IMPACT OF LEADERSHIP FOR STARTUP COMPANIES

by

Emem Akpanekong

Dissertation
Submitted in Partial Fulfillment
of the Requirements for the Degree of
Doctor of Business Administration

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Abstract

Startups play a vital role in employment opportunities, creating new markets, and economic developments in a nation. However, several challenges, such as financial and scalability factors, confront startups at the initial stages because of the highly uncertain startup business environment. Recent research has confirmed that the development of startups is indeed connected to leadership. A literature review revealed that entrepreneurial leadership, as opposed to mainstream leadership theories, is more suitable to explain the complex leadership process in startup growth and development. A qualitative, single case study was conducted to investigate the leadership characteristics of successful startup founders to explain the impact of leadership on startup performance. The researcher adopted the primary data collection method to include interviews with 17 founders and leaders from four startup companies. Four data themes were identified: The impact of leadership behavior on startup culture; Leadership approaches driving startup success; Developing emerging leadership behavior because of changing startup business environment; and Improved organizational performance driven by leadership development.

Compared to an extensive literature review and anticipated themes, the finding the impact of leadership behavior on startup culture was the most significant, followed closely by Developing emerging leadership behavior because of changing startup business environment. Overall, the emerging leadership styles, including entrepreneurial leadership and humble leadership, appeared to have a positive impact on startup performance. However, the humble leadership style was not explored in the literature review because of its infancy in the academic circle. As a result, it does not contribute significantly to the existing body of knowledge.

Keywords: entrepreneurial leadership, humble leadership, leadership development, startup culture, startup performance
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Approvals

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Vilma Edginton, PhD, Dissertation Chair  Date

KiWhan Choi, PhD, Committee Member  Date

Alexander Averin, PhD, MBA Chair, Doctoral Programs  Date
Dedication

The dissertation journey has been a transformational one for me. All this while, God has been at work in me, energizing and creating the power and the desire to finish the good doctoral journey he started in me. From the inception to publication, the entire doctoral success stemmed from the grace of God at work in me. First, I dedicate this doctoral project to my Lord Jesus and give all the praise for his lovingkindness towards me.

I also dedicate this doctoral success to my late father, Engr. O. E. Akpankong, who raised me in the ways of the Lord and has been a vital source of inspiration and encouragement for my academic journey.
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Section 1: Foundation of the Study

Startup businesses play a significant role in the global economy (Dvalidze & Markopoulos, 2019). A need exists to investigate the failures of startup businesses because they are important to the US economy. For new ventures, both internal and external factors have major roles in business performance. External factors, such as an economic, political, and social environment exist that can affect the performance of startup businesses. The focus of this study was on the startup businesses, their founders, and the internal determinants of business performance as opposed to the broader external environmental factors. A qualitative research study included the impact of leadership in startups and the associated gaps identified through a thorough literature review. Previous research on startups mostly focused on internal factors other than leadership. However, the success and survival of startups largely depend on effective leadership. Leadership within startup companies is a complex and multifaceted concept that encompasses various styles, practices, and behaviors. Recent research included analyzing leadership for startups, but the research focused on mainstream leadership theories such as transformational leadership and transactional leadership. To understand the leadership processes for startups, which are complex and diverse, recent research focused on emerging leadership theories such as entrepreneurial leadership (Dvalidze & Markopoulos, 2019). This qualitative research study included a focused on exploring and investigating the entrepreneurial leadership skills and strategies needed for startup founders to sustain their business throughout the different lifecycles of the startup business.

The central focus for this section includes describing the background of the problem, problem and purpose statements, nature of the study, research questions, conceptual framework,
definition of the terms: assumptions, limitations, and delimitations, significance of the study, and an extensive literature highlighting the problem statement and purpose statement.

**Background of the Problem**

The characteristics of startup businesses include rapid growth, scalability and, have a key role in the global economy (Dvalidze & Markopoulos, 2019). According to Kee et al. (2019), startup development is especially important to technology transfer and the creation of economic wealth. However, recent studies revealed that the failure rate of startup companies remains high over time, even though startup businesses yield significant economic impacts on the US economy. Statistics effectively illustrate the rationale behind this trend, as the global startup economy's economic value reached approximately $2.8 trillion in 2019, marking a remarkable 20% increase since 2017 (El-amine & Mohammed, 2023). Dvalidze and Markopoulos (2019) confirmed that business startups account for about 20 percent of US gross job creation. El-amine and Mohammed, (2023) argued that despite these staggering figures, statistics reveal a darker aspect, indicating that three out of four venture-backed startups end in failure, 9 out of 10 startups ultimately fail, and merely 40% of startups manage to generate profits. Therefore, an increased percentage of start-up businesses do not attain overall success. Dvalidze and Markopoulos (2019) asserted that reasons behind the failure of startups are complex and diverse. Business practices of companies indicate that startups are not only diverse and complex but have a lifecycle. Salamzadeh and Kawamorita Kesim, (2015) highlighted three stages of startups to include: the Bootstrapping stage, the Seed stage, and the Creation stage. The Bootstrapping stage includes the initiation of sets of activities by the startup founder that will turn his/her idea into a profitable business. The next stage is known as the Seed stage, which involves teamwork and support systems, prototype development, venture valuation, and investments to grow the startup
business. The final stage is the Creation stage, where the startup enters in the marketplace, hires its first employees, and sells its products/services (Salamzadeh & Kawamorita Kesim, 2015). This research study also outlined the main challenges of startups, including financial challenges, challenges related to human resources, support mechanisms, and environmental elements.

Research studies of startups to focus on factors impacting their growth and development. For example, Suominen et al. (2017) identified some of these factors, including accessibility to resources and overcoming the liabilities of smallness and newness. However, Kee et al. (2019) argued that support services such as technology-related, finance-related, and soft-related support are some factors influencing start-up success. Dvalidze and Markopoulos (2019) identified leadership as a significant factor impacting the performance of start-ups. Dvalidze and Markopoulos’s research focused on examining leadership processes and relationships from the leader and follower perspective on the various stages of start-up development. Turner and Endres (2017) presented a research study to focus on the skills, knowledge, and strategies of small-business owners/founders that are needed to succeed in Start-up businesses. This research paper explored the impact of leadership on startup companies, highlighting the various leadership styles and behaviors that influence their success.

**Problem Statement**

The general problem addressed was the inadequate leadership skills of startup founders and leaders, resulting in a high failure rate of software startup businesses and negative economic impacts. According to Statista (2021) start-up businesses are responsible for generating nearly three million new jobs in 2021. These statistics indicate that startups contribute significantly to net job creation, especially in the preliminary stages of their development. While startups entrepreneurs have the potential to create jobs, they experience challenges that can hinder job
creation such as scaling and sustaining growth. Singh et al. (2016) in support of this notion, argued that leadership support plays a vital role in an entrepreneurial venture’s failure or success because of its influence on entrepreneurial decisions and behavior. Kee et al. (2019) advanced the notion that inadequate business support poses difficulties faced by business start-ups that results in failure rates ranging from 50% to 95% in emerging countries. Giardino et al. (2014a) asserted that more than 90% of startups fail because of self-destruction as opposed to competition. The software industry, also referred to as the Professional and Technical Services industry, can include the category of SaaS (Software as a Service) or custom software. Like other startup businesses with high failure rates, the SaaS startup failure rate estimates around 92% within three (3) years of operation, regardless of growth and funding (Lighter Capital, Inc, n.d.). The specific problem addressed was the inadequate leadership skills of startup founders and leaders within the software industry in Indiana, resulting in a high failure rate of software startup businesses.

**Purpose Statement**

The purpose of this qualitative case study was to explore and better understand the personal leadership styles and techniques of successful startup business owners. Exploring the leadership skills and strategies used by selected startup business owners explained the reasons why startups fail because of self-destruction as opposed to competition. The study involved audio recordings and semi-structured interviews with several startup business owners by using open-ended questions to examine potential themes in the data. The themes developed from this research findings highlighted leadership characteristics that contributed to the resolution of organizational failure of new startup businesses. In addition, the findings of this research study not only increased the leadership effectiveness of startup business owners but also enhanced the
decision-making processes of startup business owners leading to the sustenance of startup businesses. Moreover, building on these advancements, Soto-Simeone et al. (2020) suggested that gaining a deeper understanding of the factors influencing success and failure in new ventures, along with comprehending the motivations behind founders' decisions to establish new businesses, can further contribute to sustaining startup businesses in their formative years. Considering the insights proposed by Soto-Simeone et al. (2020), evidence exist that the leadership style of a startup business founder holds a crucial position in fostering an environment that promotes entrepreneurship and innovation within the organization.

**Research Questions**

According to Creswell and Poth (2018), open-ended, nondirectional, and evolving questions explore a central phenomenon. Research questions guiding this qualitative research study formulated as central questions and sub-questions to accomplish the study's purpose and address the problem statement.

The following research questions provided answers that examined the reasons for the high failure rate of software startup businesses.

RQ1. To what extent do business startups fail after a few years of operation?

RQ1a. What business strategies lead to the failure or success of a startup business?

RQ2. In what ways do failed startup businesses impact the job market?

RQ3. What leadership qualities are lacking in the survival and success of a startup business?

RQ3a. What leadership characteristics are linked to the organizational performance of startup businesses?
Research Question 1 addressed the aspect of the specific problem statement of reasons why software startup business fails to survive after a few years of operation. This question kindled an insight into understanding the factors driving the dynamics of new venture persistence in the software industry, given an alarming failure rate estimated to be more than 90% (Giardino et al., 2014b). The sub-question of Research Question 1 also looked at reasons for both failure and success of software startups.

Research Question 2 addressed the aspect of the specific problem statement about the loss of jobs resulting from failed software startups. This question provided a central understanding of the impact of job losses. Therefore, Effective leadership can have a significant impact on job losses within the startup organization by creating a positive work environment and promoting job satisfaction. As a result, startup leaders that fail to provide support for employees can lead to increased job losses.

Research Question 3 addressed the aspect of the specific problem statement of what leadership qualities are needed for the survival of startup businesses. With a high failure of software startups estimated to be 92% (Lighter Capital, Inc, n.d.), the sub-question for Research Question 3 explored the elements lacking in leadership that are responsible for the high failure rate of software startups.

The research questions highlighted above addressed the specific problem statement of the high failure rate of software startups by guiding the researcher to develop a conceptual framework and methodology for reasons why software startup businesses failed to survive, the leadership skills that influence the failure rate of a software startup and the impact of software startup failures on job losses in the US economies.
Nature of the Study

Robson and McCartan (2016) suggested considering the design of the research leads to a successful project. The research design determines the research methodology. Typically, these methodologies include categorizing into quantitative and qualitative research approaches. The qualitative method was the appropriate approach for exploring and understanding the personal leadership styles and techniques of successful startup business owners.

Discussion of Research Paradigms

Philosophical assumptions are typically adopted in the research process using paradigms and theories (Creswell & Poth, 2018). Therefore, every researcher brings a worldview to their research study, known as a research paradigm. Worldview represents a researcher’s fundamental belief and perception about the world they reside. Research paradigm also refers to the researcher’s understanding and view of reality or truth. Typically, the philosophical worldviews for research communities include positivism, post-positivism, constructivism, and pragmatism. While positivism and post-positivism philosophical worldviews closely links to the quantitative approach, constructionism is clearly aligned with the qualitative approach.

This research study is empirical research, and the qualitative paradigm was a suitable approach for this research study because of the emphasis on an in-depth understanding of the impact of leadership on startup performance. In addition, the research questions provided for this study aligns with a qualitative approach because of answers that provided understanding and explained the high failure rate of software startup businesses.

The Pragmatic approach, a qualitative paradigm, was the worldview employed for this research because of the focus on tools that helped understand the research problem. According to Robson and McCartan (2016), practical experience as opposed to theory guided guides the
pragmatic approach. This approach was suitable for this research topic high failure rate of business startups.

**Discussion of Design**

According to Robson and McCartan (2016), giving attention to research project design is of utmost importance to achieving a successful research project. The category of research designs is fixed and flexible designs. Fixed designs involve extended periods of preparation and design preliminaries before data collection. Therefore, fixed designs are fully defined (fixed) as part of the research proposal and depend on quantitative and numerical tools for data collection and analysis. Flexible design includes the details of the research procedure that are not fixed in advance, and as the research proceeds, the focus is prone to change (Robson & McCartan, 2016). This method also relies mostly on data collection and analysis that utilizes qualitative tools. Additionally, mixed-method design uses a combination of both fixed and flexible designs. Therefore, the data collection method in this research uses both quantitative and qualitative data. The research design determines the research methodology. Typically, these methodologies links to quantitative and qualitative research approaches. A need exists to use the appropriate methodology to answer the research questions (Robson & McCartan, 2016). The research problem, research purpose, and research questions determine both methodologies. According to Turner and Endres (2017), the qualitative approach (flexible design) is suitable when a large sample may not be obtainable, and exploring the data to address the research problem results in common themes. This design was applicable to this research study that involved investigating the high failure rate of software startup companies. The qualitative approach provided insight and life experiences of the high failure rate of software startup companies. The alternative to this research approach includes the quantitative approach using a mixed method, however this
method is only appropriate if the research problem describes and examines cause-and-effect relationships.

**Discussion of Method**

The research design determines the research methodology. A researcher can adopt specific methods within each research approach. As mentioned earlier, this research design was primarily flexible design. Flexible designs include methods such as narrative, phenomenology, grounded theory, ethnography, and case studies. This study was conducted with a flexible design using qualitative methods. Specifically, a single case study design. A need to use the appropriate methodology to answer the research questions existed (Robson & McCartan, 2016). Creswell and Poth (2018) defined a qualitative approach as a bounded system exploring a detailed life situation, including observation, interviews, audiovisual material, and documents. Yin (2018) defines case study research as a method that investigates real life situations or phenomena that are not evidence.

Creswell and Poth (2018) argued that case study design is a good fit for research that clearly identifies cases with boundaries that either requires an in-depth understanding of the case or a comparison of several cases. For the research study, the case study design was useful in providing an in-depth understanding of the key major factors that influence the high failure rate of business startups. In addition, revealing different perspectives of the leadership style of startup businesses for software companies provided meanings of leadership experiences for startups. For this research, the key focus was studying and understanding the connection between the leadership styles and strategies as well their role in the success or failure of new software start-up businesses in Indiana. This study highlighted the pros and cons of leadership styles of
entrepreneurs (startup founders/owners) and identified the best leadership style required for software startup business long run success.

**Discussion of Triangulation**

This research included a flexible design and minimal quantitative methods to provide for the triangulation of the data found through the primary qualitative methods. This includes the use of descriptive statistics to show demographics or other relevant numerical data for failed startup companies. Robson and McCartan (2016) defined triangulation as a strategy that includes multiple sources to make the research more consistent. The four types of triangulations include: data triangulation, observer triangulation, methodological triangulation, and theory triangulation (Robson & McCartan, 2016). This research includes data triangulation for the data collection phase in the research process.

**Summary of the Nature of the Study**

The research study included a single case study with qualitative methods and a flexible design. The flexible design was appropriate because it enabled the researcher to focus on areas based on emerging findings. The choice of the single case study is because of the opportunity to explore the identified concept through investigation bound by place and time. This design enhanced the successful research project considering the limitations of a doctoral student. Findings discovered contributed to the body of knowledge by presenting concepts not previously explored.

**Conceptual Framework**

The purpose of this research framework was to provide an underlying structure that was followed for the research activities and carried out for this study. Figure 1 - The research
framework diagram shows the concepts, theories, actors, and constructs central to the research problem that help guide the research study.

**Figure 1**

*Research Framework Diagram*

Note: Figure 1 shows the flow of information from the problem statement, input constructs through the different research activities up to the output constructs.

**Concepts**

**Organizational Performance**

Kee et al. (2019) defined startup success as survival of a firm regardless of the performance of the financial performance. According to Leedham (2004), organizational performance indicators include financial performance measures such as profit margin growth, revenue, and Return of Investment, ROI). While non-financial performance or otherwise referred to as operational performance measures, include indicators such as customer satisfaction and productivity. Richard et al. (2009) indicated that organizational performance includes three
outcomes. The outcomes include (a) financial performance (b) product market performance, and (c) shareholder return. Financial performance includes the profits, return of assets, and return on investment. The product market performance includes sales, and market share. The shareholder return includes total shareholder return and economic value added.

Richard et al. (2009) provided an understanding of the concept as well as identifies metrics to measure organizational performance. The concept of leadership and organizational performance relates to the higher failure rate of startup companies. Recent research has shown that there is a link between different leadership styles and organizational performance (Ogbonna & Harris, 2000). This connection typically includes leadership providing the right entrepreneurial growth strategies to facilitate the long run success of a start-up business. From a startup organization perspective, leadership influences the organizational culture such as innovation – impacts organizational performance (Ogbonna & Harris, 2000).

**Business planning**

According to Welter et al. (2021), startup activities and business plan writings relates to startup success. Therefore, business planning concepts has an important role in the success or failure rate of a startup business by impacting startup performance. Chwolka and Raith (2012) advocated that a business plan is a critical requirement for building a successful new start venture. Welter et al. (2021) suggested three major contingencies to consider regarding achieving effective business planning. These contingencies include a lack of business planning structures, limited prior information, and uncertainty. Business planning also impacts uncertainty in business environments by facilitating faster decision making. Business planning predicts the future and includes a strategy for startups, which are typically characterized by risky environments. Welter et al. (2021) argued that startup firms that lack information make business
planning ineffective. In addition, startup firms have the right structure in place to foster effective business planning as well as utilize the novel strategies embedded in the business plan. A need exists to examine the various activities that make-up business planning to provide insight as to what aspects of the business planning process connects to the startup firm's performance (Welter et al., 2021). Welter et al. (2021) argues that the business planning process, such as data collection and writing, can play a major role in creating a routine for entrepreneurial initial practices at the initial stage of the startup lifecycle. Identifying the value of business plan activity is important in the achievement of the long-run success of a startup business. Additionally, evaluating the impacts of business planning activity on the behavior of the startup will increase startup performance (Chwolka & Raith, 2012).

Theories

The leadership, transformational leadership, and entrepreneurial leadership theory are the focus of the literature review, which are central to the research.

Leadership Theory

Organizations adopt several leadership styles and characteristics to provide the correct strategy and vision to gain competitive advantage and sustain the long-term growth of a business. According to Northouse (2019), leadership can conceptualize as either trait, behavior, or information-processing perspective. Leadership theory suggests that leadership approaches or styles include in the category of personal attributes of leadership (traits), situational leadership, transactional leadership, contemporary leadership (also known as transformational), and interpersonal leadership. Turner and Endres (2017) revealed differences between personal leadership style practices for successful startup owners and unsuccessful startup owners. Highlighting the pros and cons of the different leadership styles can help the entrepreneur select
and adopt suitable leadership styles that will guarantee the long-term success of software startup businesses.

**Transformational Leadership Theory**

Transformational leadership theory adopts an approach where leaders and followers increase each other’s motivational and ethical behavior by mutually helping themselves. The most important competency of this leadership is to create a vision where the leader inspires and motivates the followers. Turner and Endres (2017) argued that transformational leadership will promote producing changes in the goals and values of employees, which can eventually impact the success of startup businesses. Bass (1999), in his definition of transformational leadership, presented the following: Transformational leadership is the process of inspiring others to become leaders and giving them the opportunity to create change for the benefit of the organization or community. This leadership style promotes intellectual growth while stimulating self-development. This style of leadership can lead to greater teamwork by improving employee morale and their compassion for their jobs and the overall direction of the organization, which leads to greater prosperity. This will overall lead to a better society. The above definition focuses on this leadership style appealing to the needs of the followers as an approach to achieve successful organizational performance. Research studies conducted by Zaech and Baldegger (2017) on leadership behaviors of startup founders indicated findings that transformational leadership behavior has a strong positive and substantial impact on startup performance. A good understanding of transformational leadership theory in the context of startups will help identify leadership behaviors that will reduce the high failure rate of startups.

**Entrepreneurial Leadership Theory**
According to Renko et al. (2015), the entrepreneurial style of leadership is distinctive and can be found in any kind of organization that vary in size, age, or type. In these organizations, entrepreneurial leadership behaviors not only foster innovation but also adapt to the ever-changing business environment in the marketplace. Renko et al. (2015) defined entrepreneurial leadership as seeking entrepreneurial opportunities to create an organization with group achievement. This definition focuses on the leadership influence on entrepreneurial goals, which includes opportunity recognition and exploitation. Renko et al. (2015) described recognizing an entrepreneurial opportunity to involve perceiving the possibility of introducing innovative goods and services to the marketplace. The exploitation included activities and investments geared towards new opportunity returns. The goal of entrepreneurship, therefore, involves growing a successful business by recognizing and seizing opportunity in the market.

**Actors**

The actors here for this research study include key people groups such as entrepreneurial leaders and customers that are central to the research problem. The members have great influence on the direction of this sections. Below are the key members.

**Entrepreneurial leaders**

According to Bhattacharyya (2006), Leadership styles generate a suitable environment for innovation and new entrepreneurship for a startup business. Bhattacharyya (2006) argued that startup business founders can be successful entrepreneurs without necessarily being an effective leader. From a competitive standpoint, startup business founders will need to develop and implement a good strategy to sustain long-term profitability and maintain a competitive advantage that will enable startup businesses entrepreneurs to survive and thrive in the marketplace (Porter, 1998). Measuring the leadership personal practices of successful startup
business owners in the software industry will provide an understanding of the failure rate of startup companies in the industry.

**Startup customers**

According to Nagy and Kacmar (2013), defining, understanding, and managing customers are key to new venture performance. Customers are the major stakeholder group that decides the resources and market share of the new startup company. Customer satisfaction is a strong indicator of organizational performance used to measure the survival of a startup business. Nagy and Kacmar (2013) suggested that high customer satisfaction is an effect of the startup business owner in meeting or fulfilling the needs or desires of the customer.

**Constructs**

In this qualitative research study, the inputs, and outputs, as shown in Figure 1, are identified as leadership style, productivity, and customer satisfaction will help guide this research study. Below are the important styles and attributes. This area relates to leadership styles, productivity, and customer satisfaction.

