Does Neurodiversity In New Venture teams Enhance Performance? Investigating A New Type Of Diversity In New Venture Teams

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DOES NEURODIVERSITY IN NEW VENTURE TEAMS ENHANCE PERFORMANCE? INVESTIGATING A NEW TYPE OF PERFORMANCE IN NEW VENTURE TEAMS

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Principal Topic

Recent literature has emphasized the criticality of mental health for entrepreneurs (Freeman, et al., 2018). Whereas research has identified many negative implications for individuals with impaired mental health (e.g., Knecht, et al. 2015), recent research has recognized how challenges like ADHD (Wiklund et al., 2018) can lead to advantageous adaptive behaviour (Miller & Le Breton-Miller, 2017). Despite the growing literature investigating mental health within entrepreneurship (Stephan, 2018), our knowledge about how neurological diversity impacts new venture teams (NVT) is scant.

We adopt a strengths-based lens employing the term ‘neurodiversity’ instead of the term mental or neurological disorder (Singer, 1999). Hence, we assume that the inclusion of a team member diagnosed with neurodiversity will lead to increased performance (H1), and that this this effect is enhanced for NVT team members who have undergone treatment (H2). We further propose that due to increased social support, that larger NVTs will particularly benefit from neurodiverse team members, and as such, outperform smaller teams (H3).

Method

To test our hypotheses, we built a longitudinal dataset from Statistics Denmark. We combine data on all Danish ventures including individual employment data, firms’ financial records, data on medical treatments and diagnostics. This results in 5,452 new ventures, founded by 16,226 individuals from the period 2004 to 2013. We use OLS regressions to test our hypotheses.

Results and Implications

The results show that overall, having a founding team with neurodiverse members enhances venture performance (H1); an effect that was strengthened when these members were medicated (H2). When distinguishing between the conditions, we find that NVTs composed of individuals with a clinically diagnosed mood or addiction condition exhibit higher performance than teams without this diversity. However, no performance benefit for founders with ADHD was found. We find a positive moderating effect of receiving medication on the relation between addiction and mood conditions, respectively, and performance, whereas the effect is negative for teams with founders with neurological conditions.

For team size we find a differing effect for each category of neurodiversity (H3). For those with an addiction condition, we see a positive relationship between team size and performance, whereas for founders with mood conditions, our results indicate a curvilinear relationship. For NVTs that include a founder with ADHD, we find an overall negative, significant effect for team size indicating
that these founders perform better within a smaller team and discuss their latest endeavours. In 2018, the consortium received 111 applicants from 28 countries for its cohort of 25 students.

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