prior working experience? If so, what?
What style manager are they/you? (do you micro-manage or are you hands-off?)
Have you ever worked with a startup before or is it your first experience?

Collaboration

How do you delegate responsibilities?
Do you have shared leadership?
Do you have any collaborative actions for team building?
Communication
Do you have a personal or a professional tone when talking to each other?
Do you believe that the team is giving equal air space for everyone?
How transparent are you with each other?
Do you give each other feedback? What type of feedback do you offer?
How are your cross-functional roles communicating?
How do you approach each others’ ideas? (fleeing from disagreements?)

Productivity
What are your habits or rituals implemented for team discussions (such as friday meetings)?
How do you utilize your learnings from former experiences?
Are you juggling more than one role? And do you help each other make this possible?
Are there inter-lapping roles?
What are the office aesthetics? (art work, desk space, decorations, coffee bar??)
Does manager have a closed door office?
How often do you have meetings, where do you have the meetings?

Complementarity
Are you a diverse team?
Location/education
Do you see your competencies complement each other?
Can you perform synergistically?

Utilization of resources
What communication tools are you using?
Are you involved in the startup community, events and meetings?

Decision-making and solution identification
How are you creating/ how did you created your organizational structure?
How do you handle conflicts?
Do you hesitate sharing your ideas when there is a conflict?
How much do you stand behind your ideas?

Commitment
Is your commitment level equal?
Do any of the team member have side jobs?
How flexible are you with deadlines?
Does responsibility for others affect your workload?

Employee morale
Do you hang out outside of work? If so, how do you think it affects your team dynamics?
Do you think that this company offers learning opportunity?
Do you have lunch or coffee breaks together?
Do you feel yourself as a part of the team?
Do you think that you are being heard/listened? How does this influence your work attitude?
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<td>2. We have a shared goal in the company.</td>
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<td>3. We are delegating responsibilities equally.</td>
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<td>4. We apply our former experiences in our work.</td>
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<td>5. We are having enough team meetings.</td>
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<td>6. We hangout outside of work.</td>
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<td>7. We consciously talk about our personal growth</td>
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<td>8. We communicate with startups for learning opportunity.</td>
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<td>9. Our manager gives me freedom.</td>
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<td>10. Our manager takes my ideas into consideration.</td>
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<td>11. I believe we are committing equally.</td>
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<td>12. I feel like I am part of the team.</td>
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<td>15. I am being transparent with my colleagues.</td>
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<td>16. I help my colleagues when they need help.</td>
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<td>17. I am juggling more than one role.</td>
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<td>18. I respect my colleagues’ personal problems.</td>
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- Not at All  
- Somewhat  
- Absolutely  

12. I feel like I am part of the team.  
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15. I am being transparent with my colleagues.  
- Not at All  
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16. I help my colleagues when they need help.  
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- Not at All  
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18. I respect my colleagues’ personal problems.  
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**Lund University Masters in Management - Research Project**  
Alexandra van Heel & Tugrulhan Ektuna  
Consult - Page 2

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