**Leadership Style**

Leadership style links to organizational performance and directly impacts the leadership effectiveness of a firm. Eagly and Johnson (1990) highlighted two aspects of leadership styles: Task accomplishment and maintenance of interpersonal relationships. According to Bhattacharyya (2006), leadership styles generate a suitable environment for innovation and new entrepreneurship for a startup business. Bhattacharyya (2006) argued that startup business founders can obtain success as entrepreneurs without necessarily being an effective leader. From a competitive standpoint, startup business founders will need to develop and implement a good strategy which is a key leadership trait and behavior to sustain long-term profitability and
maintain a competitive advantage that will enable startup businesses to survive and thrive in the marketplace (Porter, 1998). Leadership style construct will help guide this research study needed for successful and unsuccessful software startup companies. This research study will help identify and understand the optimal leadership style that will help enhance startup success in all stages of the startup lifecycle. Dvalidze and Markopoulos (2019) argued that the entrepreneurial leadership style is effective in capturing the complex leadership processes in start-ups. Dvalidze and Markopoulos provided an understanding of entrepreneurial leadership by exploring where entrepreneurial leadership occurs in a startup context. Dvalidze and Markopoulos findings also suggested that leadership style changes across the lifespan of the startups, and entrepreneurial leadership features are found at each respective stage of startups.

**Productivity**

According to Tangen (2002), productivity is defined as the relation of output (produced goods) to input (consumed resources) in the manufacturing transformation process. Productivity is also a way for leaders to control cost and generate revenue in a firm. Productivity links to the usage and availability of resources as well as the creation of value (Tangen, 2002). Lazarova et al. (2020) suggested that organizational culture is one of the key success factors for employee retention, satisfaction, and productivity. Organizational culture shows that productivity is a key indicator of organizational performance which will help the startup maintain a competitive advantage in a highly uncertain business environment. Lazarova et al. (2020) argued that understanding and identifying an optimal leadership style that will develop a leader-follow relationship is an important construct to improve productivity. Nabiuny et al. (2021) suggested that increasing the quality and productivity of startups will first require startups to identify and address the problems that startups founders experience throughout the lifestyle of the startup.
Productivity is another important construct employed that will help guide the research study for startup companies by explaining the startup failure phenomenon.

**Customer Satisfaction**

Nagy and Kacmar (2013) defined customer satisfaction as an experience by a person regarding a product or service. This definition focuses on the fulfillment stemming from customer expectations of a product or service. A key important characteristic of successful startups is being customer oriented. Hongtao (2020) defined this concept as follows: Customer orientation is organization employees meeting the needs of the customer. Hongtao described customer satisfaction as a psychological activity that focuses on meeting the customer’s needs as well as being the best indicator of the future profits of an organization. Customer satisfaction is very important to startups, and therefore, startup founders and leaders will need to integrate an organizational culture of customer satisfaction that will increase the startup’s performance and success. The characteristic of a startup is highly uncertain business environments and will need to continually increase its customer satisfaction culture, which will lead to increased startup performance to maintain competitive advantage. Customer satisfaction is an important metric for organizational performance. As a construct for this study, customer satisfaction will measure the level at which the startup founder meets the customer’s needs.

**Relationships Between Concepts, Theories, Actors, and Constructs**

Figure 1 illustrates the different phases of the research study and their interrelationships. The initial phase establishes the connection between input constructs, such as leadership style and business plans, with the problem statement, concepts, and theories central to the research questions. The subsequent phase portrays the role of actors, namely entrepreneurship leaders and customers, and their influence on the selected methodology and subsequent outcomes (customer...
satisfaction and productivity), referred to as output constructs. The research framework emphasizes the information flow between these elements.

Starting with the input constructs, the research diagram demonstrates how leadership style and business plans impact the problem statement. Understanding these concepts creates a link between the input constructs and the actors involved in the study. Interviews and surveys served as the appropriate methodology to gauge the extent of the impact of input constructs on the output constructs.

By integrating all elements of the research framework, a comprehensive understanding of the research problem achieves, leading to substantial insights and comprehensive answers to the research questions. This logical and systematic approach allows for a thorough exploration of the relationships and influences within the research study, contributing to a robust analysis of the topic under investigation.

Summary of the Research Framework

The research process begins with a problem statement that necessitates resolution through appropriate research questions, methodology, data analysis, and findings. Employing a case study approach, provided a comprehensive understanding of the factors influencing success or failure in software startups, including the impact of leadership on new businesses, which offers valuable insights into their survival needs during the initial years (Tomy & Pardede, 2018). The study's accounts and findings are conveyed verbally and in a non-numerical form, focusing on theories derived from conceptual data gathered from research participants and new software startup business performance outcomes. The primary research design utilized in the study involved non-numerical data collection, aligning with the characteristics of a quantitative approach (Robson & McCartan, 2016).
Definition of Terms

The following definitions of terms will contribute to this research study:

*Business model.* The business model is a concept companies use to set forth their strategy and operating methods that generate sufficient revenue to cover costs and produce profits and create value for customers (Suominen et al., 2017).

*Leadership styles.* Also known as leadership characteristics are personal traits, values, and beliefs used to provide the correct strategy and vision to gain competitive advantage and sustain the long-term growth of a business (Northouse, 2019).

*Organizational Culture.* Organizational culture is referred to as the personality of the company that influences how people behave by guiding the way decisions are made daily (Underhill et al., 2007).

*Organizational Performance.* Organizational performance consists of three specific areas of firm outcomes, which includes: financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc. (Richard et al. 2009).

*Startup.* A Startup is an organization or new business venture that searches for a scalable and repeatable business model (Suominen et al., 2017).

*Startup Life Cycle.* The Startup, like every other organization, has a Lifecycle. It is categorized into three stages, namely: the Bootstrapping stage, the Seed stage, and the Creation stage. The Bootstrapping stage includes the initiation of sets of activities by the startup founder that will turn his/her idea into a profitable business. The Seed stage involves teamwork and support systems, prototype development, venture valuation, and investments to grow the startup
business. The Creation stage is where the startup enters the marketplace, hires its first employees, and sells its products/services (Salamzadeh & Kawamorita Kesim, 2015).

**Assumptions, Limitations, Delimitations**

This section highlights specific assumptions, limitations, and delimitations of this study. According to Neuman and Kreuger (2003), research assumptions are declarations about the research study that is non-tested and unobservable. Limitations are potential weaknesses that can impact the study beyond the control of the researcher and associate with factors such as selected research design, funding constraints, and others (Theofanidis & Fountouki, 2018). Conversely, delimitations are the boundaries or limits of the research study in the form of definitions to keep the scope of the study within its aim and objectives (Theofanidis & Fountouki, 2018). These concepts are all discussed in this section.

**Assumptions**

The assumptions for this study focused on the methodology employed for interviewing. The first assumptions were that the respondents understood the questions being asked. The assumption of all participants received some form of leadership training. Some of the leaders that engaged in this study had leadership training through self-study and mentorship. However, some participants had formal training such as leadership development using leadership traits assessment tests, leadership assessments, and coaching. The second assumption was that the respondents truthfully answered the interview questions rather than trying to provide what they perceived as correct answers. Similarly, Simon and Goes (2013) affirmed this assumption that answering surveys and interview questions factually and honestly eliminates the issue of false information, which impacts the data. Simon and Goes (2013) argued that assuring the study participants of the confidentiality of their responses will encourage participants to respond
honestly. Considering this information, I ensured the confidentiality of the participants through the investigation and the write-up process. The final assumption was that the respondents remembered their experiences vividly and were knowledgeable enough to relive these experiences.

**Limitations**

Creswell and Poth (2018) indicated that limitations are flaws that will emerge in the research. This study is considered qualitative and had a limitation related to validity and reliability (Simon & Goes, 2013). The implication was that the qualitative studies occurred in a natural setting and became extremely challenging to replicate the research study. In this research study, limitation for me was the access only to the state of Indiana, which is only a small geographical area. Meaning the results will not provide an overall scope of responses (Theofanidis & Fountouki, 2018).

Another limitation related to financial and time restrictions. I had time restrictions to complete the study in a timely manner designated by the Liberty school of business. As a doctoral student, financial resources posed a concerning funding limitation to cater to the scope of the research. Other limitations included a single case study which limited my ability to generalize the findings to a larger population.

**Delimitations**

According to Theofanidis and Fountouki (2018), delimitations are limitations consciously set in place by the researcher and is within the researcher’s control. Simon and Goes (2013) argued that delimitations are specific choices made by the researcher, such as the (a) choice of the problem, (b) research questions, (c) research paradigm, (d) theoretical framework, and (e) choice of participants. The choice of participants limited to software startups in Indiana which
limits the ability to understand the results in the entire US. The research study confined to a specific geographic area (Indiana) which allowed me to study the topic within a defined context. The research study also had a limitation on the number of participants chosen to allow me to focus on startup founders and leaders that operated companies for over four years.

**Significance of the Study**

This research study contributed in various ways to the existing body of knowledge. First, the investigation identified gaps in the literature related to entrepreneurial leadership for startups. The gaps discovered led to suggestions for the need for additional research. Second, an addition was made to the current literature by providing a more thorough exploration through a cognitive research lens of secular and Christian worldviews. Finally, the consideration of the relevance of the research study to the overall subject of leadership existed. All the contributions related to the significance of the study.

**Reduction of Gaps in the Literature**

Several gaps emerged in the literature. Addressing the gaps in the literature it was important to contribute to the body of knowledge. The first gap identified in the literature related to several reasons why startups failed. The literature review included identifying several internal and external reasons, such as financial and support systems. Although startup businesses yield a significant economic impact on the US economy, recent studies included the failure rate of startup companies appears to remain high over time. According to Chandra Balodi and Prabhu (2014), approximately 60% of start-ups manage to survive for up to three years, while over 90% of start-ups fail to achieve the targeted return on investment. An increased percentage of start-up businesses do not attain success in the long run. This research reduced the gap related to existing
research that startup failure problem attributes mainly because of leadership and its influence on the performance of startups.

Recent research also included analyzing leadership for startups, but the research has focused on mostly mainstream leadership theories such as transformational leadership, and transactional leadership. Understanding the leadership processes for startups is complex and diverse. This research included a focus on emerging leadership theories such as entrepreneurial leadership (Dvalidze & Markopoulos, 2019). This research paper addressed the second research gap in the literature related to entrepreneurial leadership for startups to qualitatively analyze the leadership characteristics required to attain success for new startups.

**Implications for Biblical Integration**

Leadership has become the most desirable global commodity because of the short supply of effective leaders. A lot of research work exist including (a) seminars on leadership, (b) leadership development programs, and (c) materials published on leadership. Questions remain on what constitutes good leadership by front-line personnel, managers, and subordinates around the world. The need for leadership in various organizations originates from the world has constant and unprecedented changes (Laufer, 2008). Although change is not a new concept, the rate of change in recent times is alarming. Previous researchers indicated that the rapid changes are because of advancements in science and technology, emerging disrupting technologies, customer requirements, and new leadership (Fai, 2004). For organizations, whether small or large, private, or public, manufacturing or service firms, to survive and gain competitive advantage, they all need to adapt and respond to these changes. One major way to adapt to change is effective leadership. The Biblical character Moses is a perfect example of effective leadership demonstrated as the Israelites moved from the land of Egypt, where they were
enslaved, to the Promised Land. Egypt, the slave masters, and oppressors represent today’s fierce competitors and demanding customers, while the Promised Lands a land flowing with milk and honey represent financial and organizational success (Laufer, 2008). Similarly, the success of a startup business could rely on the visionary and strategic leadership of the startup to survive in a competitive environment.

**Benefit to Business Practice and Relationship to Cognate**

The study of impact of leadership on startups can offer several benefits to business practice. Some of the benefits include: First, effective leadership in startups results in well-informed and timely decision-making, as strong leaders assess options, evaluate risks, and make strategic choices that positively shape the business's trajectory. Second, well-led startups are more likely to experience sustained growth over the long term. Effective leadership ensures that the company's growth is managed thoughtfully and aligns with its core values and objectives. Third, the study will provide enhanced employee morale and engagement benefits. Inspirational leadership drawn from the study can create a positive work environment that boosts employee morale and engagement by increasing employee commitment and productivity. Forth, strong leadership promotes clear and open communication channels within the startup enabling employees to understand their roles. Employees can understand their responsibilities, and the overall vision of the organization, leading to better coordination and alignment. In summary, strong leadership in startups has implications for business practice, contributing to organizational success, growth, and sustainability. Leadership fosters a culture of innovation, engagement, and adaptability, which are essential for startups to thrive in today's dynamic and competitive landscape.
This research study contributes to the field of leadership by investigating the impact of leadership on startup performance. The relationship of this study to leadership cognate is that it explores and examines the influence of leadership on startups using concepts and frameworks from leadership cognates. I will draw upon the theories, models, and findings from leadership cognates to deepen my understanding of how specific leadership styles or approaches affect various aspects of startup success. By incorporating knowledge and insights from leadership cognates, the study can benefit from a more nuanced understanding of different leadership styles' effects on organizational dynamics, employee engagement, innovation, and overall performance within the startup context. Overall, the relationship between the study and leadership cognate lies in the integration of specific leadership concepts, theories, and frameworks to explore and explain the dynamics of effective leadership in startup organizations.

Summary of the Significance of the Study

The research process commenced with a problem statement and utilized research questions to guide its resolution. Through appropriate methodology, data analysis, and findings, the study included addressing specific problems related to the success or failure of software startups and their leadership (Tomy & Pardede, 2018). This qualitative case study approach included an in-depth understanding of the factors influencing the survival needs of startup businesses during their initial years, with accounts and findings presented in non-numerical form. The study explored the high failure rate of software startups in the United States, relying on interviews and document analysis to identify themes based on conceptual data from research participants and performance outcomes of new software startup businesses. Through this approach, the study shed light on internal factors such as leadership styles that can impact the performance of new startups. A thorough analysis of these themes further revealed the factors
influencing the high failure rate of software startup companies and provided insights into the determinants of their survival and sustenance.

This paper has outlined the definitions that will guide the boundary and scope of this research study. Also highlighted are the assumptions, limitations, and delimitations for the research to help guide this research process. The significance of the study also highlighted the gap in the literature regarding the relevance of leadership influence on startup performance. Previous research only focused on mainstream leadership, which does not provide a full understanding of the leadership processes of a startup lifecycle. This qualitative research case study explored and provided an understanding of the high failure rate of software startup businesses in the United States by providing insight into the determining entrepreneurial leadership elements of survival and sustenance of startup companies.

A Review of the Professional and Academic Literature

This section includes the concept of a startup and its development, types of startups, challenges of startups, and factors that hinder its growth and development. The section further describes leadership as one of the key factors influencing the performance of startups by evaluating leadership concepts and theories from both the mainstream leadership theories for established organizations and emerging entrepreneurship leadership concepts and their role in startups.

Business Practices

Knowledge exists that no two business leaders – whether they are business executives or entrepreneurs function the same way in terms of leadership style. However, common traits of leadership can identify among successful executive leaders of large organizations and entrepreneurs of startup companies. Describing the strength and weaknesses of leadership styles
for entrepreneurs of startup companies and large companies ‘executive leaders will be key to redefining and shaping the future of an organization or responsible for the competitive disadvantage of the organization (Bhattacharyya, 2006). Zaech and Baldegger (2017) argued that leadership contexts, such as business environment, company life cycle, or firm structure, influence leadership success. A review of the various leadership theories will provide an understanding of the impact of leadership characteristics on organizational performance. Common knowledge exists that organizations differ in size, structure, and purpose. This literature review will focus on the empirical study of the startup organization concept, the factors that affect the survival and failure of startups, leadership theories, and organizational performance. Previous research included several reasons behind why startup business failures are diverse and complex. Although there are external factors such as the economic, political, and social environment factors that can affect the performance of startup businesses, leadership has long been recognized as one of the important factors influencing the performance of startups. Previous studies revealed that leadership behavior is as important as startup context concerning startups and their performance (Zaech & Baldegger 2017). Zaech and Baldegger (2017) reported that most entrepreneurs neglect and do not consider leadership as a source of motivation for founding a startup business. The focus of this study was on the leadership characteristics of startup business founders and the internal determinants of business performance as opposed to the broader external environmental factors. The objective is to explain why new startup businesses fail.

The Problem

The general problem addressed was the inadequate leadership skills of startup founders and leaders, resulting in a high failure rate of software startup businesses and negative economic
impacts. The overall success and growth of startups are significantly influenced by various factors, among which leadership plays a crucial role. However, a lack of understanding of how specific leadership styles and practices can impact the performance, culture, and sustainability of startups exist. For example, the impact of transformational leadership versus entrepreneurial leadership on startup growth is not well studied. Furthermore, how leadership influences team dynamics, decision-making processes, and innovation in a startup environment is not clearly understood. A need exists for more in-depth research to understand the specific impacts of different leadership styles on various aspects of startups' success. The specific problem addressed was the inadequate leadership skills of startup founders and leaders within the software industry in Indiana, resulting in a high failure rate of software startup businesses.

**Concepts**

Several research studies included the focus on startups as a concept for decades, especially on various factors influencing their growth and development (Suominen et al., 2017). However, these factors are diverse and complex and pose the fundamental question. What is a startup? According to Magalhaes (2019), these fundamental questions will include the following: “Should it be defined by a measure of innovation? Should it be defined by size? Or should culture or mindset define it?” (p. 1). To answer the above questions, there is a need to first explore the origin of startups.

**History of Startups**

According to Skawińska and Zalewski (2020), startups have origins that date to the 1970s. During this period, especially in developed countries, highly innovative, agile, and small-sized companies, now known as startups, emerged, bringing about the revolution of the conventional market of goods and services as well as organizational management. In those days,
these high-tech small companies mostly originated from the electronics and computer industries. Magalhaes (2019) supported this notion that the origin of startup has a connection with new findings and uses of technology.

Öndas (2021) presented an account of startup history, including the “tech bubble” event that occurred in the period between 1997 and the early 2000s. During this event, the number of individuals buying the technology was far less than technology supplies because of increased technology stocks that resulted in one of the biggest bubbles in history. In addition, this time also was characterized by internet-based companies pitching to many investors that made it possible for companies to rise and increase their stock prices lucratively by appending a .com or e to their company names. Öndas (2021) argued that despite these new developments, startups were not started in the tech bubble. However, many startups were prevalent during this period. Examples include startups such as Google. Google started as a PhD research project known as BackRub at Stanford University by the founders: Larry Page and Sergey Brin, which laid the foundation for the well-known search engine (Google, nd.). The history of Google started with the goal of creating a search engine on a large scale (Öndas, 2021). Öndas (2021) suggests that startups typically aim at growth by discovering a niche market.

Overall, the history of startups reflects the evolution of entrepreneurship and innovation over the years. Today, startups continue to play a crucial role in driving technological advancements, economic growth, and societal transformation. Given the significance of startups to a nation’s economy, it becomes crucial to examine the correlation between the definition and attributes of startups and the impact of leadership on their success.

**Definition of Startup**
The relationship between "startup definition" and "impact of leadership on startups" is that the understanding and clarity of the startup's definition directly influence how leadership practices and decisions can impact the startup's success and performance. To perform an in-depth analysis of the success factors and business barriers experienced by startup founders, there will be a need to adopt a comprehensive definition of a startup. Several definitions of startups exist by many authors. Skawińska and Zalewski (2020) identified two approaches to definitions of startups. In the first approach, the term ‘startup is the beginning of a venture from the seed stage to the market maturity stage. The second approach defines startup as specific stages in the startup process which occur between stage as shown in Figure 2. The stages include standup, startup, scaleup, and scaler (Skawińska & Zalewski, 2020).

Figure 2

Startup development stages

Note: this chart exemplifies the stages of startup ventures. From “Success factors of startups in the EU—A comparative study,” by E. Skawińska, and R. I. Zalewski, 2020, Sustainability, 12(19), 8200. Copyright 2020 by Sustainability.
Skawińska and Zalewski (2020), indicated the following regarding a startup business:

A startup business is a new autonomous initiative that can lead to disruptive change in the best interest of the community. New business plans should indicate the problem that the business will address to solve and pursue the appropriate talent to grow the business. Moro-Visconti, R. (2021a) described a startup as a new business for the owner to pursue, develop, and authenticate an ascendable model that can transform a project into a viable commercial action.

Ries (2011), in his definition of a startup, described it as an organization established under conditions of extreme uncertainty to create new products or services. The above definitions of startups clearly differentiate startups from established organizations characterized by having extra resources and operating in mature markets (Ries, 2011). In a similar manner, Blank and Dorf (2020) defined a startup as an organization that searches for a profitable business model. In Blank and Dorf’s definition, a startup is distinguished from a small business which categorizes according to its size, and they do not have any intentions of growing or a scalable business model (Unterkalmsteiner et al., 2016). The above definitions have innovation and size as criteria linked to their purposes. Similarly, Klačmer Čalopa. et al. (2014) described startups as newly formed companies and in the phase of development and market research. Klačmer Čalopa et al. (2014) argued that startups have great growth potential and are generally but not essentially associated with high-tech projects since their products are mostly software that can be produced and reproduced.

Bednár and Tarišková (2017), in their description of a startup, argued that the definition of a startup as a fast-growth business does not explain the complexity of a startup. They presented the definition of startup by Matej Jariabka a startup Camp community leader as an
enterprise with growth potential. Bednár and Tarišková (2017) suggested the following criteria for an enterprise to be referred to as a startup: is a leader in the industry with high risk with market establishment and grows quickly.

From these definitions, startups can be distinguished from established businesses and includes being a newly established company, focusing on innovative products or services, seeking rapid growth, and operating in a dynamic and uncertain environment. By recognizing the core attributes of startups and understanding how leadership interacts with these unique characteristics, stakeholders can better comprehend the factors that drive a startup's performance. This knowledge can inform the development of leadership strategies that are tailored to the specific needs and challenges experienced by startups entrepreneurs, ultimately enhancing their chances of thriving in the competitive business landscape.

