The Impact of Vertical Differences of Entrepreneurial Teams on Entrepreneurial Performance

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ABSTRACT

This article reviews the related research results at home and abroad, giving a brief overview of the development and research progress of vertical differences of entrepreneurial teams, strategic change, entrepreneurial performance and entrepreneurial team and cognitive complexity. On this basis, to explore the regulatory role of cognitive complexity of entrepreneurial teams in vertical differences of entrepreneurial teams and the strategic change, and the partial intermediary role of strategic changes in vertical differences of entrepreneurial teams and entrepreneurial performance. So as to provide rationalization suggestions for the construction of entrepreneurial team and the design of strategic change in China's listed companies, which provides a new research idea for future research.

KEYWORDS

Entrepreneurial teams, Vertical differences of entrepreneurial teams, Strategic change, Cognitive complexity.

INTRODUCTION

Faced with fierce market competition, entrepreneurial enterprises only continue to enhance the performance of entrepreneurial enterprises to achieve sustainable development. But at present, entrepreneurial enterprises start business performance is not high, in the face of opportunities and challenges, cannot seize the opportunity to face the challenge. The performance of a business is largely related to the level of management and operation of the enterprise. In the entrepreneurial enterprise, the entrepreneurial team is responsible for the development and implementation of the corporate strategy and is critical to the performance and development of the enterprise.

CONTENT

A Summary of the Research on the Relationship between the Vertical differences of Entrepreneurial Teams and the Entrepreneurial Performance.

Eesley etc. (2014) argue that entrepreneurial teams is the first batch of senior management team of the enterprise [1], what about the conclusion from the senior management team should also apply to entrepreneurial teams [2].
Theory, team heterogeneity influences social motivation of the team members, and then determine the performance of enterprises, many studies have verified the team heterogeneity has a positive effect on enterprise performance [3]. Information decision theory emphasizes that diversified information will produce a wide range of views and perspectives, which will help to solve the problem of management. Some scholars believe that the team heterogeneity is the necessary condition to motivate team innovation, is advantageous to the performance improvement, support the information decision theory point of view. Social identity theory that the individual consciously or unconsciously to their own classification, and produce self-identity and self-group members of the bias, which will increase the possibility of team conflict, and thus hinder the development of enterprises. There are also scholars believe that the cognitive heterogeneity of the team will reduce the decision-making efficiency and adaptability, and thus hinder the performance improvement, which indirectly supports the social identity theory [2]. At this point, we understand the relationship between entrepreneurial team heterogeneity and entrepreneurial performance. All the research here is to study the entrepreneurial team as a relative whole, and scholars believe that the team's superior and subordinates is difference in the position level [4,5]. Yang (2014), puts forward the concept of executive team for vertical differences that senior management team for vertical difference refers to the senior management team and the chairman of the demographic characteristics of the differences between the specific age, gender, education background and occupation experienced four measurement indicators. The research object of this article for start-ups in the entrepreneurial teams, vertical differences of the concept of entrepreneurial teams, with more people choose the chairman of the board of the start-ups and demographic characteristics of entrepreneurial team’s diversity [5, 6].

We learned the relationship between entrepreneurial team heterogeneity and entrepreneurial business performance. If the entrepreneurial team heterogeneity and the entrepreneurial team have a certain relationship between the differences, then we can probably understand the vertical relationship between the entrepreneurial team and the entrepreneurial performance. Weining Li and Li Li (2015), the team heterogeneity is refers to the team members (including chairman) differences in race, age, tenure, education background, team functions of background and important cognitive concepts and values [6]. From vertical to entrepreneurial team heterogeneity and entrepreneurial team differences of view, the concept of entrepreneurial teams vertical differences is entrepreneurial teams (including the chairman) heterogeneity of a special case (chairman of the board of directors and other demographic differences between entrepreneurial team members), entrepreneurial teams for vertical differences and there is some relationship between entrepreneurial team heterogeneity. Team heterogeneity is more creative than homogeneity, it can broaden the channels and content of information collection, and more likely to break the original business model [6], making strategic change, which affects corporate performance. The above point of view for us to solve the entrepreneurial team vertical differences and entrepreneurial business performance provides a certain relationship.
A Summary of the Research on the Relationship between the Vertical Team and the Strategic Change of the Entrepreneurial Team.

In order to solve the problem of the relationship between the vertical difference between the entrepreneurial team and the performance of the entrepreneurial enterprise, this paper introduces the intermediary variable of the strategic change. Strategic change is the enterprise to adapt to the external environment changes, the key activities of the enterprise resources to re-allocation of the decision-making. Strategic change is the enterprise in order to adapt to the change of external environment, key activities of the enterprise in all kinds of resources for reconfiguration decision [7]. Strategic change can be beneficial to the enterprise. The different types and levels of strategic change will affect the relationship between strategic change and performance. Strategic change can adjust the strategy of non-adapting to the environment, re-allocate the resources of key activities, improve the competitiveness of enterprises and enhance the performance of enterprises. However, if the strategic change exceeds the scope of the organization's internal, or with the outside of the same industry competitor's too large deviation, it will hinder the performance of ascension [6]. Entrepreneurial team heterogeneity (age and term) will promote corporate strategic change [8, 9].

The Moderating Effect of Cognitive Complexity of Entrepreneurship Team.

In the process of corporate entrepreneurship, entrepreneurial team cognitive complexity reflects the team members in the process of entrepreneurial opportunity recognition and development, the phenomenon that the related knowledge, information and systematic understanding and divergent creativity, including cognitive depth and cognitive span two dimensions, on the basis of the two kinds ability of the formation of characteristics, respectively from the education level of team members and business related knowledge in the field of learning situation investigation entrepreneurial teams cognitive complexity [2]. Entrepreneurial teams education background of vertical differences will have a more positive effect on differentiation strategy, helping companies to broaden their strategic boundaries and enter new business areas [10]. Team members the rich work experience and the experience also beneficial to the team cooperation ability and the ability of the conflict management [2], so as to effectively alleviate the cognitive conflict caused by the vertical division of the entrepreneurial team, and promote the effective implementation of strategic change. Entrepreneurial teams of cognitive complexity of entrepreneurial teams of vertical regulating effect on differences and strategic change.

CONCLUSION AND IMPLICATION OF THIS STUDY

Conclusion

Based on the perspective of entrepreneurial teams, studying the relationship between vertical differences of entrepreneurial teams and entrepreneurial business performance; Studying the relationship between vertical differences of entrepreneurial teams and strategic change; Strategic change and performance of the entrepreneurial enterprises relationship; And the partial intermediary role of strategic changes in vertical differences of entrepreneurial teams and entrepreneurial performance.
Meanwhile, explore the regulatory role of entrepreneurial team’s cognitive complexity in vertical differences of entrepreneurial teams and the strategic change. In order to provide reasonable advice for the construction of the gem listed company entrepreneurial teams and the design of strategic change.

**Implication**

Based on the perspective of the entrepreneurial team, this paper chooses the listed companies in China as a sample, and analyzes the direct influence of the vertical team on the performance of the entrepreneurial enterprises. This article explores entrepreneurial teams for vertical differences affect business enterprise performance that is the expansion of business enterprise performance.

This study put the entrepreneurial teams into research framework for the cognitive complexity, analysis its entrepreneurial teams for vertical differences and the regulating role in the strategic change, which provides a new direction for the study of the entrepreneurial team.

**REFERENCES**