*Types of Startup Companies*

The connection between "types of startups" and the "definition of startup" lies in how the various types of startups align with or fit into the broader definition of what constitutes a startup. Klačmer Čalopa et al. (2014) presented three types of startups according to a study conducted for over 650 web startups across the USA. Klačmer Čalopa et al. referred to the three startups as the Automizer, the Integrator, and the Challenger. The Automizer characteristics are customer focus, the attraction of customers that previously performed production manually and have intentions to automate processes. Interest is in fast-performing products, a large market, struggle in the existing market. Customers utilize new technology and developers that adopt strong technology. The subtype of this type of startup is referred to as the social transformer, which includes characteristics of increased subscriber growth, networking, and critical mass existence. This startup creates new ways to connect people and requires more capital, teams, and businesspeople
to meet regularly when compared to IT-oriented startups. The second startup, known as “the integrator”, targets small markets and small and medium-sized enterprises, and its features include early profits, high security, and keeping small teams even in the event of expansion and growth. Finally, the third startup, the Challenger, has many users and requires large teams and more time in comparison to the first two startup types, regarding capital and business-focused teams. The characteristic of the challenger is high sales with dependence on customers, operates in a rigid and complex market, and has processes with repeatable sales (Klačmer Čalopa et al., 2014).

Blank and Dorf (2020) advanced the notion that there are five types of startups. They include (a) small business entrepreneurship, (b) scalable Startup, (c) buyable Startup, (d) large company entrepreneurship, and (5) Social Entrepreneurship. In the description of Small Business Entrepreneurship, Blank and Dorf (2020) suggested that these startups included service-oriented businesses where the founder does not intend to be a major player in the industry but in for the profits. Examples include laundry shops, mini-marts, and barbershops (Blank & Dorf, 2020). The Scalable startup, as the name implies, is designed for growth and expansion, where the founder(s) creates ideas that can impact changes globally and can rack up revenues to the tune of millions or billions. Companies such as Google, Facebook, Uber, and Twitter are examples of scalable startups (Blank & Dorf, 2020). The third startup, known as buyable Startup, is typically web and mobile applications characterized by ideas that are low-cost and created to be acquired by larger companies who are more interested in talent than business. The fourth startup, the large company entrepreneurship, characterizes by a definite lifecycle that is designed to create new innovative products in response to changes in the external environment, including competition, regulation, and disruptive technologies. The fifth startup, social entrepreneurship, create change
the world, but its purpose is to create an impact on the community as opposed to making profits. It is like Scalable startups. Examples include Solarfood a company designed to research food programs on planet Mars (Blank & Dorf, 2020). Other examples include Mifuko an online shop that produces bags and shoes from recycled raw material from Kenya (Blank & Dorf, 2020).

The connection between the various types of startups discussed above can be assessed and understood in the context of the broader definition of startup. Each type of startup possesses unique attributes and characteristics, but they all share common elements that make them startups. The definition provides a framework within which the different types of startups can be analyzed and compared.

**Lifecycle of Startups**

The relationship between the lifecycle of startup and the impact of leadership on startups lies in how leadership practices and decisions can influence the different stages of a startup's lifecycle. Several scholars presented the life-cycle theory to describe startup development (Tsai & Lan, 2006). Tsai and Lan (2006) highlighted the comparison of some of the proposed models by several researchers. Although the number of lifecycle stages for startups differs, the models do share a similarity in that the stages follow a linear process in the growth and development of startup companies (Tsai & Lan, 2006).

Klačmer Čalopa et al. (2014) presented a lifecycle of startups that go through three stages of development that include the Problem/Solution Fit stage (phase 1), The Product/Market Fit stage (phase 2), and the Scale Stage (phase 3). The Problem/Solution fit stage, which is the first stage, involves examining whether the market has a problem that needs a solution, meaning the associated problem is aligned with the solution. This stage includes confirming if customers need this solution and are willing to pay for the solution that the startup has developed. The next phase
includes investigating the solution implemented by testing and analyzing several metrics to
determine the degree to which the new product solves specific problems of the customer. The
final phase, known as the Scale, is characterized by increased profit margin, increased market
share, and the number of employees stemming from the growth and expansion of the startup
company (Klačmer Čalopa et al., 2014).

Crowne (2002) indicated that the evolution and development of startups is in a category
of four stages. The first stage period is the time when a startup creates and refines ideas to the
first scale. This stage leaders experiencing the challenges of developing relevant skills and
finding the right team to start production. The second is referred to as stabilization, which
includes leaders starting the first sale to acquire customers without overhead costs during product
delivery. The third stage includes leaders stabilizing the process of production that yields a
lasting market size and share accompanied by an established growth rate. The final stage, which
is known as the maturity stage, achieves when a robust and predictable product development
process is established (Crowne, 2002).

Salamzadeh and Kawamorita Kesim, (2015) outlined the life cycle of startups. Figure 2
highlights the lifecycle stages of startups, including bootstrapping stage, seed stage, and creation
stage. Salamzadeh and Kawamorita Kesim, (2015) argued that even though startups vary in their
sequences of activities and stages, these stages can summarize into stages, as shown in Figure 2.
The Bootstrapping stage is the stage where the startup founder/owner employs highly creative
ways for resource acquisition from personal funds and funds from friends and family without
having to borrow from outside. The main objective of this stage is to position the startup
company for growth by indicating that the product is feasible, demonstrating the capability of
cash management, team building, and acceptance of customers (Salamzadeh & Kawamorita
Following the Bootstrapping stage is the Seed stage. The Seed stage, characterized by high uncertainty, includes prototype development, teamwork, market-entry, venture valuation, and sorting for support mechanisms such as accelerators and incubators to enhance the startup growth process. Many startup companies fail at this stage primarily because of a lack of support mechanisms. Typically, valuation is the performance at the end of this stage if the startup company survives. The final stage is the creation stage, which includes market entry, products sold, and the first set of employees hired. Venture capitalists usually fund this stage. At the end of this stage, entrepreneurship typically stops, and the firm is fully established, adopting corporate finance as the financing approach (Salamzadeh & Kawamorita Kesim, 2015).

Overall, the discussion above suggests that impact of leadership on startups intertwines with the lifecycle of startup as leadership practices significantly influence the startup's progression through various stages and its ultimate success or failure. Recognizing the unique challenges and opportunities at each stage enables leaders to make more informed decisions that align with the startup's needs and contribute to its sustainable growth and long-term success. The conceptualization of a startup and its various stages of development helps scholars understand the challenges faced by a startup.
Figure 3

Lifecycle of startups

Note: this chart a graphic of “Startup companies: Life cycle and challenges,” by A Salamzadeh, and K. H. Kawamorita Kesim 2015, In 4th International conference on employment, education, and entrepreneurship (EEE), Copyright 2015 by international conference on employment, education and entrepreneurship (EEE).

Challenges of Startup

The connection between challenges of startup and the impact of leadership on startups lies in how effective leadership can play a critical role in addressing and overcoming the challenges that startup founders experience. Giardino et al. (2014a) suggested the fact that a startup is basically characterized by two key characteristics, namely: high uncertainty and rapid-evolvement and explains why startups generally face many key challenges. Giardino et al. (2014b) presented Table 1 to display themes associated with software startups.

Table 1

Recurring themes in startups

Giardino et al. (2014b) explored key challenges of early-stage software startups and presented ten critical challenges of startups as shown in Table 2.

**Table 2**

*Challenges of startup*
<table>
<thead>
<tr>
<th>Challenge</th>
<th>Description</th>
<th>#</th>
<th>Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thriving in Technology Uncertainty</td>
<td>developing technologically innovative products, which require cutting-edge development tools and techniques</td>
<td>1132</td>
<td>Product</td>
</tr>
<tr>
<td>Acquiring First Paying Customers</td>
<td>persuading a costumer to purchase the product, e.g. converting traffic into paying accounts</td>
<td>870</td>
<td>Market</td>
</tr>
<tr>
<td>Acquiring Initial Funding</td>
<td>acquiring the needed financial resources, e.g. from angel investors or entrepreneurs' family and friends</td>
<td>682</td>
<td>Financial</td>
</tr>
<tr>
<td>Building Entrepreneurial Teams</td>
<td>building and motivating a team with entrepreneurial characteristics, such as the ability to evaluate and react to unforeseen events</td>
<td>436</td>
<td>Team</td>
</tr>
<tr>
<td>Delivering Customer Value</td>
<td>defining an appropriate business strategy to deliver value*</td>
<td>393</td>
<td>Market</td>
</tr>
<tr>
<td>Managing Multiple Tasks</td>
<td>doing too much work in a relatively short time, e.g. duties from business to technical concerns</td>
<td>351</td>
<td>Team</td>
</tr>
<tr>
<td>Defining Minimum Viable Product</td>
<td>capturing and evaluating the riskiest assumptions that might fail the business concept</td>
<td>307</td>
<td>Product</td>
</tr>
<tr>
<td>Targeting a Niche Market</td>
<td>focusing on specific needs of users willing to take risks on a new product, such as early-adopters and innovators</td>
<td>212</td>
<td>Market</td>
</tr>
<tr>
<td>Staying Focused and Disciplined</td>
<td>not being particularly sensitive to influences from different stakeholders, such as customers, partners, investors and competitors (both actual and potential)</td>
<td>165</td>
<td>Team</td>
</tr>
<tr>
<td>Reaching the Break-even Point</td>
<td>balancing losses with enough profits to continue working on the project</td>
<td>161</td>
<td>Financial</td>
</tr>
</tbody>
</table>


Giardino et al. (2015) presented four categories of these key challenges of startups, including product, team, finance, and market. With this categorization, they were able to present findings that the most important challenge for startups to overcome was blossoming in a technological uncertainty environment and the acquisition of the first customer. The inconsistencies between formulating managerial strategies and the execution of these strategies could lead to the subsequent failure of startups.

Kee et al. (2019) highlighted key challenges and obstacles of startups, including insufficient information regarding business opportunities, absence of business support and inadequate networking, and lack of awareness in terms of resources. Salamzadeh and
Kawamorita Kesim (2015) presented categories of challenges that startups face which include financial, human resources, support mechanisms, and experimental factors.

**Financial Support Challenges.** Finance is a fundamental part of the startup process.

Startups experience financial challenges at the different stages of the startup lifecycle. The finance in the Bootstrapping stage involves negotiations between the founder and family members friends to convince them to commit to investing in the startup founder’s idea. The startup founder may experience financial difficulties in expanding the business since the idea is in its early stages. Unlike the bootstrapping stage, the seed stage founders experience the challenge of convincing angel investors with valuation plans. In the final creation stage, the startup founder plays the role of preparing documentation for securing venture capital (Salamzadeh & Kawamorita Kesim 2015).

**Human Resources.** Salamzadeh and Kawamorita Kesim (2015) argued that one of the key challenges experienced by startup founders is to identify more experts to be part of the team to help develop the prototype for a startup business. Another challenge is in negotiating with new people to hire. Human resource availability is a major factor that will drive the success of a new startup (Giardino et al., 2014a). In a similar way, Giardino et al. (2014a) identified one of a startup’s main challenges to be lack of resources. In their study, they argued that startups are highly reactive and comprise small teams with little experience.

**Support Mechanisms.** Several support mechanisms exist that are of importance in the life cycle of startups. An increase in the risk of failure can result from a lack of access to support mechanisms. Support mechanisms include accelerators, venture capital, angel investors, incubators, hatcheries, small business centers, and science and technology parks (Salamzadeh & Kawamorita Kesim, 2015).
Environmental Factors. Environmental elements pose challenges to the development of startups. A need exists for startup founders to pay attention to environmental factors such as market limitations, legal issues, existing trends, and so on. Environmental factors that are supportive will impact the success of a startup positively (Salamzadeh & Kawamorita Kesim, 2015). In a similar way, Khalique et al. (2011) identified challenges of startup companies to include a lack of managerial capabilities, lack of financing, recession, difficulty in accessing management, low productivity, barriers from global sourcing, technology, and hefty regulatory problems.

The impact of leadership on startups extends beyond guiding day to day operations. Leaders influencing how the startup responds to and manages challenges, ultimately affecting the organization's ability to thrive and grow. Startups with effective leadership are better equipped to overcome obstacles, adapt to market dynamics, and capitalize on opportunities, leading to a greater chance of long-term success. In summary, the impact of leadership on startups can help address and mitigate the challenges of startup, as effective leadership practices, decisions, and qualities enable startups to navigate difficulties and achieve sustainable growth and success.

Reasons Why Startups Fail

A lot of research has been dedicated to answering the question of why startups fail. The reasons for startup failures are often multifaceted and can vary depending on the industry, location, and specific circumstances of each startup. Triebel et al. (2018) highlighted two categories of factors for why startups fail including internal and external factors. While the internal factors basically comprise omissions with a startup, the external factors include a lack of investors or wrong choices of location (Triebel et al., 2018). Triebel et al. (2018) reported
findings of startup research conducted from the framework of the EXIST grant that showed numerous reasons for startup companies’ failures. The reasons are captured in Figure 4.

**Figure 4**

*Reasons for failure of company foundations*


According to Triebel et al. (2018), the startup failure reasons can categorize into five fields, namely: capital procurement, technological, implementation risks, market opportunities and, personal reasons for intentions.

**Figure 5**

*Main reasons for failed startups*

Triebel et al. (2018), argued that startup failures are because of a combination of factors as opposed to one single factor. Figure 4 shows the percentage that each reason contributes to a startup failure. From Figure 4, internal reasons such as personal or team-specific reasons, technological concept/implementation risks, and market opportunities/market hurdles play the most important role in the startup failure (Triebel et al., 2018).

Triebel et al. (2018), also reported a similar study conducted by a US company known as CB Insights. The study was performed on 101 failed startup companies that involved the assessment of these startup companies to show the reasons for their failures. The reasons are graphically shown in Figure 5. Similar to the EXIST grant study, the findings reveal both internal and external reasons.

**Figure 6**
**Top 20 reasons startups fail.**


Figure 6 shows that reasons such as team-specific reasons, financial needs, product development issues, and market situation problems were ranked to play an important role for reasons in startup failures. Based on the findings of studies on reasons for startup failure, Triebel et al. (2018) presented a summary of internal and external reasons for startup failure as shown in Table 3. Skawińska and Zalewski (2020), in a different approach, highlighted startup challenges to include: internal such as financial, human, and relational capital external such as markets, institutions, and startup ecosystem.

**Table 3**
Internal and external reasons for startup failure

<table>
<thead>
<tr>
<th>Internal reasons</th>
<th>External reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual reasons/Reasons within the team</td>
<td>Lack of capital</td>
</tr>
<tr>
<td>Development doesn’t meet market demand</td>
<td>Wrong time for the product</td>
</tr>
<tr>
<td>Poor marketing</td>
<td>Overtaken in competition</td>
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**Internal Reasons.** Internal factors are more frequent reasons why startup companies fail. Triebel et al. (2018) suggested that internal factors include problems in the development of the market, specific reasons because of individuals and teams, and bad marketing of startups.

**Individual/Team Specific Reasons.** Triebel et al. (2018), presented that these internal reasons stem from the inception of the company, team disputes, and the product implementation by another company. Startup reasons for failure have diverse characteristics. Triebel et al. suggested the first characteristic of failure includes a lack of discussions of the expectations of the founders at the initial stage of the startup company. Triebel et al. further explained the diverse expectations to include a scenario where one of the startup founders would prefer a conservative approach in building the startup company where the company is characterized by few employees and has an uninterrupted life cycle. Therefore, the startup co-founder wants to seize the opportunity of the fastest growth potential presented to the startup. This situation described above typically produces disputes between the founders that will impact the development of the company in terms of decisions regarding investor selection (Triebel et al., 2018).
In further describing internal reasons, Triebel et al. (2018) also presented another scenario referred to as the problem genius. The scenario entails one of the founders perceiving himself as the genius who is responsible for the idea of the startup. The assumption here is that the founder wrote a doctoral thesis about the business idea and eventually insisted that they are the brain behind the creation of the company. This assumption leads to an imbalance in the business idea share as the founder insists on the creator status of the startup company. This assumption could lead to the dissolution of the company foundation as the genius would not recognize the performance of the co-founders. This assumption suggests that a successful company does not only require a bright idea as an invention for product construction but also requires a viable team to achieve business success for the startup (Triebel et al., 2018).

The lifestyle situation of the startup company’s founder can pose a problem. Depending on the developmental phase of the company, a founder’s life situation could change to a situation of a married man and father. At the early stage of the company, where customers are newly acquired and revenue is not high enough for the startup company to be profitable, that cofounder will have to depend on their reserve. This situation will not be enough to cater for the new family. This founder will easily accept a lucrative job offer from a large-paying employer, resulting in the alienation of this founder. This situation will lead to a dispute in the team and cause a failure in the startup company (Triebel et al., 2018).

*Development Does not Meet Market Demand.* Triebel et al. (2018) described this concept through a product, a software mobile product *Why Own It*, which was released online and expected to thrive because sharing a major trend has the chance of great success. Three years later, this project failed. In this scenario, the actual number of customers ready to purchase the product was much less than the number expected to use the product. Triebel et al. (2018)
explained that there is a big difference between people liking an idea and the reality of how many of them demand ideas. This idea can pose a potential reason for startup failure (Triebel et al., 2018).

**Poor Marketing.** Triebel et al. (2018) advanced the notion of the concept of what success means in the context of a startup marketing campaign. Several marketing measures exist that can promote a startup and cause it to be widespread. Typically, many startup companies focus on online marketing. Triebel et al. provided an example of poor marketing with an invention product by Dean Kamen that failed because of a large marketing budget that did not produce a successful company. Triebel et al. further demonstrated that a good idea, with a functioning team and sufficient capital, can lead to startup success using the correct entrepreneurial measures as opposed to large unplanned targeted marketing (Triebel et al., 2018).

**External Reasons.** Like internal reasons, there are external reasons exist that can lead to the failure of a startup company. Factors such as lack of capital, wrong product timing, and losing competition (Triebel et al., 2018).

**Lacking Capital.** Triebel advanced the notion that in growing and developing startup companies, a need exists to have sufficient capital to cover new projects. In many cases, most startup companies want to implement vertical integration by avoiding supplier services. Huge investment capital is necessary to acquire equipment and assets when compared to an outsourcing supply chain. Triebel cited an example of a startup company. The startup company Webvan. Webvan, an American company, where the owner had more than $1.2 billion in investment capital and decided to own their supply chain. In the process of time, the existing capital was insufficient to cater to the project, and therefore, resulted in the dismissal of employees and eventually closing the company (Triebel et al., 2018).
**Product Timing.** One of the external reasons for startup failure is the right product idea at the wrong time. Triebel et al. (2018) cited an example of a startup company known as Boo.com in London in 1998 that was started for the online distribution of street and sportswear. Although the idea was well received and funded, the leaders experienced the challenge of technical difficulties and inaccessibility to customers because of slow internet modems back in the day. The problem eventually resulted in the decline of the company because the startup company leaders developed a product that was technically nine years ahead of its time. A set up company must have the right timing matters (Triebel et al., 2018).

**Overtaken in Competition.** One of the key things a startup company needs to succeed is to position the organization to gain a competitive advantage. The rapid competition, speed of development of the startup companies, and the marketplace can be the external reasons to why startup companies fail (Triebel et al., 2018).

Bednár and Tarišková (2017) conducted a study of startups from around the world by analyzing thirteen factors that can cause the failures of startups. Similar to Triebel’s findings, Figure 6 highlights an overview of several failure reasons for startups. Out of the numerous reasons for startup failure, Bednár and Tarišková (2017) focused on five of them as the most serious reasons based on their percentage contribution to startup failure. The reasons include (a) lack of money for further development (34%), (b) no need for a product/service in the market (28%), (c) no Investors (16%). In addition, the reasons include, Cost Issues (16%), and the wrong team (14%).

**Lack of funds for Startup Development.** Bednár and Tarišková (2017) suggested that financial resources were a key factor in the success of a startup company, especially at the phase of its lifecycle where the startup is not generating revenue. According to Bednár and Tarišková
sources typically include friends, family, developmental and venture capital, government support, and crowdfunding. Bednár and Tarišková (2017) indicated that a third of the startup companies studied indicated that the startups did not define the funds needed for the launch and a schedule for the investment timeline. As a result of not planning well, the startups are unable to reach the sales stage to gather sufficient funds to cover operation costs, employee salaries, expansion financing, and reimbursement expenditures (Bednár & Tarišková, 2017).

**Product and Service not Needed in the Market.** This reason ranked the second highest in the study. Bednár and Tarišková (2017) explained that this means customers have no interest in the solution offered by the startup. The reason behind the lack of interest is mostly because of a lack of real market testing of the problem defined. Resolving this will be developing a problem/solution fit as well as a product/market fit. Another key reason was the timing of the product launch, as earlier pointed out by Triebel et al. (2018) findings, was not right. This problem was because of customers or the market not being ready. In most cases, the product is either too early or too late (Bednár & Tarišková, 2017).

**No Investors.** Triebel’s et al. (2018) findings on finances, are very important and was ranked third place in this study because of a lack of investors. Bednár and Tarišková (2017) indicated that the lack of investors for startups to includes the following: Startup enterprise has habitually not met the expectations several times by not meeting the required goals in the basic series. The second reason mentioned is the lack of substantial evidence to demonstrate exponential growth potentials, such as purchase order contracts, successful campaigns for crowdfunding, application downloads in large quantities, and large sales volumes (Bednár & Tarišková, 2017).
**Cost Issues.** Cost issues ranked fourth in the research study. This issue stems from cost calculations where the founders did not make accurate finance planning that consisted of direct and overhead costs of the business's operational activities. Inaccurate budgeting, and computation of price points for products result in market price not covering for overall cost. Bednár and Tarišková (2017), identified reasons for failed budgeting to include: founders defining only initial costs because of pressure from investors: the inability to define all associated costs such as material cost, labor costs, technology, and investment costs. And finally, lack of knowledge as to what material to finally use (Bednár & Tarišková, 2017).

**Wrong Team.** The wrong team is a potential threat to the survival of a startup business. Bednár and Tarišková (2017) indicated that most investors evaluate team members to assess their quality, experience, and creativity. For example, a change in the business model for the startup will require the right team to implement. Bednár and Tarišková (2017) presented findings regarding not having the right team, which include team conflicts stemming from the wrong mix of people, incompatible team members, the presence of strong personalities in the team, and an incompetent team. Secondly, bad team leadership results in unfair distribution of work, poor employee compensation, and a reward system. And finally, founders find themselves with no leadership abilities to lead the team.

**Figure 7**

*Reasons for startup failure*
Support Services. Research studies exist on startups that focus on factors impacting their growth and development. Suominen et al. (2017) identified some of these factors, including accessibility to resources and overcoming the liabilities of smallness and newness. Kee et al. (2019) argued that support services such as technology-related, finance-related, market-related, and soft-related support are some of the factors that influence start-up success. Kee et al. demonstrated how each dimension of the support services either promotes or hinders start-up success. Kee et al. indicated that five hundred startups in Malaysia, had finance related support as the most crucial for growth and survival of startups. The reason behind this factor is that financial-related support provides interpositions that offer protection to startup companies. Positions startups must get involved in developmental activities without meeting potential threats.
directly. The next most important support service is technological support, closely followed by software-related support. However, Kee et al. (2019) presented the findings that market-related support did not happen to be a decent predictor of influencing startup success. In Kee et al.’s conclusion of the study, they recommended a holistic model which captures all aspects of support services necessary to enhance startup success. From the above discussion, it is essential to note that these reasons are not exhaustive, and there can be other factors contributing to startup failure. Additionally, startups often face a combination of challenges rather than a single, isolated issue.

**Leadership as a Major Reason for Startup Failure**

The Literature of previous research findings included the suggestion that reasons for startup failure are diverse and complex. Turner and Endres (2017) highlighted that the leadership practices of startup founders differ for successful and unsuccessful startups. Fahed-Sreih and Morin-Delerm (2012) suggested that the lack of leadership skills is a contributor to startup failures in producing efficient organizations that can survive in the marketplace. Several research studies on leadership in startups exist. Dvalidze and Markopoulos (2019) identified leadership as a significant factor impacting a startup's performance. Therefore, understanding leadership concept theories can help capture the complex processes inherent to startups. Dvalidze and Markopoulos’s research revealed an emerging leadership referred to as entrepreneur leadership whose processes develop across the lifecycle of startups. Dvalidze and Markopoulos argued that even though mainstream leadership theories, such as transformational and charismatic leadership have a positive impact on the growth and development of startups, entrepreneurial leadership theories offer a more adequate understanding of the complex leadership processes in the growth and development of startups. Findings in Dvalidze and Markopoulos research indicated that
leadership changes occur at the various stages of the startup lifecycle and that distinct entrepreneurial leadership characteristics are evident in each respective stage of the startup lifecycle.

Zaech and Baldegger’s (2017) indicated that leadership in startups focused on the influence of leadership on startup performance. Unlike the study conducted by Dvalidze and Markopoulos (2019), the focus here is mainstream leadership theory as opposed to entrepreneurial leadership. Zaech and Baldegger’s was performed by employees by rating the leadership behavior of the startup founder. The findings of the Zaech and Baldegger’s study revealed that transformational leadership had an important and positive impact on startup performance. Transactional leadership a type of mainstream leadership had no direct effect on startup performance. The results of Zaech and Baldegger’s work demonstrate that the impact of leadership behavior on startup performance cannot be over-emphasized and should be focused on to reduce startup failures. Leadership behavior should be a non-negotiable concept and should not be ignored by entrepreneurs in the founding stage of a new startup business.

Another study was conducted by Ensley et al. (2006), who investigated the difference between the influences of vertical versus shared leadership on startup performance with respect to new venture top management teams. While vertical leadership suggests the appointment of a formal leader of a team, shared leadership is a system of distributed leadership emerging from within a team. In Ensley et al.’s study, the focus was also on mainstream leadership, such as transactional, transformational, etc. The dimensions of these leaderships were examined for both the vertical and the shared leadership. The startup performance measured in terms of revenue growth and employee growth. Similar to the study conducted by Zaech and Baldegger (2017), the findings of Zaech and Baldegger’s research proved that both vertical and shared leadership of
teams had a significant influence on startup performance. However, Zaech and Baldegger’s also revealed that shared leadership had a stronger correlation to startup performance when compared to traditional vertical leadership. The related studies outlined above have evidently demonstrated leadership influence on startup performance. To fully understand leadership concepts regarding startup success, there is a need to review the historical perspective of leadership, definitions of leadership, leadership theories, and leadership styles.

**Historical Perspective of Leadership**

Understanding the various leadership theoretical paradigms and the direction of leadership research will require readers to hold some knowledge of the history of leadership research and how leadership theories evolved over time (Antonakis & Day 2018). Studies on Leadership have been going on since 500 BC (Fernald et al., 2005). Bass and Stogdill (1990) advanced the notion that in developing civilized societies, great leaders played a key role. However, several studies exist connecting civilization and the emergence of leadership. These studies demonstrate how civilizations have shaped leaders as well as how leaders shape civilization. Leadership, therefore, is an integral component of the human being’s existence. Consequently, been numerous calls to leadership exist on development throughout the centuries. According to Landis et al. (2014), Moses in the bible is identified as one of the earliest recorded leaders. The Biblical account of Moses’ leadership reveals a demonstration of leadership traits that is relevant in today’s business environment. Key leadership traits of Moses include thinking quickly, being flexible, sustaining people’s confidence in times of uncertainty, and creating work rules for people with diverse backgrounds. These traits are still relevant in today’s business environment and are characterized by information where facts are evolving, and rapid changes are occurring in the global marketplace. Landis et al. (2014) also cited the leadership of
Confucius in Chinese history, where a moral example was established. Other leaders mentioned from times past include Plato advancing the notion of the importance of leaders in the government, Aristotle criticizing political leaders for lacking meaning and virtue, and Machiavelli alluding to the need for leaders to be steady and firm. Landis et al. (2014) also suggested that one of the earliest profound leadership concepts was established in the 1930s at the West Point Military Academy, where Hegel presented the viewpoint of the mind that leaders must first become followers before becoming leaders.

Grint (2011) suggested in his book that the knowledge of leadership in ancient times is significantly reliant on the existence of written texts of historical leadership by winners, typically successful military, and political groups. Grint (2011) cited examples of Alexander the Great and Julius Caesar’s victories that were either written down by them or professionally written down on their behalf. Grint (2011) referred to this account of leadership history as classical leadership. Grint (2011) cited that war was a crucial element in the early development of leadership practice. Grint (2011) presented war events that were regarded as significant in history, including: From Sargon of Akkad (c. 2334–2279 BC), to Ramesses II of Egypt from around 3000 BC to Harappan civilization, and across to the Huang Ho in China, the military leadership played a crucial role in the quest for survival.

Grint (2011) argued that the most significant classical leadership writings begin from the conduct of either war or politics. Other classical accounts of leadership cited include Kautilya’s The Arthasastra which was written for the Mauryan dynasty (now modern-day India) around 321 BC entailed a collection of practical guidelines for leaders to reflect; Sun Tzu’s The Art of War, written in 400 – 300 BC in ancient China for general war and military leadership; Plato’s writings regarding political leadership warnings rooted in democracy as a threat for the Greek
civilization in 429 – 347 BC; Aristotle’s Rhetorica written in 384-322 BC - as an expose of public speaking tricks – in agreement with his teacher Plato on the dangers of corrupt leaders in Athens.

Grint (2011), reported the second phase of leadership studies, known as Renaissance Leadership studies which happened 1800 years after Aristotle. In the same area of the Mediterranean, Machiavelli’s The Prince's prescriptive writing on Leadership was written in the early sixteenth century (1513 – 1514). The final phase of historical leadership is modern leadership studies. Grint (2011) suggested that Thomas Carlyle is considered the modern writer on leadership in the early nineteenth century. The leadership model based on individual heroism here was referred to as a rule of thumb based on the book Great Man. This modern era was characterized by the rise of industrial societies. This model was later challenged in the latter half of the nineteenth century (1910 – 1920s) and replaced with the rational model by Taylor and Ford, referred to as the scientific management model. In the 1930 - 1940s Mass, the leadership approach had evolved from Hawthorne’s experiments of the normative model of leadership into human relations approach.

During the 1950s - 1960s, the leadership model here included Contingency theory, system analysis, and self-actualization, which was included in the leadership theory of Maslow’s Hierarchy of Needs and McGregor’s Displacement of Theory X with Theory Y. In the 1970s – 1980s period, leadership theories include concepts such as Corporate Culture, Quality Circles, TQM (Total Quality Management), Delayering, and so on. The 1990s include leadership models that included NPM (New Public Management), BPR (Business Process Reengineering), Competencies, Benchmarking, Targets, Psychometrics, etc. The 2000s plus years include leadership models that consist of Distributed leadership, Followership, Identity leadership,
development of inspiring visions and missions, and the Mission-Command doctrine of highly
decentralized operational leadership combined with strategic leadership, typically for high
professionalism or the military (Grint, 2011).

Antonakis and Day (2018) categorized historical leadership research into eight main
schools and further classified the schools into two major dimensions known as temporal and
productivity. The temporal includes the period the school emerged, while the productivity
includes the specific period to which the school attracted research to a certain degree. The
schools include the Trait School of leadership, Behavioral school of leadership, Contingency
school of leadership, Relational school of leadership, Skeptics of the leadership the school,
Information Processing school of leadership, and New leadership (referred to as
Neocharismatic/Transformational/Visionary) leadership school. The Trait school leadership
model is a scientific study that started in the early 20th century based on the Great man
perspective. The school of thought is where leadership researchers focus on identifying
leadership traits that distinguish leaders from non-leaders. Following the criticisms of Trait
leadership, the behavioral leadership theory emerged in the 1950s. As the name implies, this
leadership research study was mainly focused on the leadership behaviors demonstrated and the
treatment of followers by these leaders. This leadership model is characterized by two
dimensions: employee-oriented leadership, known as consideration, and production-oriented
leadership referred to as initiating structure. In the 1960s, the leadership model that followed the
leadership behavior model focused on the contingency of the leadership situation. This theory
was on the basis that the effectiveness of the type of leadership was dependent on the leader-
member relation, the task structure, and the leader’s power position.
Shortly after, the contingency leadership theory followed the relational theory of leadership perspective based vertical dyad linkage theory (Antonakis & Day, 2018). The relational theory of leadership evolved into the leadership member exchange (LMX) theory, which includes the nature of the relations between leaders and followers. In the 1970s and 1980s, research in leadership faced a series of crises, such as the validity of leadership questionnaires ratings being challenged that they were contaminated by responders who had implicit leadership theories. Another group criticized that leadership does not make any difference to organizational performance. The school of Skeptic leadership theory triggered improvements in leadership research, such as the adoption of rigorous research methodologies, studies of followership, and differentiation of supervisory leadership and top-level leadership. The leadership of information processing dominated in late 1980 (Antonakis & Day, 2018). Antonakis and Day (2018) suggested that the focus of this research was mainly to understand that a legitimate leader is an example to followers. The last historical perspective of leadership is the new leadership school. This leadership perspective is based on the argument that prior leadership paradigms all had a transactional orientation. As a result of this process, a different form of leadership, referred to as transformational leadership emerged, which based on accounting for follower outcomes positioned on a perfect mission and a sense of purpose (Antonakis & Day, 2018).

**Defining Leadership**

Understanding the concept of leadership will require a concise evaluation of the numerous approaches to leadership definitions. Despite the growing number of leadership literature and several definitions provided by many leadership theorists, there is no existence of a generally acceptable leadership definition. Northouse (2019), in his book, presented an argument that some scholars define leadership as a behavior or as a trait, but others describe leadership
from an information-processing or relational perspective. According to Siewiorek et al. (2012), the definition of leadership that focuses on one person is considered the traditional leadership definition. Nandasinghe (2020) argued that although leadership is conceived as a process, several theories and leadership research focus on people in understanding the process. Ionescu (2019) advanced a similar notion that the leadership definition approach can be either regarded as an attribute or as a process. Ionescu (2019) suggested that an essential element of leadership is combining people with various experiences and backgrounds, and resources to create a more efficient organization in the process of obtaining goals and objectives. Northouse (2019) presented more aspects of leadership definition components, which included: leadership as a process, leadership involving influence, leadership that happens in groups, and common goals that are involved in leadership.

In defining leadership, Northouse (2019) described leadership as leaders direct individuals towards achievement. Laufer (2008) presented leadership as changing the culture of an organization and creating opportunities in response to challenges. Zaech and Baldegger (2017) cited that the most widely adopted leadership is as follows: Another important element of leadership is creating an atmosphere that allows for the restructuring of the design to improve the flow of business operations. Leaders give others the opportunity to take leadership roles in stimulating motivation and self-awareness for the best interest of the organization. Other definitions of leadership are as follows. Bass and Stodgill (1990) defined leadership as influencing the attitudes of followers to achieve a goal.

Chemers (2014) defined leadership as a leader’s seeking support from others to complete a task. Wilcox (2003) defined leadership as a leader who shares a vision. Burns (1978) defined leadership as leading followers toward shared motivation. Mkheimer (2018) argued that the
above definitions of leadership are largely accepted by leadership scholars because their components include important elements such as goals, effects, means, and people. Yammarino (2013) presented a summary of most leadership definitions as follows: Leadership works effectively when the leader and followers are moving in the same direction collaboratively to accomplish goals and objectives. This collaboration means the leaders and the followers have the same common goal for the organization.

Leadership definitions have evolved over the years and resulted in various leadership approaches. The multiple definitions of leadership highlighted in this literature review explain the reasons behind the various understanding of leadership approaches and their concept application in various contexts (Mkheimer, 2018). Several approaches exist regarding leadership, such as trait, skill, behavioral, situational, path-goal theory, transformational, authentic, servant, adaptive, ethical, and team leadership. Dvalidze and Markopoulos (2019) referred to these theories as mainstream leadership theories which have been proven in past research to have a positive impact on the growth and development of startups. Dvalidze and Markopoulos (2019) advanced the notion that an emerging leadership theory in leadership research, referred to as entrepreneurial leadership, is considered adequate in understanding the complex leadership processes in the creation and survival of new ventures such as startups.

Theories

No leadership theory can explain every leadership scenario or prepare leaders or followers for their role. Leadership theory must include appropriate attention with respect to the environment in which the leaders and followers’ function. Therefore, understanding of leadership is still evolving (Hunt & Fedynich, 2019). Nandasinghe (2020) categorized leadership theories to include behavioral theories, trait theories, contingency theories, transactional theory,
transformational theory, and charismatic theory. Northouse (2019) classified leadership theories
to include personal attributes of leadership (trait approach), situational leadership (contextual
approach), contemporary leadership (transformational approach), and interpersonal leadership
(team approach). The following section of this paper will describe several aspects of leadership
theory approaches.

Trait-based theory

Just like the name implies this approach to leadership stems from the popular notion that
great leaders are born with special traits. The trait based leadership approach pertains to the
characteristics of a leader and how these traits impact the leadership process (Northouse, 2019).
Nandasinghe (2020) defined the trait base approach as identifies physiological, aggression,
intellectual, demographic, and social traits to describe leaders. According to Nandasinghe
(2020), the core traits of successful leaders include leadership motivation, achievement drive,
self-confidence, knowledge of business, integrity and honesty, and cognitive ability.

Leaders can take the trait assessment to understand themselves and display what is
valuable to the leader and the organization. These assessments will also provide information such
as an individual’s unique attributes for leadership, as well as indicate where that leader could
best serve in the organization (Northouse, 2019). Although the trait approach can demonstrate
certain characteristics that are fit for a leadership role, it does not guarantee that a leader’s
success in one role can be replicated in another role. Northouse (2019) suggested that there is an
indication of a strong relationship between leadership and the traits described by the five factor
personality model. These traits include the following personality traits: openness,
conscientiousness, extraversion, agreeableness, and neuroticism. To further describe personal
attributes of leadership, Northouse (2019) advanced the notion of strengths and emotional
intelligence. Leadership strengths include talents, attributes, or qualities of an individual that drives successful performance. Mayer et al. (2000) defined emotional intelligence as an individual’s ability to show emotion towards others. Goleman (2012) suggested that emotional intelligence comprises of personal and social competencies. Self-awareness, self-regulation, conscientiousness, confidence, and motivation all comprise personal competence. While empathy and social skills including communication and conflict management, make up the social competencies (Northouse, 2019).

**Contextual Leadership Theory**

The contextual leadership theory includes the situational approach. This theory takes into consideration the role played by the environment in the leader-follower dynamics. This approach is prescriptive and consists of two components namely: directive and the supportive dimension. This leadership model includes the assumption that leadership behavior meets the situational demand (Northouse, 2019). Northouse (2019) suggested that this leadership style can categorize into directive dimensions for the leader. The directive dimension includes. (a) S1, high directive-low supportive; (b) S2 high directive-high supportive; (c) S3 low directive-high supportive; and (d) S4 low directive-low supportive. The directive dimension also includes four different developmental levels for the follower: (a) D1 (low in competence, and high in commitment); (b) D2 (low to some competence, and high in commitment); (c) D3 (moderately competent, but lacking commitment); (d) and D4 (a great deal of competence and a high of commitment) (Northouse, 2019).

**Transactional Leadership Theory**

Transactional leadership theory characterizes by followers being rewarded by their leaders upon achieving the agreed-upon organizational objectives and receiving monitoring for
better performance. Typically, leaders use corrective actions if followers do not achieve established standards (Fahed-Sreih & Morin-Delerm, 2012). Mkheimer (2018) similarly described that transactional leadership focuses on achieving tasks and achieving objectives with compensation and negative consequences for not attaining goals. The leader-follower relationship for transactional leadership is reciprocal (Mkheimer, 2018).

**Transformational and Contemporary Leadership Theory**

Contemporary leadership or transformational leadership is a leadership process that changes and transforms people. Lately, this approach to leadership has become popular because of its emphasis on follower development and intrinsic motivation. These values are very vital for today’s workplace because it empowers employees to thrive during uncertainty (Northouse, 2019). Hunt and Fedynich (2019) suggested that the transformational theory of leadership involves leaders and followers helping one another for the mutual benefit of increasing ethical behavior and motivation. The characteristic of transformational leader includes change and adaptability. Bass (1990) defines transformational leadership as: Leadership where leaders are unselfish and charismatic towards their followers and the followers achieve and matures by demonstrating care for others.

According to Gumusluoglu and Ilsev (2009), transformational leadership comprises of four components including: individualized motivation, intellectual stimulation, charismatic role modeling, and individualized consideration. Mkheimer (2018) highlighted the key components of transformational leadership including inspirational motive, individualized respect, mental stimulation, and typical effects. Mkheimer argued that the main goal of transformational leadership is to develop performance and followers. Northouse (2019) presented a description of transformational leadership as the process where an individual’s engagement with others
establishes a connection that increases the level of motivation and morality in the follower and the leader. Hunt and Fedynich (2019) argued that transformational leadership requires a charismatic leader to inspire followers. Nandasinghe (2020) supported this notion by stating that the characteristics of the transformational leader include being a powerful role model and having value-driven goals. Zaech and Baldegger (2017), indicated that transformational leadership had a significant and positive impact on startup performance.

**Interpersonal Leadership Theory**

Interpersonal leadership utilizes the team approach. This leadership approach adopts the team leadership model that focuses leadership on monitoring and diagnosing the team to take the necessary actions to ensure and sustain team effectiveness (Northouse, 2019). This strategic model includes known decisions that leaders can make to improve their team's effectiveness (Northouse, 2019). Northouse (2019) highlighted questions for these decisions to include: the intervention, level of intervention, and the function of leadership to improve teams. Hackman (2012) highlighted factors that empower team effectiveness to include the right people on the right team, clearly established norms of conduct, compelling purpose, supportive organizational context, and coaching focused on the team.

**Servant Leadership Theory**

Parris and Peachey (2013) advocated that servant leaders are described by the leader’s character and a demonstration of the leader’s commitment to serve others. A growing body of evidence exist that theories, frameworks, and models of servant leadership will help leaders understand the meaning, implications, and applications of servant leadership. Page and Wong (2000) describe the four main domains of servant leadership as personality, relationship, task, and process. These orientations cover self-assessment of servant leadership. Several studies exist
described by different scholars on servant leader attributes. Van Dierendonck (2011) argued that Greenleaf’s definition of servant leader characteristics has resulted in many interpretations of these behaviors. A substantial body of research on Greenleaf’s work on Servant leadership reveals that 10 prominent characteristics of the servant leader include: (a) listening, (b) empathy, (c) healing, (d) awareness, (e) persuasion, (f) conceptualization (g) and (h) foresight. In addition, the servant leadership characteristics includes (a) stewardship, (b) commitment, (c) and building community (Van Dierendonck, 2011). Listening includes emphasizing the importance of communication and seeking to identify the will of the people. Empathy is understanding others and accepting how act. Healing is the ability to help make whole awareness is being awake; Persuasion is seeking to influence others relying on arguments, not on positional power. Conceptualization is thinking beyond the present-day need and stretching it into a possible future. Foresight is foreseeing outcomes of situations and working with intuition. Stewardship is holding something in trust and serving the needs of others. Commitment to the growth of people, nurturing the personal, professional, and spiritual growth of others. Building is community, emphasizing that local communities are essential in a person’s life (Van Dierendonck, 2011). However, Van Dierendonck (2011) streamlined the servant leader’s characteristics to include six attributes: (a) Empowering and developing people, (b) Humility, (c) Authenticity, (d) Interpersonal acceptance, (e) Providing direction, and (f) Stewardship.

**Emerging Leadership Theory**

According to Zaech and Baldegger (2017), entrepreneurial leadership is the interface between leadership and entrepreneurship, and it's defined as an entrepreneur starting a new business in a risky environment to create transactions. Entrepreneurial leadership in a startup context includes the specific behavior of the founder-CEO that influences his subordinates in a
certain way of thinking and or action. Startups, especially in the early stages, have limited processes, routines, and structures, and the leadership role of the founder or CEO is critical to its success. The founder or CEO plays a leadership role in defining the vision with the aim of motivating the employees and intellectually stimulating them to accomplish the startup’s vision. The specific context by which startups operate includes high-risk failure, unforeseeable uncertainty, and huge complexity (Zaech & Baldegger, 2017). Gupta et al. (2004) defined entrepreneurial leadership as leaders who create scenarios where leaders become committed and create value. According to Gupta et al. (2004), this definition basically outlines two key challenges an entrepreneurial leader must face which includes creation of a vision and building a troupe of supporters that are committed and competent.

Researchers argued that entrepreneurship is basically leadership in a special context which includes the discovering, exploiting, and evaluating opportunity to create goods and services in the future. Cogliser and Brigham (2004), advanced the notion that the categories of concepts make up the leadership and entrepreneurship overlap. This includes vision, influence, leading innovative people, and planning. The Vision in the entrepreneurial environment plays an important role of clarifying goals and inspiring constituents in addition to organizing resources at a reduction. Influence in an entrepreneurial setting includes how entrepreneur leader’s information such as vision and ideas are communicated and accepted by constituents (Cogliser & Brigham, 2004). Cogliser and Brigham (2004) suggested that the choice of influence tactics may differ between an established organization and the top management of a new venture and startups. Creativity otherwise or innovation is one key trait associated with entrepreneurs and entrepreneurial venture. Entrepreneurial leader must possess creativity and technical expertise by focusing on these three important concepts: (a) generation of ideas (b) structuring of ideas and
(c) promotion of ideas. The first concept is relevant in the initial stage of the startup while the last two concepts are important in the latter stages of the Startup lifecycle. Cognitive components of Planning from the entrepreneurial setting qualifies this concept related to leadership as opposed to just being a managerial process. Therefore, from entrepreneurial leadership perspective, this is a strategic leadership component (Cogliser & Brigham, 2004).

**Constructs**

The constructs that will help guide this research study will include entrepreneurial leadership style, productivity, and customer satisfaction. Leadership style links to organizational performance and directly impacts the leadership effectiveness of a firm. Eagly and Johnson (1990) highlighted two aspects of leadership styles to include: Task accomplishment and maintenance of interpersonal relationships. This construct will help guide this research study for both successful and unsuccessful startup companies.

According to Tangen (2002), productivity is the relation of output (produced goods) to input (consumed resources) in the manufacturing transformation process. Productivity also “measures the firm’s revenue and cost. Productivity links to usage and availability of resources as well as creation of value (Tangen, 2002). This is another construct that will help guide the research study for startup companies’ survival. Nagy and Kacmar (2013) defined customer satisfaction as an individual’s “person’s caring feelings from a product, service, or experience. This concept will be a construct for this study that will measure the level at which the startup founder meets customer’s needs.

**Related Studies**

**Leadership and Organizational Performance**
Business organizations exist not just to attain profitability but also for its survival by improved performance. Organizations constantly increase performance to meet the needs in a highly competitive market (Arslan & Staub, 2013). Arslan and Staub (2013) argued that leadership style plays a major role in organizational performance. To understand the concept of organizational performance there a need exists to define the concept. According to Swiercz and Lydon (2002) organizational performance is a leader in an organization using resources to achieve goals. Organizational performance metrics typically include profitability and growth.

Nandasinghe (2020) presented a description of leadership role to include facilitating the firm by creation of a shared vision, communication of that vision across the organization, coordination of people and activities between departments, monitoring of deviation in activities, and motivation of employees for higher organizational performance. Therefore, effective leadership is the reason for successful change. Leadership has an impact on organizational change. In addition, leadership impacts organizations by fostering innovations through organizational culture. Improved organizational performance must derive from integrating leadership development into organization culture. Activities such as rewards, recognition, and reoriented training encourages and promotes leadership development in organizations (Nandasinghe, 2020).

The concept of leadership and organizational performance relates to the higher failure rate of startup companies. Recent research includes the premises that there is a link between different leadership styles and organizational performance (Ogbonna & Harris, 2000). This process is typically achieved by providing the right entrepreneurial growth strategies to facilitate the long run success of a start-up business. Turner and Endres (2017) revealed differences between personal leadership style practices for successful startup owners versus the unsuccessful
startup owners. Highlighting the pros and cons of the different leadership style can help the entrepreneurial leader select and adopt the suitable leadership style that will guarantee the long-term success of startup business.

Kee et al. (2019) defined startup success as the ability of a CEO to sustain in business predicated on financial performance. According to Leedham (2004) organizational performance indicators include financial performance measures such as profit margin growth, revenue, and return of investment, (ROI). While non-financial performance measures, or otherwise referred to as operational performance, include indicators such as customer satisfaction and productivity.

**Anticipated and Discovered Themes**

According to Turner and Endres (2017) three themes emerged regarding understanding failure rate of a startup business. The themes included: (a) owner networking and the design of the business site as a customer networking venue (b) effectiveness of business plans in identifying and addressing initial challenges and subsequent changes (c) achieving marketing differentiation. Anticipated themes from the research study initially included: (a) customer service and relationship of startup companies (b) community involvement to improve the perceived value of the startup by customers (c) leadership training programs for Startup founders to improve leadership effectiveness and (d) entrepreneurial leadership at different stages of Start-up Lifecycle. But after an extensive literature review, the themes discussed below revealed in the literature.

Based on the findings from this literature review related to leadership as a major reason for startup failures, some potential themes for the study occurred. The first was theme was leadership style. Bhattacharyya (2006) suggested that Leadership styles creates the proper environment for innovation and new entrepreneurship for a startup business. Ogbonna and Harris
(2000) argued that organizational leaders employ several leadership styles and traits to provide the suitable strategy and vision that will position the organization to gain competitive advantage and sustain the long-term growth of the startup. This assumption includes the suggestion that leadership style linked to organizational performance can directly impact the leadership effectiveness of an organization.

The next theme identified in the literature was organizational performance. From the literature review indicators of organizational performance within the startup context included financial performance, productivity, and customer satisfaction. Therefore, organization performance categorized into financial and non-financial performance indicators. The financial indicators basically highlighted metric such as profit margins and return of investments (ROI). Productivity is organizational leaders’ ability to measure control costs spent to generate revenues which can also mean linking available resources to create value. This theme is significant because it helps startup companies sustain competitiveness in a highly uncertain business environment. Customer satisfaction is another important non-financial theme in the literature. Customer satisfaction is a term that includes the description of a startup has on psychological activities to meet customer’s needs which guarantees future profits of an organization.

**Summary of the Literature Review**

This section included a detailed discussion and analysis of peer-reviewed literature associated with concept of startups and its development, challenges, and reasons for the high failure rate of startups. In addition, this literature review also included leadership as a major reason for startup failures, along with highlighted discussion of leadership definition and its historical perspective as well the various leadership theories and its connection to organizational performance.
As pointed out in the literature review, the reasons behind the high failure rate of startups can seem diverse and complex. However, leadership through this literature review has identified as a key factor affecting the startup performance. Previous research included mainstream leadership such as transformational leadership theory has a positive impact on startup performance. However, scholars argued that the entrepreneurial leadership will be a much more adequate construct to understand the complex leadership process in startups characterized by highly uncertain environment. Limited research studies exist on entrepreneurial leadership with regards to new ventures and startup fully understand the complex leadership process in the startups. This research study therefore was significant in providing an in-depth study of understanding the impact of entrepreneurial leadership across the lifecycle of startups to explain the high failure rate of startups. This research study qualitatively analyzed the nature and effect of entrepreneurial leadership process in a selected startup by identifying the factors that lead to a successful entrepreneurial leadership for startup’s growth and development (Dvalidze & Markopoulos, 2019).

**Summary of Section 1 and Transition**

The foundation of the study occurred in this section. The combination of the gaps of the several reasons for startup failures, particularly with leadership identified as the main reason for startup failure demonstrated the necessity for further examination. Based on those needs, a qualitative, single-case study was the design to explore this phenomenon. I specifically investigated the impact of leadership on startup companies within the software industry. Section 2 will include writing that demonstrates a detailed exploration and discussion of the study such as researcher’s role, participant information, data collection and analysis, and reliability and validity.
Section 2: The Project

This section includes a discussion of the methodology employed for this research study. The literature review provided an overview of the foundation of the research study that helped understand the impact of leadership on startup business performance. The methodology created a link between this research study and other research studies previously conducted. An outline of the research purpose statement occurred in this section to help guide the research method. The research methodology discussion in this section first highlighted my role, including actions to conduct the study. Other areas covered in this section included the research design, which was the flexible design, the appropriateness of the flexible design and the method engaged for this research study. Also included in the section is the appropriateness of my in carrying out the research study. Furthermore, the section discussed the participants selected for the research investigation, the population, the sampling frame, and the method. Finally, an overview of data collection and organization, data analysis, and reliability and validity were discussed to help address the specific problem. The study also employed qualitative research methodology, the right theoretical framework to answer the research questions on the business's internal factors that can affect new startup performance.

Purpose Statement

The purpose of this qualitative case study was to explore and better understand the personal leadership styles and techniques of successful startup business owners. Exploring the leadership skills and strategies used by selected startup business owners explained the reasons why startups fail because of self-destruction as opposed to competition. The study involved audio recordings and semi-structured interviews with several startup business owners by using open-ended questions to examine potential themes in the data. The themes developed from this
research findings highlighted leadership characteristics that contributed to the resolution of organizational failure of new startup businesses. In addition, the findings of this research study increased the leadership effectiveness of startup business owners and enhanced the decision-making processes of startup business owners leading to the sustenance of startup businesses. In addition, building on these advancements, Soto-Simeone et al. (2020) suggested that gaining a deeper understanding of the factors influencing success and failure in new ventures, along with comprehending the motivations behind founders’ decisions to establish new businesses, can further contribute to sustaining startup businesses in formative years. Considering the insights proposed by Soto-Simeone et al. (2020) evidence exists that the leadership style of a startup business founder leader holds a crucial position in fostering an environment that promotes entrepreneurship and innovation within the organization.

**Role of the Researcher**

I engaged in intensive qualitative study methods focused on the research study topic. The first stage included identifying and contacting participants such as founders/CEOs and leaders of software startup companies in Indiana. The next stage involved conducting interviews, collecting data through examining documents, behavior observation and interviewing participants (Creswell & Poth, 2018). The number of participants selected considering the research time constraints enabled a detailed analysis of the data. The study involved audio-taped, semi-structured telephone and zoom interviews using open-ended questions with a software startup company in Indiana. Discovered themes occurred from large amount of data. I was involved in writing lengthy and descriptive passages reflecting perspectives and substantiating the claims of participants. Finally, I was on the lookout for ethical issues that may arise and planned how they were addressed and resolved.
The first step in bracketing to avoid personal biases in the research study was by first recognizing that the closeness to the research subjects, the situation and environment may create a personal bias. Bracketing minimized by me not sharing personal experiences with the participants in an interview, which could lead to reduced information shared by the participant for a case study approach. Bracketing in this research emphasized by setting aside as much as possible all personal and preconceived startup leadership experiences to best understand the participants’ experiences and take a fresh perspective towards the phenomenon under investigation in the research study (Creswell & Poth, 2018). The qualitative researcher spends a considerate amount of time in the field to establish rapport with participants by using the case study design method to collect data and engage in time consuming data analysis (Creswell & Poth, 2018).

**Research Methodology**

I initiated the research process with a problem statement that requires resolution by suitable research questions answered through the right methodology, data analysis, and findings that helped address the specific problem. For this research study, ingrained philosophical assumptions and views about the research problem received exploration, the research questions to ask and the methods that were deployed to gather and analyze data. Additionally, I adopted these philosophical assumptions to inform his/her choices of theories that guided the research.

This study included a flexible design using qualitative methods specifically, a single case study design. This case study approach provided an in-depth understanding of determining factors that drive success or failure of software startups as well as their leadership. This flexible design provided valuable visions into the survival needs of the performance of the startup businesses in the initial years (Tomy & Pardede, 2018). The accounts and findings were verbal
and in non-numerical form. This approach basically involved the explanation of theories based on conceptual data gathered from the research participants and new software startup business performance outcomes. The primary research design for the study included data collection in non-numerical form which is a typical feature of quantitative approach (Robson & McCartan, 2016).

**Discussion of Flexible Design**

According to Robson and McCartan (2016), giving attention to research project design is important to achieving a successful research project. Research designs categorized mainly into fixed and flexible designs. Fixed designs involve long periods of preparation and design preliminaries before data collection. Therefore, fixed designs are fully defined (fixed) as part of the research proposal and depend on quantitative and numerical tools for data collection and analysis. However, details of research procedure for flexible design are not fixed in advance and as the research proceeds, the focus is prone to change (Robson & McCartan, 2016). This method also relies mostly on data collection and analysis that utilizes qualitative tools. Additionally, mixed-method design that uses a combination of fixed and flexible designs exist. Therefore, the method of data collection in this research uses quantitative and qualitative data. The research design determines the research methodology. Typically, these methodologies categorize into quantitative and qualitative research approaches. A need exists to use the appropriate methodology to answer the research questions provided (Robson & McCartan, 2016). This research approach choice is determined by the research problem, research purpose, and research questions. According to Turner and Endres (2017), the qualitative approach is suitable when a large sample may not seem obtainable and exploring the data to address the research problem may result in common themes. This design was applicable to this research study and involved
investigating the high failure rate of software startup companies. The qualitative approach provided insight and life experiences of the high failure rate of software startup companies. The alternative to this research approach would have been the quantitative approach using a fixed method, but this method is only appropriate if the research problem refers to describing relationships and examining cause and effect relationships.

**Discussion of Research Methodology**

The research design determines the research methodology. There are specific methods within each research approach that can occur. As previously mentioned, the research design in this study was primarily flexible design. Flexible design includes methods such as narrative, phenomenology, grounded theory, ethnography, and case study. This study was conducted with a flexible design using the qualitative methods, a single case study design. A need exists to use the appropriate methodology to answer the research questions (Robson & McCartan, 2016).

Creswell and Poth (2018) defined case study design as a qualitative approach is a bounded system exploring a detailed life situation, including observation, interviews, audiovisual material, and documents. Yin (2018) defined case study research as a method that investigates real life situations or phenomena that are not precisely evidence.

Creswell and Poth (2018) argued that case study design is a good fit for research that clearly identifies cases with boundaries that either require an in-depth understanding of the case or a comparison of several cases. For this research study, the case study design was useful in providing an in-depth understanding of the key major factors that influence the high failure rate of business startups and showing different perspectives on the leadership style issues of startup business for software companies. The central focus was studying and understanding the connection between leadership styles and strategies and its role in the success or failure of new
software start-up businesses. This study highlighted the pros and cons of leadership styles of entrepreneurs (startup founders/owners) and identified the best leadership style required for software startup business long run success.

**Discussion of Triangulation**

This research included the flexible design and, therefore included minimal quantitative methods to provide for triangulation of the data found through the primary qualitative methods. For example, this study included the use of descriptive statistics to show demographics or other relevant numerical data for startup companies. Robson and McCartan (2016) defined triangulation as a strategy that includes multiple sources to make the research more consistent. The four types of triangulations include data triangulation, observer triangulation, methodological triangulation, and theory triangulation (Robson & McCartan, 2016). In this research, data triangulation was adopted for the data collection phase in the research process.

**Summary of Research Methodology**

For an investigation within the software industry which is empirical the qualitative research was useful. This approach was suitable for this study. Although multiple designs associate with qualitative research, the case study design was most appropriate for this study because it allowed for the investigation of the business. Based on the research questions and design, I chose a holistic case over embedded case study because the holistic was more suitable because the problem or the case focused on a single unit of analysis (Yin, 2018). Additionally, the single case study was the chosen design and more appropriate than multiple case studies I lack resources and time. Finally, a qualitative, holistic, single case study was necessary for the research.
Participants

The first step in identifying participants is understanding the term in the context of a research study. Yin (2018) defined a participant as the people who the data generates through interviews and who reviews the case during the draft stage. The participants in this research study consisted of a registered startup company in the state of Indiana. The participants included the founders/CEOs, executives, managers, and employees of software startup companies in Indiana. Letters and emails were sent to the startup CEO/founders requesting participation in the research. I informed the participants of the nature, purpose, and the reason of the research study. The participants later participated in semi-structured interviews with the purpose of gathering information to answer emerging research questions.

Population and Sampling

According to Robson and McCartan (2016), an important decision in the early phase of the research design includes identifying the population from which the samples of respondents occurred. A key consideration for identifying the population was the geographical area to which the researcher can generalize the results. Robson and McCartan (2016) argued that is the researcher can determine the population by the research questions and the resources available to work on the research. Sampling is an important aspect of social research and is basically referred to as a selection of the population (Robson & McCartan, 2016). Considering these guidelines, the discussion in this section includes the required demographics of the study population as well as the exploration of the expected sampling method.

Discussion of Population

The specific population comprised two important factors including the vocation and leadership position in the startup company. For this study, the population was software startup
businesses in Indiana that have a scalable business. Moro-Visconti (2021a) presented the definition of startup as follows: a startup is when an entrepreneur request and develops a project into a major growth opportunity. In this definition, a startup is distinguished from a small business which is categorized according to its size, and they do not have any intentions of growing nor have a scalable business model (Unterkalmsteiner et al., 2016). Klačmer Čalopa et al. (2014) argued that startups have great growth potential and are generally, but not essentially, associated with high-tech projects since their products are mostly software that can be produced and reproduced. The criteria for inclusion in the research study included (a) employees of the software startup company that participate in organizational decisions, (b) the owner-founder of a software startup that is in control of over 51% of assets in the organization, (c) the owner-founder of a startup that makes the final organizational decisions, (d) the owner-founder of a startup that has a desire to share leadership characteristics, and (e) owner-founder of a startup that founded the organization four years or more prior to the interviews.

The target population size for this study, therefore, included the startup owner/founder, project managers, managers, and leaders of selected software companies in Indiana. This population size is appropriate for the research study because the research, being an individual case study, employed a strategy involving an empirical investigation of the startup failure phenomenon in the software industry. In addition, the research was conducted within a real-life context using multiple sources of evidence from the owner, employees, and managers of that startup company (Robson & McCartan, 2016).

**Discussion of Sampling**

Sampling is appropriate in research work because it provides the researcher with the opportunity to reach the entire population where achievement is unusual (Creswell & Ploth,
2018). The category for sampling plans includes probability samples and non-probability samples. The probability samples, also known as representative samplings, involves the selection of each respondent whose probability is known. The non-probability is where the probability is not known (Robson & McCartan, 2016). According to Robson and McCartan (2016), probability sampling includes simple random sampling, systematic sampling, stratified random sampling, cluster sampling, and multi-stage sampling. Non-probability sampling includes quota sampling, dimensional sampling, purposive sampling, and snowball sampling. Sampling frame as defined by Robson and McCartan (2016) as the population list. The appropriate sample frame for this qualitative case study includes a comprehensive list of all the interviewees in the population, which in this case is a software company in Indiana.

The qualitative case study involved evaluating the leadership characteristics of successful leadership practitioners of startup companies that are scalable along with using interview questions to gather data on the leaders’ perceptions of the successful performance of their businesses beyond the first four years of operation. A population of 20 startup leaders of software startup companies in Indiana participated in a 1-hour initial interview and a follow-up telephone interview regarding perceptions of leadership characteristics that helped in leading a startup successfully for four or more years of operation.

Purposive non-probability or nonrandom sampling provided the basis for choosing 20 participants who met the above specific criteria. This method of non-probability sampling was appropriate for this research because it enabled me to satisfy their specific of investigating why startup software company fail in the state of Indiana. Each participant was a leader in the organization at the time of the study, as defined by the respondent’s position in the company as the manager and a primary decision maker. Each participant served in the leadership role of a
startup, defined above, that has operated for more than four years. Emails and letters were sent to 30 owner-founders and leaders of software startup business requesting participation in the research to ensure the sample comprised the minimum experiences of 20 interviewees.

Hennink and Kaiser (2022) referred to saturation as the point where no new data or theoretical knowledge derives in the data collection process. This concept determines the sample size for this qualitative research. Data saturation determined the sample size for this qualitative research. According to Hennink and Kaiser (2022), a case study with a sample size of 10 for 20 interviews for a homogenous population will achieve saturation. Boddy (2016) suggested that saturation is typically reached at approximately 12 participants, even though this number varies based on the investigation.

**Summary of Population and Sampling.** Included in this section was an examination of the study population. To fully explore the research problem, the investigation would typically include the entire community of software startup founders and leaders. Realizing the emphasis of the community was not feasible because of the constraints of time and resources. therefore, sampling was necessary. The right population size and sample frame was necessary to select the right sample size to investigate the failure rate of software startup companies in Indiana. Selecting a purposive nonrandom sampling process was the most suitable. Anticipating twenty to thirty participants was necessary but data saturation occurred at 17 as the final number of respondents.

**Data Collection and Organization**

This research study utilized the case study design, and it was useful in providing an in-depth description and analysis of understanding the connection between the leadership styles and strategies of startup founders as well its role in the success or failure of new software start-up
business in Indiana. Therefore, there was a need to gather and analyze research data to understand the phenomenon. The focus for data collection was to conduct a qualitative research study that included the actual type of data needed along with gathering procedures. For a typical qualitative research study, the data collection mostly includes conducting interviews and observations. Yin (2018) suggested that case study evidence or data can come from several sources, including documentation, archival records, interviews, direct observations, participant-observation, and physical artifacts. Although each source has comparative strengths and weaknesses, Yin (2018) argued that no one source has a complete advantage over the other. The importance of paying attention to the phases of data collection when planning to collect data is necessary. Creswell and Poth (2018) describe data collection gathering information, locating the source of information, collecting, recording, and storing the data.

**Data Collection Plan**

The data collection phase of this research study involved face-to-face interviews with startup founders and some executive leaders of software startup companies in Indiana. Interviews are a useful data type for case studies. The different types of interviews include fully structured interview, semi-structured interview, and unstructured interview. The structured interview consists of pre-determined questions with fixed wording, typically in a pre-set order. The semi-structured interview includes an interview guide that indicates the order of questions and default wording and topics covered. The wording and order may change based on the flow of the interview. Additionally, a researcher can use unplanned questions to follow up with the conversation of the interviewee. The unstructured interview is informal and usually has a general area of interest and concern. The Category of the interviews can include several approaches and
styles. The categories include non-directive interviews, focused interviews, telephone interviews, and Internet-based interviewing and face-to-face interviews (Robson & McCartan, 2016).

This research study involved audio-recorded, semi-structured face to face interviews with the founders and leaders of software startup companies in Indiana using open-ended questions to search for potential themes in the data. Follow-up interviews (member checking) confirmed the validity of participants’ responses as well as for new interview questions that arose following the initial interview. I ensured that he had sufficient resources to work with, such as a phone and personal computer, writing materials to record and take notes (Yin, 2018). Another strategy was taking notes and recording with more than one device during the interview, even though it is being recorded in part as a fail-safe for when there is a recording problem. Different topics and associated prompts and questions on a series of cards is also a strategy in research (Robson & McCartan, 2016).

**Instruments**

Qualitative Interview defined by Creswell and Poth (2018) as individuals attempting to subjectively expressing their feeling to explain their viewpoint. Therefore, interview questions regard as sub questions in the research study composed in a way that the participants will understand. In conducting the successful qualitative research interview, I had to design and use an interview guide. Creswell and Báez (2020) described an interview protocol or guide as a tool for listing the questions for the participants and a platform to record the researcher’s thoughts as the interview proceeds. Creswell and Poth (2018) suggested that five to seven open-ended questions in appropriate for the research. The researcher should allow space between the questions to write the responses to the participants’ comments. Creswell and Báez (2020) suggested that the interview protocol should include two pages in length, including a total
number of questions between 5 and 10. The semi-structured interview protocol is an attachment in the appendix, and it basically includes basic information about the interview, an introduction, five interview content questions with probes, and closing instructions. The interview protocol included discussions on how each interview question addressed the research question.

**Data Organization Plan**

As discussed earlier, the technique used to collect data was a semi-structured face to face interviews. According to Creswell and Poth (2018) the approach to data storage depends on the type of data gathered and information collected for a research study. I developed a filing system for the digital recordings and files following the interview. The first strategy for securing qualitative data was to have backup copies of computer files on shared drives. I ensured the use of high-quality recording devices with sufficient storage space such as phones, tablets, and PCs. A master list of types of information gathered served as information. In addition, protecting the anonymity of participants by masking their names in the data was necessary. Finally, a data collection matrix served as a visual means of identifying and locating information for the research study.

**Summary of Data Collection and Organization**

Data collection and organization tools received discussion in this section. Typical to qualitative study, I was the main research too. As the primary research instrument, I conducted semi-structured interviews with the participants. An interview protocol is in Appendix A. The interview protocol tool helped me ensure that consistent information was relayed to the participants. I also gathered observational data to serve as another source of evidence for the case study. In addition, I conducted a document analysis of the startup company’s website to augment evidence from the interview data. NVivo, a qualitative computer software, served as an
organization and storage of data in my computer with password protection. I maintained participant confidentiality by performing due diligence.

**Data Analysis**

According to Creswell and Poth (2018), data analysis in qualitative research includes preparing analyzing coding and presenting the data. The different approaches to data analysis include Quasi-statistical approaches, thematic coding approach and grounded theory approach. Thematic coding analysis is a popular approach for most qualitative research analyses. In the thematic coding approach, all parts of data are coded and codes with the same label are grouped into themes (Robson & McCartan, 2016). The early stages of data analysis involved me organizing data into digital files and creating a file naming system, located in the database. For this research study, the first step of data analysis was to have a text database available in NVivo which was done by transcribing the interview and developing a database. This first step consisted of preparing the data for digital analysis (Creswell & Báez, 2020).

**Emergent Ideas**

Creswell and Poth (2018) suggested that researchers continue analysis by exploring the database following the organization of the data. A strategy of writing notes or memos in the margins of the field notes or transcripts is useful in the initial process of database exploration. Creswell and Poth (2018), defined memos as short phrases, ideas, or key concepts that occur to the reader. Therefore, taking marginal notes about what people were saying and what was observed by the participants (Creswell & Báez, 2020). Creswell and Poth (2018) further explained that the role of the memoing process includes synthesizing data into higher level of analytic meanings. Therefore, when a new idea surfaces, there is need to write memos of those emergent ideas on the digital representation of data. For this research work, memos initiated
during initial reading of the data continued to the conclusion writing. Memo served as a way of tracking the evolution of codes and the development of themes. During this step, I had a general understanding of the database (Creswell & Poth, 2018).

**Coding Themes**

Creswell and Poth (2018) suggested that after reading and memoing, the next step will be describing, classifying, and interpreting the data. Once the researcher gains satisfaction of understanding the database, the process of coding begins. Coding is the core of qualitative analysis. Coding typically involves making sense out of the transcribed text data. In the data analysis, there was need for the researcher to provide detailed description which means to describe what you see. The description concepts played a central role in the case study research and are followed immediately after reading and memoing. This research used the case study approach and, included a description and classifying codes into themes by describing the case and its context. For this research, the coding basically involved assigning a code label to a text passage from what was determined to be said. The codes were then grouped into similar codes together for the purpose of building evidence of support for broader classifications of information known as themes (Creswell & Poth, 2018). Creswell and Poth (2018) suggested a final code list of not more than 25 to 30 categories of information regardless of the size of the database. This research included a final code list that was in this range of 25 to 30 codes that combined and reduced into four themes that was used to write the narrative of the research findings. In this research, I used the qualitative software program- NVivo package to help store, analyze, report, and visualize codes and themes.
Interpretations

The next step in the data analysis process was the interpretation. Interpretation in the qualitative research as defined by Creswell and Poth (2018) involves discovering the meaning of the data through abstracting. According to Creswell and Poth (2018), abstracting begins with developing codes, forming themes from the codes, and followed by organizing of themes into larger units of abstraction with the intent of making sense of the data. The basis of interpretation are hunches, insights, and intuition (Creswell & Poth, 2018). For developing and accessing interpretation, the case study research included using the categorical aggregation to establish themes or patterns.

Data Representation

The final phase of the data analysis is to represent the data, which is packaging of what was found in text, table, or figure form. Other forms of representation can include matrices which the researcher can use to compare and cross-reference categories to create a picture of patterns or ranges of data. With regards to data representation and visualization, this research case study employed the use of direct interpretation and the development of naturalistic generalizations of what was learned (Creswell & Poth, 2018).

Analysis for Triangulation

Robson and McCartan (2016) defined triangulation as a strategy that includes various sources to make the research consistent. The four types of triangulations include: data triangulation (use of more than one source of data), observer triangulation (the use of more than one observer for the research study), methodological triangulation (a combination of quantitative and qualitative approaches), and theory triangulation (the use of multiple theories or perspectives) (Robson & McCartan, 2016). This research included flexible case study design
and, minimal quantitative methods such as one of the startup company’s financial performance analyses to provide for triangulation of the data found through the primary qualitative methods. The quantitative analysis for triangulation for this the research involved the use of relevant numerical data for startup companies. The use of data triangulation in this study incorporated the use of three more methods of data collection.

The data collected included semi-structured interviews of participants, reviewing supplementary materials provided by one of the participants and from the startup A company’s website, and my contextual observation of the participants. In this research, data triangulation included the data collection phase in the research process. Observation, which is a type of qualitative data, in addition to an interview by enabling me to compare the codes and themes from the observation with findings from the interview. Data triangulation also occurred naturally as I looked across different data sources of information, such as field notes and documents, and found evidence for themes. Data triangulation for the interview data was also done through member checking throughout the interviews that ensured that the accuracy of interpretation made by me was checked. (Creswell & Báez, 2020).

**Summary of Data Analysis**

The summary of the data analysis was the most challenging phase in the qualitative research process. I used an inductive approach for qualitative analysis with the help of NVivo software package. The NVivo transcription tool assisted with transcribing the interview and developing the database. The initial coding process was first necessary for identifying text segments of significant information and assigning a code label. The resulting codes were grouped together into a final code category known as themes for the purpose of building evidence of support for broader classification of information. With the data themes as findings, I
wrote and composed the narrative report with the data theme as finding in a published dissertation.

**Reliability and Validity**

A need exists to evaluate the quality of a research study. Establishing the trustworthiness of findings from flexible research will require assuring the reliability and validity of the data analysis of the research study. An evaluation of the concept of reliability and validity revealed several strategies and tactics that applied at the different phases of the research study that ensured the quality of the research design.

**Reliability**

According to Yin (2018) the concept of reliability is ensuring repeat data collection procedures to obtain the same results. Yin (2018) suggests that the goal of reliability is to reduce the errors and biases in the study. Reliability can occur through several ways. One of the ways is that the researcher ensures detailed field notes by taking and utilizing good-quality recording devices. The researcher can also transcribe the digital files to include the trivial pauses and overlaps. Another approach to reliability is the intercoder agreement. This concept is based on the use of multiple codes to analyze transcript data. In this perspective, reliability is regarded as the stability of responses to multiple coders of datasets (Creswell & Poth, 2018). For this study, I adopted three tactics to ensure reliability to include, the use of case study protocol to deal with documentation in detail; case study database development; and chain of evidence maintenance. Therefore, the researcher documents the procedures (making it as explicit as possible) followed in the case study research as well as conducted the study as if someone were watching over their shoulder to ensure accuracy (Yin, 2018). Therefore, to ensure accuracy and reliability, I checked each transcript performed by NVivo with the original audio recording.
Validity

Qualitative research is valid when it is accurate, correct, or true. Creswell and Báez (2020) define validity in qualitative research as: validity means that good underlying measures are gathered (construct validity), that the measures represent a good sampling of measures from the universe of possibilities (content validity), that the information has statistical use (statistical conclusion validity) and practical use (consequential validity), that inferences drawn are meaningful (construct validity), and that results can be generalized to other settings and populations (external validity).

The definition above, assumes that many types of qualitative validity exist. Creswell and Báez (2020) recommended that researchers should use multiple strategies (up to three strategies) to establish the validity of their report. These strategies typically take different lenses, including the researcher’s lens, the participant’s lens, and the audience for the study. The approach chosen for this study included triangulation information (researcher’s lenses); member checking (a type of bracketing discussed below – this uses the participant’s lenses) and spending a lengthy time in the field gathering data until data saturation occurs.

Bracketing

The first step in bracketing to avoid personal biases in this research study was first recognizing that the closeness to the research subjects, the situation and environment may create a personal bias. Bracketing can minimize by the researcher avoiding sharing personal experiences with the participants in an interview, which could lead to reduced information shared by the participant for a case study approach (Creswell & Poth, 2018). Bracketing in this research was emphasized by setting aside as much as possible all personal and preconceived startup leadership experiences during the interview to best understand the participants’ experiences and
take a fresh perspective towards the phenomenon under investigation in the research study (Creswell & Poth, 2018). Robson and McCartan (2016) advanced the notion of member checking to guard against researcher bias. This concept involves returning to participants and presenting materials such as transcripts, accounts, and interpretations that I made. I demonstrated member checking by valuing the participants’ perception and contributions.

**Summary of Reliability and Validity**

I developed the present study to ensure that the reliability, validity, and bracketing were strictly followed. Three major reliability measures occurred in this research study. These measures included the use of case study protocol to deal with documentation in detail, case study database development, and chain of evidence maintenance. I also implemented validity measures to include triangulation information, member checking and conducting interviews, and gathering data until data saturation was realized. Additionally, validity by promoting triangulation was ensured by gathering multiple sources of data. Lastly, relevance to the study and validity was ensured by the researcher by reviewing the interview questions with research experts to align with research questions.

**Summary of Section 2 and Transition**

To enhance clarity and consistency in the writing, I restated the purpose statement. The role of the researcher included my identification as the one to conduct the study and gather data. The selection of the research design and method based on the nature of the research problem. The appropriateness of using the design and method were thoroughly explained. Although the anticipated number of participants was approximately 25 to 30 participants, the actual number of participants captured for data collection was 17 as determined by data saturation. The present study consisted of a qualitative, single case study conducted for software startup founders and
leaders in Indiana. With a case design that is typically time-bound, the data collection occurred for all the participants from November 2022 through April 2023. The interview, which was the primary data collection, was done through Zoom and in-person interviews. The interview protocol aligned with the research questions guide to guide the interview process. Other forms of data collection included observational data and reviewing of supplementary documents that were relevant to the study. NVivo software served for database management, transcription of audio files into text, and developing codes into themes. This section also included addressing the methods adopted to ensure reliability and validity. Overall, the quality for this research achieved through data saturation, triangulation approaches, ensuring accuracy with interview transcriptions and member checking.

The findings of the study will include discussion in Section 3. This section will include analysis and interpretation of data collected during the investigation. The application of the findings to professional practice as well as recommendations for further study. The final part of Section 3 will include discussions of reflection of the research process.
Section 3: Application to Professional Practice and Implications for Change

This research study included exploring the impact of leadership for startup companies. The associated problem statement acknowledged that most startup business founders lack entrepreneurial leadership competencies causing high failure rate of business and negative economic impacts. This problem was particularly affecting startup founders and leaders within the Professional and Technical Services industry, as findings from an extensive literature review supported this concern. Therefore, this research study included a flexible design, examining the impact of leadership among startup founders and leaders. Startup organizations entrepreneurs can utilize the information found in this study to improve business performance. This section includes an overview of the research, presentation of the findings, applications to professional practice, recommendations for further study, and reflections.

Overview of the Study

Recent studies have revealed that leadership is an essential element for startup development and growth. A startup founder will need to have the self-awareness to define the purpose of the new startup’s venture. In addition, it is essential for the leader to possess adequate knowledge of all phases of the startup's work. However, entrepreneurial leadership in startups is different from leadership in other settings. This single case study explored the leadership traits and behaviors of startup founders and leaders whose leadership styles and techniques have sustained startup companies for more than five years. Six successful startup companies in Indiana were participants for the study using purposeful selection. These startups are part of the Professional and Technical Services industry that provides professional services to customers. The startup founders and leaders identified do not only have the flexibility necessary to cope
with the uncertain startup business environment but also have influenced startup performances resulting in their startup business successes (Zaech & Baldegger, 2017).

Recruitment emails were sent to leaders of the selected startup companies that met the inclusion criteria. In total, 30 startup leaders including CEOs, managers, and supervisors from six startup companies received invitation to participate and only 20 leaders from four startup companies expressed interest. I verified the inclusion and exclusion criteria of the willing participants. Subsequent emails were sent to the participants to review the consent form with the potential respondents as well as questions answered about the study before beginning the interviews. Once the CEO/founders and leaders of the startup company felt comfortable participating, they signed the consent form, and the potential respondents were officially enrolled in the study.

The data collection occurred from November 2022 through April 2023 consistent with a case design that is typically time-bound (Yin, 2018). I adopted three data collection approaches. The data collection methods in this study included semi-structured interviews of participants, reviewing supplementary materials provided by one of the participants and from the startup A company’s website, and contextual observation of the participants. The interview focused on eliciting the participant’s stories of leadership styles. The observation highlighted the context in which the startup founder demonstrated leadership behavior, prompting new questions as well. The interview also presented vivid descriptions of leadership traits and processes at the various stages of the startup life cycle. The expectation of participant to interview were 20 subjects. Although the protocol stated that the final number to achieve saturation projected about 15 participants or higher. I determined that data saturation occurred after the 17th interview and stopped data collection at that time. The anticipation for the interviews were to last about an
hour. Table 4 shows that the interview duration ranged from 29:19 minutes to 73:21 minutes with an average length of 42:10 minutes. The participants’ information and job titles of participants are shown in Table 4. Figure 8 shows startup leaders include supervisors (8/17, 47%), managers (5/17, 29%), and CEOs (4/17, 24%).

Table 4

*Participant Information*

<table>
<thead>
<tr>
<th>Alias Name</th>
<th>Position</th>
<th>Interview Length</th>
<th>Alias Name (cont.)</th>
<th>Position</th>
<th>Interview Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>CEO</td>
<td>73:21</td>
<td>P11</td>
<td>CEO</td>
<td>49:59</td>
</tr>
<tr>
<td>P2</td>
<td>Manager</td>
<td>68:22</td>
<td>P12</td>
<td>Manager</td>
<td>37:18</td>
</tr>
<tr>
<td>P3</td>
<td>Supervisor</td>
<td>39:45</td>
<td>P13</td>
<td>Supervisor</td>
<td>29:19</td>
</tr>
<tr>
<td>P4</td>
<td>Supervisor</td>
<td>35:01</td>
<td>P14</td>
<td>Manager</td>
<td>42:20</td>
</tr>
<tr>
<td>P5</td>
<td>Supervisor</td>
<td>39:17</td>
<td>P15</td>
<td>CEO</td>
<td>46:21</td>
</tr>
<tr>
<td>P6</td>
<td>CEO</td>
<td>49:18</td>
<td>P16</td>
<td>Supervisor</td>
<td>31:22</td>
</tr>
<tr>
<td>P7</td>
<td>Manager</td>
<td>37:19</td>
<td>P17</td>
<td>Supervisor</td>
<td>29:23</td>
</tr>
<tr>
<td>P8</td>
<td>Supervisor</td>
<td>35:20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P9</td>
<td>Supervisor</td>
<td>31:21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P10</td>
<td>Manager</td>
<td>36:22</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The next step after the interview comprised the transcription of the audio interview data and storage of all data. The transcription included memos in an organized storage file system for easy retrieval (Creswell & Poth, 2018). The NVivo qualitative software aided the data analysis. I performed the initial coding process by first identifying text segments of vital information and assigning a code label to them. The next steps were to search through the database for all text segments with the same code label and print out the text segments for the code. The resulting initial codes categorized and reduced into a final code category otherwise referred to as subthemes. These subthemes were finally grouped into main themes by pulling the data apart and putting them back together in more meaningful ways (Creswell & Poth, 2018). During theme development, patterns also established, and correspondences were identified between two or more categories. With the aid of the NVivo software, a presentation and description of the codes was in a table and displayed in a codebook.
In the main study, the four themes of leadership characteristics and techniques for a successful startup identified through direct interpretation by looking at single instances and drawing meanings from them. The findings in this single case study will contribute to understanding how leadership styles and techniques in everyday startup business context help founders sustain startup success in the long process.

Presentation of the Findings

The qualitative case study consists of five focus questions to explore the leadership characteristics a startup owner adopts that lead to effective leadership and sustained success for over four years. To conduct the case study analysis, a general analytic strategy was necessary to develop and utilize to link the case study data to important concepts identified in the literature review. The concepts identified in the literature review also gave a sense of direction in data analysis (Yin, 2018). First, memoing captured emerging thematic ideas and identify initial codes. Next, noteworthy quotes in the interview data highlighted to use later in a qualitative report (Creswell & Poth, 2018). As earlier mentioned, theme development began with the naming of initial codes and a final code reduction into code categories.

Themes Discovered

The core themes emerging from the five questions focus on the leadership characteristics of successful startup founders were the impact of leadership behavior on startup culture and leadership approaches driving startup success. In addition, developing emerging leadership behavior because of changing startup business environment and improved organizational performance driven by leadership development emerged.

Theme One: The Impact of Leadership Behavior on Startup Culture
Organizational culture originates from the leadership behaviors of the startup founder. The organizational culture of the startup can also impact leadership development. Simpson (2022) advanced the notion that just like tactical and strategic thinking, establishing organizational culture is an important leadership element in startup companies. Elements of establishing and maintaining organizational culture such as communication within the organization, employees, and leaders’ personalities, and levels of emotional intelligence can impact overall organizational culture (Simpson, 2022). Data from the interviews suggested that the startup founders established and sustained organizational culture by creating a set of structures, routines, and norms that guide the company's behavior. P1 stated that he demonstrated eight principles and values that shaped his leadership behavior. These eight principles include: the ability to be humble and foster openness to learn and receive feedback, the ability to strive for improvement, the ability to solve problems, the ability to be reliable, being an entrepreneur, being assertive, the ability to insist on perfection, and ability to have self-expression. P1, P6, and P9 described some of those principles and values in their response to the first question. The first question that revealed these core values was as follows:

“As a startup business owner, can you describe the leadership characteristics that you have leveraged to contribute to organizational success?”

P1 highlighted the first core value - the ability to be humble – in his response to the above question as follows:

Well, the first one, I would say it is creating a solid business culture. And when I say that is because in our business culture, I will share with my employees many of my personal characteristics that I have learned throughout the years from successful business owners.

Hmm...So one of those. For instance. It is the ability to be humble with everyone
surrounding your organization, so whenever we have an open policy to provide suggestions, you highlight areas of improvement. So, if anyone, whether it is somebody that is superior to me like a chair or shareholder or someone very inferior to me, I do not like to use that word. But for the purposes of the interview, I am just going to say someone that is below me. I could put like a translator in my case or a project manager or a manager.

In a similar note, P6 stated this same core values as follows:

Well, this is where being able to also be humble, I say, while I'm working in my business, I don't know everything, so I gets the right people to do the right things and holding them accountable, whether they be contractors, vendors, or staff. I think that's the single most important factor that drives success, getting the right people, holding them accountable.

In agreement with P1 and P6, P9 noted that:

Because if you don't have the life for the company to survive, it's going to die sooner than later. And you can't have that without that level of humbleness and humility. By humility you are opening the channels of communication to be more transparent and not only trusting your staff to do what's right but respecting them at the same time.

In response to the first question, asked in the interview above, P1, P2, and P9 discussed how focusing on certain leadership characteristics can create organizational norms while supporting employees. P1’s insight agrees with Hackman’s (2012) finding that- an important concept identified in the literature review that established values or norms of conduct can empower team effectiveness. The first value - the ability to be humble described P1’s openness to learn and receive feedback from shareholders, cofounders, investors, and employees.

According to P1, this leadership behavior is recognized and appreciated by his employees. In
support of this leadership behavior to create the right work culture that promotes productivity, P2 described humility as a leadership behavior that is a driving factor to recruit the right talent to get the job done. In agreement with this concept, Lazarova et al. (2020) suggested in his article “Building Company Culture and Enhancing Productivity in Startup Environment” that treating people with dignity through open communication is a great leadership strategy to build the long-term commitment of employees. Similarly, Hicks (2018) advanced the notion that a leader’s recognition of an employee’s value and worth in the day-to-day functioning of the organization, as demonstrated by P1, P6, and P9, will influence the leaders’ ability to lead effectively by enhancing employee commitment and productivity.

In another instance during the follow-up interview, P1 stated the following to describe the same value – the ability to be humble - that shaped the startup culture:

Hmm. The fourth one would be an apprentice, which is what I mentioned at the beginning, you know? But I said at that moment, I said, like being humble. So being an apprentice basically means you're trying to learn from everyone surrounding you. Friends, family, the neighbor, your mentors, investors, cofounders, your employees. Everyone can teach you something that you are not. I mean, just because you are the CEO does not make you like, you know everything. So, take the good and learn from the good and yes, reject the bad and do not learn from the bad. Avoid learning from the bad.

P1 further highlighted the advantage of leadership behavior of being humble including being open to learning new things. In the above response, he refers to it as being an apprentice. This means having an openness to learn new things from others including his employees. This aligns with the Northouse (2019) finding that suggests that “openness” is a concept in Trait-based leadership.
In continuing to respond to the first interview question, P1 noted the second value – the ability to strive for improvement in establishing a startup culture:

Another one is the ability to always strive for improvement. So, I always try to look at repetitive processes across the company and try to improve them or automate them. And when I say automating, I do not mean development. I just mean, try to make them better. Like, more streamlined, if that makes sense. Yeah. So, then my employees do not have to do long processes over and over and over every single day. And just like with the previous one, we keep an open policy for them to be always on the lookout for these areas of opportunity and to tell them to come to me and tell me, hey, I found that this process is very repetitive, and I think we can, I don't know…automate it using Excel. And I do not know how to do it exactly, but here is the idea.

On a similar note, P15 acknowledged the impact of process improvement in establishing a startup culture:

The way we've gone about it is to improve the channels for feedback. So, the more you are able to get to glean insights from the market, the better positioned you are to provide offerings that clearly answer the questions of your consumers.

The second value, as outlined in P1 and P15’s response above, entails the founders’ ability to strive for improvement. This is done by building leadership behavior for continuous process improvement at different startup stages. In the interview, P1 stated that he encourages his employees to avoid very repetitive processes by streamlining and automating existing processes to improve productivity. P15 on the other hand emphasized improvement of communication channels for feedback as a key to gaining new market insight to gain a competitive advantage. P1 and P15 leadership behaviors align with Klačmer Čalopa et al. (2014) finding that “the
“Automizer” is a type of startup founder that performs production manually and has intentions to automate production processes. Researchers have indicated a connection between processes and organizational culture. Lazarova et al. (2020) proposed that organizational culture develops organically and found in overall organizational processes. Organic growth of culture refers to the growth that stems from resources and activities generated within the company. Lidow (2014) supported this notion by stating that products or services created by enterprises are a result of their projects, processes, and culture. Lidow defined processes as performance tasks to create resources and information into appreciation. Lidow argued that the key feature of a startup is how well people can perform their assigned projects and processes within the established organizational culture and the need for change in processes through proper planning. P1 and P15’s commitment, as stated in the response above, is to keep an open policy for employees and improve channels for feedback to identify opportunities for improved processes. This must be done while eliminating the feeling of employee alienation, thereby creating an inclusive work environment that fosters productivity.

Still, in response to the first interview question, P1 highlighted the third value to establish startup culture as follows:

Ok. Yeah. Another characteristic that I have learned to implement in my life and that I also promote in our company is. Hmm. How can I put it in a word...hmmm...Well, it is to not only bring problems to the table, but always provide a solution. Even if it is just the idea for a solution. So, whenever we face a problem. Or something that is not working, for instance, or something that is malfunctioning or whatever. I not only try to bring it up to my shareholders, but I try to dig into a potential solution so that when I when I bring that problem to the table, I can at least brainstorm with them and tell, hey, we have this
problem. And I started three potential solutions. And again, this also applies to my employees….Ok. So, my employees follow that rule as well.

Recognizing its significance in establishing culture, P4 said, “it can be the coaching style where you coach and show your employee what to do. Try to help them to solve problems.”

The third core value mentioned in the response above describes the P1 and P4’s leadership behavior of developing a cultural mindset of problem-solving skills. In their response, the participants demonstrated leveraging problem-solving skills to offer potential solutions when issues are addressed in project meetings. P1 and P4’s perception of problem-solving skills corresponds to Klačmer Čalopa et al. (2014) findings that throughout the life cycle of startups, the problem/solution fit stage is an important stage which involves the associated problem being aligned with the potential solution. These stages indicates that there is a link between organizational culture and problem-solving. In their article “Culture and Problem-Solving,” Arieli and Sagiv (2018) suggested that cultural mindset impacts problem-solving by influencing the cognitive processes people bear when solving problems. In their findings Arieli and Sagiv, discovered that to improve performance a key requirement is to prime a cultural mindset. This mindset will match the problem with the kind of thinking that is expected to promote its solution.

While answering the same interview question above, P1 continued to discuss the fourth value – “being reliable”.

Another one is to be reliable, but being reliable, goes beyond just being like sincere or being honest, being reliable to me, it means that even if there's a decision that I'm not fully on board or that I voted against it, if I'm outvoted for that decision, I'm going to give it my one hundred and fifty percent, you get it…to bring that to completion and to make it turn it into a successful idea, because the way I think about it is that the next time that I'm
facing a decision that I.. that I voted for and that I win others are going to give their one hundred and fifty percent to help me to bring that idea to success. And this is something that I also encourage our employees to do.

The fourth value mentioned by the participant is “being reliable.” P1 described this leadership practice as a situational leadership approach that consists of building a behavioral pattern that is supportive, particularly in decision-making. Similar to Northouse’s (2019) findings, P1 demonstrated leadership behavior such as listening, praising, asking for input, and providing feedback to evoke employee skills around the goal to be achieved. By exhibiting these supportive leadership behaviors in the startup, P1 facilitates problem-solving and gives recognition and social support to the employees by giving them control of daily decisions.

In addition to the four values described in the above responses, P1 also highlighted the entire eight core values and principles while answering a follow-up question during the interview. These include the remaining four principles not described previously. These principles guided his leadership behavior toward establishing the startup work culture. In the following set of responses, P1 outlines the remaining four leadership behaviors that shaped his organizational culture. These principles include being an entrepreneur, being assertive, insisting on perfection, and having guts. The follow-up interview question that revealed the response was as follows: “What are the important leadership characteristics required for organizational success to you? What are those top characteristics that a leader, a CEO, a founder needs to have to maintain or sustain organizational success?”

P1 gave the following response:

I mean, at least to me there are eight, one of them is, of course, being an entrepreneur and intrapreneur as well. So, by that, I mean, to be constantly thinking about ideas or projects
that help the company grow, not only just stick to one idea and be stubborn and try to bring that idea to fruition. If I had to tell you. I mean, the product that we are building now is absolutely nothing. And I mean, it does not look like the project that I wanted to create back four years ago. Yes. So, you have to be constantly thinking about how to make it better, how to make it different.

In a similar note, P11 said:

But if you are, for example, an entrepreneur that works in the service business, you need to have like the kind of people that have a lot of care in them. So, knowing the business you are in will help you tailor the type of leadership and double people that you will need around for your success.

The fifth core value in the above response describes P1 and P11’s leadership behavior centered around constantly thinking about differentiating products and making them better. Some of the participants acknowledged that they encouraged this innovative mindset amongst their employees (P2; P7; P10; P12; P14). In his research work, Simpson (2022) suggested that the outcome of such leadership behaviors was a culture of innovation and creativity. In a comparable manner, Lazarova et al. (2020) advanced the notion that companies should avoid the local culture from impacting the company culture by promoting and focusing on values such as creativity. P1’s leadership behavior of “being an entrepreneur and intrapreneur” aligns with the finding within the literature by Renko et al. (2015). Renko et al. (2015) suggested that such entrepreneurial leadership behaviors foster innovation and adapt to the ever-changing startup business environment in the marketplace.

Furthermore, P1 discussed the sixth core value in the response below:
Yes…It will be being assertive…as assertive as you can. Uh, or being spot on with your decisions, so it is basically trying to make the best decisions that you can. And if you make a mistake, learn from that mistake. So, then the next time that you have to make a similar decision you don't make that mistake again.

P1 described the sixth core value as being assertive in strategic decision-making.

Assertiveness practice emphasizes developing a cultural mindset of aggression and assertion in handling a leader’s personal relationship, especially with investors and the board of directors (Qiu, 2018). Qiu (2018) suggested that assertiveness is one of the cultural practices of business leaders. Qiu further described cultural practices of strong assertiveness as a leadership behavior characterized by a lack of fear for conflict and confrontation driven by success. P11 demonstrated this behavior by defining what he wanted, raising questions, and expressing opinions in an explicit and professional manner. Recognizing its significance, P11 said, “If I had to make decisions quickly and more of what I called more resolutely like. When I make that decision, I can't say, well, I think is like this, rather I will say…I think is straight. This is how we are going to move.” Cultural practices of assertiveness, as demonstrated by participants P1 and P11, have important implications for the workplace by influencing leadership styles and diversity management (Qiu, 2018). Qiu (2018) argued that cultural practices of strong assertiveness positively impact social support for startup founders. These practices encourage startup founders to be competitive and ambitious as defined by their social status with respect to capabilities as opposed to relationships. This specific finding of “being assertive” was contrary to the literature finding presented by Northouse (2019) that the leadership trait “empathy” as opposed to “assertiveness” is a preferred leadership trait in a startup context. In agreement to this P13 noted,
“so I think a level of empathy, you can have some, some sympathy, but at the end of day it is more empathy is important.”

P1 discussed the seventh core value as follows while still responding to the follow-up interview question:

Yeah. Hmm. The other one, I would say it is insisting on perfection. So, on insisting on perfection. To me, it means to try to do your job the best that you can and try to overcome yourself the next time that that you do a repetitive task. So, if there is something that you are struggling like, I don't know, creating a business plan the next time that you have to update your business plan, you have to try to do it even better than the previous time. So that you are improving every single time that you do it. And the same applies for everything.

The seventh core value mentioned by the participant is “insisting on perfection.” In this leadership behavior, P1 describes how he strives to do his best in his work while learning from mistakes and failures. Since there was no existing literature to compare this finding, a similar concept by Qiu (2018) can align to this leadership principle referred to as “the pursuit for excellence or lofty standards.” Qiu (2018) argued that “the pursuit for excellence” is one of the cultural practices embraced by corporate business leaders also known as performance orientation. Performance orientation is the extent to which an organization encourages and rewards performance improvement and excellence (Qiu, 2018). Like P1’s view, Qiu (2018) suggested that the pursuit of excellence is a personal trait variable that stems from the need for achievement.

In the concluding response to the follow-up interview question mentioned earlier, P1 highlighted the eighth value that he leveraged to establish the startup culture:
Yes. The eight one, I would say it's having guts. So don't be afraid of expressing yourself when you disagree on anything but do it respectfully, you know, be professional and be respectful about it. This is especially applied, when your top table, is growing. When your board has external individuals like investors and you are losing control of your company, which is unavoidable if you're having success... so that you can express when you disagree with that decision and you can cast a vote instead of just staying quiet and try to do whatever everyone is telling you.

Like P1, P2 also acknowledged having to encourage her team to share ideas and express their opinions, stating, “We let them know that their opinions and that their ideas are important for us and that everyone in the company is an essential part of the company.”

The last core value outlined in the above response by P1 is referred to as “having guts.” P1 meant harboring no fear in expressing one’s opinion professionally in the face of disagreement, especially with investors. This value is comparable to the “assertiveness” cultural practice earlier mentioned in the discussion. P2 in support of this concept, discussed how she involved team members to get involved in the decision-making by expressing their opinions freely.

Further analysis of P1’s interview revealed more qualitative evidence of the participant’s leadership initiatives in establishing startup culture as indicated in the following response:

Well, I know that everyone is coming from different lives, different experiences, and different ideals and when they get here, I try to get them into that culture that we have created, so everyone is on the same page, and everyone is pursuing the same goals, and everyone is looking up to the same. Oh, I forgot the word to the same qualities so to
speak. So, I mean, maybe it's not that like I try to inspire them to follow me or something like that, but I try to transform them into a better version of themselves.

Furthermore, in responding to the interview question: “How do organizational issues or situations impact your leadership characteristics?” P1 described his leadership initiatives in establishing startup culture as follows:

And then well I enroll in a business accelerator? I learn about more about business culture, and that is when I started to realize that I was and I've been making a lot of mistakes in the past, and I try to work toward a more intelligent leadership mindset.

This response captures how P1 focused on enrolling in a business accelerator training opportunity that influenced organizational culture in a positive way. The training helped P1 recognize leadership mistakes he made in the past and positioned him to make leadership changes that will yield an improved mindset on leadership behavior. This was P1’s response in how he improved his leadership skills by ceasing to react to situations but proactively establishing a business culture that help him be a better leader:

So yeah, I mean, I think I actually, replied to this question before, of course, some depending on what happened through the life of our startup and the way it was growing my leadership, what was being affected by that until the point that I learned about business culture and I stopped reacting to what was happening around me and just establishing a culture that allowed me be a better leader. And now the culture is what is dictating what is happening in the company, regardless of external factors. Whereas before I was just reacting to external factors and that affected my leadership. I was the leader based on what was happening externally.
P1, in conclusion about establishing startup culture, confirms that organizational culture evolves through the startup stages. P1 and P2 internalized these values and leadership principles to establish a startup culture that guides the daily operations of the startup company regardless of the influences of the external business environment. P1 stated below, that the employees had to go through these phases of his leadership evolution:

Well, I try to demonstrate that every day, of course, through my growth as a founder I have internalized all of these changes. So as employees as well. In the early stage, the employees that we had, had to go through different stages of myself. I think that was confusing for them, though right now I try to live by the values and business culture that we have created. So, I think it's better for them when they have a more robust or balanced version of me.

The findings presented in this study reveal how leadership influences organizational culture were similar to those within the literature. P1 and P2’s claim of startup culture impacting employee productivity agrees with Lazarova et al.’s (2020) findings that organizational culture is identified as one of the key success factors for employee retention, satisfaction, and productivity. In the existing literature, Underhill et al.’s (2007) claimed that organizational culture is the personality of the startup company that influences employee’s behavior by guiding the daily decisions. This aligns with P1 and P2’s leadership values and principles that he adopted to establish the business culture.

To further support these findings, the researcher performed a document analysis of some of the respondents’ (P1, P2, P3, P4, and P5) startup company A’s (referred to as ‘Startup company A’ for confidentiality purposes) website data to reveal five core values of the company mission statement: The core values include (a) professionalism (b) productivity (c) honesty; (d)
respect, and (e) Enthusiasm 

Professionalism includes future success in startup companies. Productivity includes using resources to achieve results. Honesty includes the beginning of project success. Respect includes maintaining relationships with clients. Enthusiasm includes people displaying compassion in their work.

The website information above highlights the five cultural values of the startup company built by the eight cultural practices initiated by the founder’s leadership behavior. Qiu (2018) indicated that there is a difference between cultural values and cultural practices. While cultural values are focused on “what should be,” cultural practices focus on “as is.” Similarly, Pathak and Muralidharan (2016) argued that cultural practices are in startup founders as opposed to cultural values. Cultural practices, such as the eight leadership principles outlined by P1, have a significant impact on the startup’s success by establishing the startup’s core values. Further document analysis of customer reviews on the company’s website also provided qualitative evidence that the startup company is living up to expectations in establishing the right culture for the startup’s success. Below is one of the customer reviews that reflected the startup’s cultural values and the evidence that the startup company A is a success:

“Whenever we need a simultaneous interpreter, Startup company A is our first choice. They are very dedicated, and they always provide professional services.”

Ogbonna and Harris (2000) highlighted four kinds of organizational culture to include: innovative, competitive, bureaucratic, and community culture. Zehir et al. (2011) described the community culture as follows: The culture of a community reflects shared values and dedication to traditional values which leads to cooperation between the stakeholders within the community. The continuation of the culture is from loyalty, personal gratification, and respect for traditional values. Culture can whole a community together from
generation to generation. In describing Competitive cultures, Zehir et al. (2011) stated that in competitive cultures, leaders promote competition among participants with the intent of making the environment or organization better. The goal is to gain a competitive edge over the ravel businesses or communities. In their definition bureaucratic or hierarchy cultures, Zehir et al. (2011) stated in a hierarchical culture, the status of positions is essential to the participants regarding policy, procedures, and rank. In most cases, hierarchy relates to the formal status based on the values placed on positions and titles. Ogbonna and Harris (2000) defined innovative culture as the degree to which an organization is innovative. However, Zehir et al. (2011) classified innovative culture as a sub-dimension of competitive culture.

This classification of organizational cultures can apply to this research work by categorizing the eight leadership principles, also referred to as cultural practices adopted by the participant (the startup founder), to match with the startup’s peculiar organizational culture. Table 5 shows the categorizations of the unique organizational cultures for Startup Company A.
Table 5

_Categorization of organization with Leadership behavior of startup company A founder._

<table>
<thead>
<tr>
<th>Leadership behavior /Cultural practices</th>
<th>Innovative culture</th>
<th>Competitive culture</th>
<th>Bureaucratic culture</th>
<th>Community Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to be humble or being an apprentice</td>
<td>Very</td>
<td>Not</td>
<td>Not</td>
<td>Very</td>
</tr>
<tr>
<td>Ability to strive for improvement</td>
<td>Somewhat</td>
<td>Very</td>
<td>Not</td>
<td>Not</td>
</tr>
<tr>
<td>Ability to solve problems</td>
<td>Somewhat</td>
<td>Very</td>
<td>Not</td>
<td>Very</td>
</tr>
<tr>
<td>Ability to be reliable</td>
<td>Not</td>
<td>Somewhat</td>
<td>Not</td>
<td>Very</td>
</tr>
<tr>
<td>Being an entrepreneur</td>
<td>Very</td>
<td>Very</td>
<td>Not</td>
<td>Not</td>
</tr>
<tr>
<td>Being assertive</td>
<td>Not</td>
<td>Very</td>
<td>Not</td>
<td>Not</td>
</tr>
<tr>
<td>Ability to insist on perfection</td>
<td>Very</td>
<td>Somewhat</td>
<td>Not</td>
<td>Not</td>
</tr>
<tr>
<td>Ability to have self-expression</td>
<td>Not</td>
<td>Yes</td>
<td>Not</td>
<td>Somewhat</td>
</tr>
</tbody>
</table>
Figure 9

Relationship between leadership behavior of startup company A leaders and organizational culture of Startup Company A

![Figure 9](image)

Note: Key: 0 = Not; 1 = Somewhat; 3 = Very

Figure 9 highlights the relationship between the leadership behaviors of startup company A’s leaders and the organizational culture of startup Company A. From the figure, the findings indicated that the most predominant culture for this startup was a competitive culture. Followed closely by innovative and community culture. There was no bureaucratic culture in this startup company. Unlike the competitive and community culture findings in this study, the innovative culture finding agrees with Ogbonna and Harris’ (2000) findings that leadership influences the organizational culture - such as innovation – which in turn impacts organizational performance.

Theme Two: Leadership Approaches that Drive Startup Success.

The leadership approaches adopted by startup founders emerged as an apparent theme during the interviews. In the interviews, respondents shared leadership experiences that
demonstrated leadership in specific startup environments including the need for smart decision-making, building teams, and maintaining the availability of human resources (P1; P2; P6; P7; P10; P11; P12; P14; P15).

Leadership research identified numerous aspects of leadership approaches. These approaches include giving attention to leadership with respect to the leaders’ and followers’ environment. The startup business environment is vastly different from those in large companies. Startups limit in processes, routines, and structures. Therefore, the leadership characteristics or behaviors of startup founders and leaders play a critical role in startup success. Analyzing the interview data revealed several leadership approaches used by the participants in the specific startup context. According to Northouse (2019), the leadership approach includes personal attributes of leadership (trait approach), situational leadership (contextual approach), contemporary leadership (transformational approach), and interpersonal leadership (team approach). P1, P6, P11, and P15 highlighted the different leadership approaches they adopted when leading their startup businesses to guarantee long-term success. Northouse (2019) advanced the notion that the trait leadership approach focuses on the leader (the startup founder) and not on the followers (employees) or the situation. Findings from the initial coding of the interview data included several leadership traits from the respondents. This process includes intelligence, achievement drive, perception, empowerment, persistence, resilience, self-confidence, self-awareness, approachability, flexibility, tenacity, persuasion, empathy, openness to feedback, and emotional intelligence ((P1; P2; P6; P7; P10; P11; P12; P13; P14; P15; P16; P17). P1 exhibited an important leadership trait known as “dependable.” Being dependable means the startup leader/founder was very consistent and reliable (Northouse, 2019). This trait was observed as a recurring aspect of the interview data. P1 noted:
Being reliable to me, it means that even if there's a decision that I'm not fully on board or that I voted against it, if I'm outvoted for that decision, I'm going to give it my one hundred and fifty percent, you get to bring that to completion.

In another instance, P6 discussed the “dependable” trait of his leadership. P6 expressed this in terms of trust:

I would say maybe the issue of having a few experiences where trust was not, well reciprocated. And given the model of wanting to empower individual ownership when people abuse trust, it has the tendency of wanting to limit the amount of ownership that you're willing to give across the organization.

Another recurring leadership trait identified during the coding process was “self-confidence.” P1’s leadership trait, like the finding in the literature presented by Northouse (2019), states that self-confidence is having the ability to demonstrate skills and competencies.

P1’s response below depicts the self-confidence leadership trait as he stated:

I used to be very shy. I mean to the point that this interview would have been impossible. And now you can hear me how fluent I am. And so, I feel like I've been proficient. I mean, just in the learning part.

P1’s self-confidence leadership trait agrees with Northouse’s (2019) finding that leadership traits are significantly used by leaders for personal awareness and development. In support of this leadership trait, P8 noted:

I do think there is an amount of likability and personal charm in the ability to recruit help (because you cannot do it by yourself), the ability to influence and inspire confidence that you know what you're doing so that they will invest in you and invest in your business plan.
As such, P8 leveraged inspiring self-confidence traits to improve overall leadership effectiveness for the startup. P11 acknowledged that like self-confidence, developing tenacity and flexibility traits help automate processes in the startup as well as “help drive things to completion.”

Another aspect of the leadership approach exhibited by P1 was transformational leadership. Key features observed in the interview during the coding process included: inspiration and motivation. Motivation was a recurring transformational leadership character displayed by P1 as shown in the response below:

And I also try to encourage all our employees to follow what we teach them. We actually have it in the employee manual. They are listed all of the eight. And that is why I was so, so precise with you. When I said there's eight, so, because when we teach all of these, to the employees that they can make smart decisions when working. We want them to be leaders of their own, you know, of their own role.

In the above response, P1 encouraged the employees with inspiring words to clearly communicate the integral role they play in the future growth of the startup company. In support of this notion, Simpson (2022) suggested that transformational or inspirational leadership had a positive relationship with team effectiveness. This leadership approach agrees with Northouse’s (2019) findings that transformational leadership style behaviors include intellectual stimulation, inspirational motivation, individual consideration, and idealized influence. P1 stated how he inspired the followers through motivation to be committed and be a part of the shared vision of the startup organization. The observation for transformational leadership was significant for establishing the community culture through team effectiveness.
A final subtheme identified in the development of this theme was the “leadership style.” Leadership style, otherwise known as the situational approach of leadership, consists of a person’s behavioral pattern attempting to influence others. Zehir et al. (2011) suggested that the different leadership styles stem from interactions between leaders and employees from diverse backgrounds. P1 in the interview data described the three leadership styles he adopted in leading the startup to success include: directing, coaching, supporting, and delegating approach as presented by (Northouse, 2019).

In the early stages of the startup, P1 described that his leadership style was predominately a “directing” approach. In his words, he expounded the following:

So, I was trying to be calm, a friendly leader to try and encourage them to trust me more. And then something happened. So, I realized that, well, they are not my friends. So, I do not have to be friendly to them. So, I have to be like more of a strict person to them. And if they do not want to be friends, then I have to give them orders and they have to go with whatever I tell them. So, you can see how my personality as a leader was changing.

Northouse (2019) suggested that the directive or instrumental leadership style includes giving instructions to employees by the leaders. Ogbonna and Harris (2000) supported this notion in their research finding, stating that instrumental leadership style measures leaders’ expectations procedures and task functions.

In the interview data, P2 acknowledged leading with a supporting approach by noting: “it can be the supporting style where you support them, work together with them like a collaborative kind of work.”

Northouse (2019) describes this leadership style to consist of being friendly and approachable as a leader. Ogbonna and Harris (2000) in their research work findings highlighted
this leadership style as the leader’s behavior to included sympathy, friendliness and considerate. P14 acknowledged the approachability trait by stating that:

I think the fact that people are comfortable talking to me helps a lot because then I get more and more input from them, like all the employees and providers I work with. And so that that's very helpful. As long as they're comfortable talking to me, I can figure out what the problems are. And I, you know, they ask me, I have this problem. Ok, I'll figure out how to fix it for you.

P1 noted that “as the startup grew his leadership style evolved into the coaching and the supporting style.” An example of coaching and supportive leadership was observed in P1’s response below:

Whenever we have a new employee, I make a two-hour meeting with them. And I share. Well, non-confidential details about our strategy I share with them, basic financial lessons for them to understand what you know about revenue versus expenses and stuff like that so that they can understand the different fields that the management is working on. And we even share with them some financial metrics by the end of the year for them to know how the company is doing. So, we have achieved to have a team that's working in sync in toward the success of the company.

The leadership style described in the above response aligns with both the high directive and the high supportive leadership style. Northouse (2019) referred to this leadership style as achievement-oriented leadership. Northouse described this leadership style as followers (employees) being given elevated expectations of excellence and a need for continuous improvement.
From the above findings, no leadership theory as presented by Hunt and Fedynich (2019) can enhance every leadership scenario for startups. The existing literature indicates that the findings for this theme are similar. The main leadership approaches found for this study agree with Northouse’s (2019) findings that leadership approaches such as trait-based theory, transformational leadership, and situational leadership impact organizational performance. This study included the discover of leadership traits such as (a) intelligence, (b) achievement drive, (c) self-confidence, (d) self-awareness, (e) empathy, (f) openness to feedback, and (g) emotional intelligence. The same traits were also highlighted in the literature as presented by Northouse (2019). P1’s transformational leadership approach agrees with Zaech and Baldegger’s (2017) finding that transformational leadership had a significant and positive impact on startup performance.

**Theme Three: Developing Emerging Leadership Behaviors Because of the Changing Startup Business Environment**

The emerging leadership styles in this startup identified in the coding process as entrepreneurial leadership and humble leadership. Literature suggested that the leadership process in startups is complex because of the uncertain startup business environment. Dvalidze and Markopoulos (2019) argued that research findings show positive effects of mainstream leadership (Trait and Transformational Leadership) on startup growth and development. However, researcher on entrepreneurial leadership, an emerging theory in leadership research, considered a more adequate approach to understanding the complex processes in leadership for startups. Comparatively, Cho et al. (2020) suggested another emerging leadership theory referred to as humble leadership, which is characterized by a leader’s focus on supportive and nurturing role toward employees towards organization goals.
Previous research findings have indicated a positive relationship between humble leadership and increased employee job engagement, employee loyalty, employee job satisfaction, and task performance, resulting in low turnover rates. P1, in his response to the interview questions, first highlighted humble leadership as one of his strong leadership styles. Recent research has indicated that humble leadership has fostered innovations in startups because the leader acknowledges personal limitations, model teachability, and shows appreciation for the follower’s strength (Zhou & Wu, 2018). This leadership skill becomes more relevant in today’s world because of the rapidly changing startup business environment and the roles of a leader in startups. The development of the “humble leadership” theme started with the naming of the following initial codes: approachability, persuasion, self-awareness, empathy, teachability, humility, openness to feedback, and emotional intelligence. Kelemen et al. (2022) advanced the notion that the core elements of humble leadership were identified as self-view/self-awareness, teachability/openness to feedback, and appreciation for others. An example of demonstrating teachability by P1 was observed below:

I mean, to always learn from the different people I met throughout my life, from other businesses, from the successes and failures of other businesses so that I could. Sometimes copy sometimes just learn from the best, sometimes avoid their failures or their mistakes. In another instance, P1 exhibited “openness to feedback.” This attribute of humble leadership is as follows:

Anyone can come to me and openly tell me. Hey, I think you should have done this instead of that. And I am not going to get upset about it, I am going to analyze it. And I do not know many founders have that ability, but I do. So that is something that they
appreciate of me as a leader. The ability to be humble when been receiving feedback from higher ups or even employees below.

In the above response, P1 confirmed that a leader’s humble expression, as presented by Cho et al., (2020), soothes the toxic impact of leader narcissism on the engagement and the performance of employees. P6 in support of this leadership characteristic noted that “some people can take constructive feedback while some can't” and this is something his startup focuses on. Additionally, P2 acknowledged that openness to feedback by “getting feedback internally, as well as externally is critical to ensuring the sustenance of startups.”

The coding process also developed a key theme identified as entrepreneurial leadership. The recurring codes classified into the entrepreneurial leadership skill theme were as follows: continuous learning, decision-making, entrepreneurship cognition, innovative skills, passion, and product development. An emerging idea that stood out was entrepreneurship cognition - as an essential entrepreneurial leadership skill. Joshi and Achuthan (2018) defined entrepreneurship cognition as a leader that makes intelligent decision regarding venture creation. The following response by P1 demonstrated entrepreneurship cognition:

So, for instance, at the beginning, I was just a freelancer translator and just like an independent contractor of other companies. Then I decided to start a company. And that forced me to study marketing. So, I self-study marketing to the point where I can say that I am now very knowledgeable in SEO strategies for Google advertisements, social media, etc., etc., etc. And I keep learning every day because this stuff keeps changing all the time.

P1 at one point in the interview described innovativeness - one of the key elements of entrepreneurial leadership as follows:
Being an entrepreneur and intrapreneur as well. So, by that, I mean, to be constantly thinking about ideas or projects that help the company grow, not only just stick to one idea and be stubborn and try to bring that idea to fruition. If I had to tell you. I mean, the product that we are building now is absolutely nothing. And I mean, it does not look like the project that I wanted to create back four years ago. Yes. So, you have to be constantly thinking about how to make it better, how to make it different.

Another key element of entrepreneurial leadership, known as passion, was described by P1 in the interview as follows:

I mean, emerging entrepreneurs usually try to focus on what fascinates them. Yeah, and even if it's not the best way to go. I would tell them to focus on what's giving you the most results, even if it's not something that you feel passionate about and this is something that I picked up very recently from a founder that I met. And she runs a photography business... And she was telling me that she is really passionate about making photography to empower women...And so, she is an emerging entrepreneurial leader, and she needs the income. So, my advice to her at the moment, which is the same advice that I would give anyone else, is to be focused right now on what's giving you the most results and ones that you're successful and you can actually make a choice, you can focus on what's passionate to you, and you can even make it for free if you want to.

Regarding passion, P1 argues that passion by itself will not yield revenues but rather smart decision-making and focus on opportunities that yield revenues is necessary. In a similar notion, Dvalidze and Markopoulos (2019) suggested that leadership traits such as passion, courage, and resilience are critical. P15 in acknowledging resilience as a key leadership trait said:
The resilience in that, you know, with every start up, there are just so many hiccups, like no matter how well you plan, like you see, no plan ever survives the first time, the first model, you always have to switch things up, things that you didn't see come up. And so, the ability to see that I'm not giving up and I'm just going to keep on going and this has to finish.

These traits are needed to carry on the transformation of the initial innovative idea into a startup, as well as combat the volatile environment of the startup business. The findings in this theme suggest that these emerging leadership theories are essential in the sustenance of startup businesses from conception to maturity. The specific finding of humble leadership style as demonstrated by P1 and P6 is not in the existing literature for comparison. However, the entrepreneurial leadership style findings agree with Davidze and Markopoulos’ (2019) that mainstream leadership theories such as Transformational leadership have a positive impact on the growth and development of startups.

**Theme Four: Improved Organizational Performance Driven by Leadership Development.**

A final theme that emerged in the interview data analysis relates to the impact of leadership on startup performance. The participants in the interview described the role of leadership in startup performance. One of the subthemes identified is strategic leadership.

Strategic leadership plays a huge role in startups. Rogers and Paul (2018) suggested that startup founders play a strategic leadership role in the entrepreneurial context. Therefore, strategic leadership can have a significant impact that varies across entrepreneurial contexts, as well as a distinct entrepreneurial context may produce a unique strategic leadership composition and design (Simsek et al., 2015). In startup settings, strategic leadership may limit to a single founder or a founding team and key investors. P1 in his description stated how he drives commitment to
new strategies among employees by articulating an appealing vision of the future state of the startup. An example of this is as follows:

I wish that we could just sit on a table and devise like a fully working strategic plan. But as entrepreneurs, we are learning as we go. So sometimes we believe that we made a perfect plan and then we stumble and then when we realized that we were failing at something. And so, we have to improve or make changes to that plan so that it can come to fruition successfully. Yeah. So, if you ask me, we have a business plan, we have to sit down and try to talk about sales strategy, marketing strategy, everything. I mean every key element from a business or strategic plan. Yes. But we are always learning new things as we grow as a company.

Another respondent, P6 acknowledged that strategic leadership is an important key element in leadership that can be leveraged to sustain competitive advantage. P6 stated:

The strategy is to enable independent ownership across the organization. I think what's most important is helping people visualize what they are so that outputs of the success would look like for themselves and then across the organization. So, the ability to sell the dream to these independent owners within the organization. I think that's the most critical element in the strategy. So that would look like maybe helping people see beyond. In that regard, they will think, I just have to get work done. I just have to make this service available to that client. This is the work I have to do. Let me just go, do it right. The strategy is such that a critical piece is that the vision being relatable, making the vision so relatable that people are able to see themselves in the success of the vision, what it looks like and then making it personal at the individual level.
In the above interview responses, first P1 fosters overall goal achievement by not just creating business plans but also constantly revising these business plans through engaging in strategic planning discussions with stakeholders. P6 on the other hand highlighted how business plans characterized by individual ownership promote productivity and overall vision accomplishment. P1 and P6’s adoption of strategic leadership in a startup context corresponds to Welter et al.’s (2021) findings that business planning does not only predict the future but can be a strategy for startups, which are typically characterized by risky environments. In addition, P1 in the interview demonstrated a description of the above concept as follows:

The way that we have implemented those strategies is that we make a meeting and we set a milestone like we are going to meet these goals by the end of the quarter. And then every quarter I meet with a board of directors to analyze if the goals have been met or if they have not. We have a conversation of what happened and put a pin to those to make sure that they get met in the next quarter, along with their new goals for the quarter. And that varies a lot. I mean, so far, we have sales strategy plans, marketing, strategic plans, and operation related plans and more. Lately, we have also implemented development strategy plans.

Like P1, P2 also recognized the need for strategic plans revision as follows:

We actually have a strategic plan that is very simple. We have like monthly meetings and everyone in our team is part of it. And in these meetings, we first share what we have done in the month and how we did it. And what were the challenges? And we also share like, for example feedback or ideas for improvement in our company. And I think what I
really like about these meetings is that everyone can share feedback like it doesn’t matter if it’s about the leader or employee.

In the response above, P1 and P2 highlighted how they engaged in strategic meeting discussions with investors and employees as part of their strategic leadership activities to impact uncertainty in startup business environments, as well as facilitate faster decision-making. P1 also described strategic plans as being constantly evolving in a startup context. In agreement with this description, P7 noted that “So sometimes we have had like this kind of bad business experiences and situations that had led us to change the strategy that we have as leaders.” In support of this notion, Simsek et al. (2015) argues that not only founders but also leaders and private equity investors, such as venture capitalists, are key actors in the strategic leadership of new startups. They perform key leadership functions like fostering higher board participation in the formulation, and evaluation of strategy and improving leadership and managerial processes. These venture capitalists are relevant strategic leaders in new startups. Their presence and contribution to the startup’s management and decision-making have been linked to the startup’s growth preferences and approach, which significantly impacts the startup’s performance (Simsek et al., 2015).

Leadership development emerged as a subtheme during the coding process. When asked about leadership development in terms of receiving leadership training, P1 responded, “No, I've never received leadership training. Everything that I've learned has been from self-studying and falling and stepping back up.” Other respondents had similar replies (P2; P3; P4; P6; P7; P8; P9; P10). Participants received informal training through mentorship and self-study. Other participants such as P11 and P15 had a different response when asked about receiving leadership
formal training and leveraging the knowledge gained in the training to improve the startup leadership process. As noted by P11:

Formal training, I would say, yes, I had the opportunity to be in the Kelly Business School and so I did an MBA, so there were several leadership trainings that we went through. I can give a clear example of some basic tools like the MBTI and FIRO-B. These are tools around emotional intelligence, just understanding what your favorite response to a scenario is most likely going to be. And making sure that you are able to interpret your response or your reaction in light with what your preferences are. I think that would be knowledge that has been of great and tremendous benefit. Being able to understand at some point may, do I really need do I have a high need for control, which I usually do not, so given that I do not have a high need for control, and I do not have a high need for involvement?

P15 also acknowledged receiving formal leadership training prior to the inception of the startup business as follows:

I got a little bit of the MBA leadership training and related business training at the Kelly school of business. I have definitely used lots of the training concepts in the business planning. For example, the finance concepts I learnt in MBA has been of great importance in strategic planning of the startup company. Specifically, I used finance a lot because especially when talking to investors. When you speak to them in financial language, you are more looked at as more credible.

In the above response P11 and P15 described how they leveraged knowledge gained from leadership formal training in their startup business. Both participants utilized the Myers-Briggs Personality Type Indicator (MBTI) leadership assessment tools during their MBA program to
understand their leadership traits. In agreement with this insight, Lidow (2014) claimed that these traits help the leader process information, relate with other people in the workplace and make smart decisions. Lidow (2014) in support of P11 stated that the four Myers-Briggs traits or personality dimensions describe leaders’ preferences to structure relationships. Therefore, the MBTI and FIRO-B leadership assessment tools provide leaders with an awareness to identify natural differences between leaders’ and followers’ actions and reactions as well as identify specific actions that can be potentially engaged to deal productively with those differences (Lidow, 2014). This concept agrees with Day (2000)’s claim that leadership development focuses on using and building interpersonal personal competence.

Another important subtheme that emerged from the coding process and theme development is startup performance indicators. From the existing literature, Leedham’s (2004) findings categorized organizational performance indicators to include: financial (metrics such as profit margin growth, revenue and Return of Investment, ROI), and non-financial performance also known as operational performance measures (including customer satisfaction and productivity). P1 described employee commitment and productivity as an aspect of operational performance for the startup company as follows:

So, we have achieved an outstanding customer satisfaction rate of between eight point 8.5 and then. You know, 10 out of 10 and or eight point five. And the factors that I believe drive these successes are that a hundred percent of our employees are fully committed to the objective of our startup because we have a transparent policy with them. P1 attributed outstanding customer satisfaction to his transparent policy and employee commitment to the goals and objectives of the startup organization. In another instance in the interview process, P1 described the exceptional customer satisfaction to stem from
communicating the strategic plans and shared vision with the employees. The following statement illustrates the subtheme – of customer satisfaction:

So, we have achieved to have a team that's working in sync toward the success of the company because they want you to achieve, and they want to help us create a company that helps them have a real balance between life and work and that reflects in the customer satisfaction because they go beyond the line of duty to make our customers happy.

In the interview, it was also observed that the P1 described how he communicates financial indicators of the *startup performance* theme. This example is illustrated in the following response:

And I share. Well, non-confidential details about our strategy. I share with them basic financial lessons for them to understand what you know about revenue versus expenses and stuff like that so that they can understand that in different fields that the management is working for. And we share with them even some financial metrics by the end of the year for them to know how the company is doing.

P1 in the above response described his leadership role of communicating strategic financial goals and objectives to employees. In this situation, P1 not only sets the vision for the startup, but he also ensures he clarifies the vision for understanding. He demonstrated this process by motivating the employees, stimulating them intellectually, as well as guiding them to achieve the organization's goals. P1 also described engaging in team building by inspiring and encouraging employee commitment via effective communication of startup goals and objectives. P1’s insight regarding leadership development agrees with Nandasinghe’s (2020) findings that improved organizational performance can drive integrating leadership development into
organizational culture.

Furthermore, to support these findings the researcher performed a document analysis of startup company A (P1’s startup company) to reveal three customer reviews that captured customer satisfaction - a major indicator of organizational performance. The first customer review was by a client that was head of Human Resources of another successful startup company:

“Whenever we need a simultaneous interpreter, Startup company A is our first choice. They are very dedicated, and they always provide professional services.”

Additionally, another client, a CEO of a successful startup company provided positive feedback that reflected customer satisfaction as follows:

“Startup company A has been an invaluable partner for over 9 years. Their dedicated support and the quality of their work has been key to our growth in Latin America.”

Finally, qualitative evidence from document analysis of the company’s website for organizational performance was captured from a client – an international purchasing agent of a successful startup company as follows:

“Startup company A has been an invaluable partner, providing precise technical translations to support our operations in Mexico. The staff, and quality of work is always professional and prompt.”

The positive customer reviews indicate qualitative evidence of customer satisfaction which is a key indicator of organizational performance. These positive customer reviews reflect effective leadership development that evolved through the various startup stages and has resulted in improved organizational performance, as well as a sustained competitive advantage in the marketplace. Additional evidence of non-financial performance, known as operational
performance, from document analysis of the startup company’s website, revealed the startup company’s achievement of receiving an award as the Best Technical Translation Company of the Year 2018 by the Latin American News Magazine.

In addition to the non-financial performance findings, qualitative evidence of financial performance emerged from the analysis of the startup company’s finances. Financial performance as presented by Leedham (2004) is a key indicator of startup business performance and success. Habib et al. (2018) suggested that private firm leaders such as startups typically experience financial limitations regarding growth and expansion. Leedham further argued that high-quality financial statements will position startups to gain access to capital. In a comparable way, Seitz (2018) suggested that the acquisition and management of financial resources and capital are vital to the long-term success of an organization. From the document analysis of Startup A’s website, P1 (startup founder) in 2021 convinced Indianapolis-based Elevate Ventures of its exponential growth potential through pitch competition to secure an $80,000 investment. Receiving financial funding from the startup company founders provides financial support and embraces a significant relationship with the startup’s success. Kee et al. (2019) support this notion by stating that financial funding is a significant part of the business performance, and it contributes to 25% of the startup’s success.

Other than having accessibility to financial funding, an analysis of the financial documentation provided by P1 for four years of operations reflects a good standing with investors. Apart from having a good relationship with investors, P1 possesses the leadership ability to strategically allocate investment capital to the right projects; new product development; expansion of working capital; and the overall strengthening of the startup’s financial structure (Moro-Visconti, 2021b). Comparative analysis of the financial performance of the startup
company versus the industry indicates quantitative evidence of the relationship between the startup's achieved financial performance and effective strategic leadership development. Based on the information presented in Table 6, the startup company experienced steady growth of 5.9% to 6.4% annually over the past several years. This growth stands in contrast to the revenue growth of other firms in the same sector, whether in Indiana or across the United States.

**Table 6**

*Financial Performance of Startup Company versus Industry*

<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The startup company (Traduality Language Solutions)</strong></td>
<td><strong>Gross sales (or gross receipts), $thousands</strong></td>
<td>$88</td>
<td>$93</td>
<td>$99</td>
<td>$106</td>
</tr>
<tr>
<td></td>
<td>% change from previous year</td>
<td>5.9%</td>
<td>6.2%</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Translation &amp; Interpretation Services Industry (Bizminer Database - Industry Financial Profile) - Indiana small businesses (sales &lt; $5 million)</strong></td>
<td><strong>Average business revenue, $thousands</strong></td>
<td>$427</td>
<td>$375</td>
<td>$344</td>
<td>$396</td>
</tr>
<tr>
<td></td>
<td>% change from previous year</td>
<td>-13.7%</td>
<td>-9.2%</td>
<td>13.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Translation &amp; Interpretation Services Industry (Bizminer Database - Industry Financial Profile) - All USA small businesses (sales &lt; $5 million)</strong></td>
<td><strong>Average business revenue, $thousands</strong></td>
<td>$873</td>
<td>$893</td>
<td>$785</td>
<td>$799</td>
</tr>
<tr>
<td></td>
<td>% change from previous year</td>
<td>2.2%</td>
<td>-13.8%</td>
<td>1.8%</td>
<td></td>
</tr>
</tbody>
</table>

The financial growth findings of the startup company in this research suggest an improved financial performance and correspond to Nandasinghe’s (2020) findings that improved organizational performance must integrate leadership development into organizational culture. Nandasinghe (2020) suggested in the existing literature that activities such as rewards, recognition, and reoriented training encourage and promote leadership development in organizations. In support of the notion, Ogbonna and Harris (2000) noted that improved financial performance indicators have implications on the competitive advantage of the startup company in the marketplace.

**Interpretation of the Themes**

The main purpose of this research is to understand the impact of leadership on startup ventures. To achieve this purpose, exploring the leadership characteristics of successful startup founders and leaders was necessary. The interview questions were the framework around identifying those leadership characteristics. The overall findings of the present study revealed leadership significantly impacts startups. The findings of the present study included that the startup founders demonstrated eight cultural practices that established innovative, competitive, and community cultures in the startup company. The results also included that adopting leadership approaches to sustain startup success, developing emerging leadership behaviors to combat changing startup business environment, and attaining improved organizational performance drives leadership development.

I discovered concepts in my findings such as leadership behaviors, leadership
approaches, and the impacts of leadership on startup culture. In addition, I discussed organizational performance in relation to larger companies. This study included collecting qualitative data from an entrepreneurial setting in the face of changing uncertain business environments. The analysis of the data revealed emerging themes of leadership styles that will combat changing uncertain startup business environments. These leadership styles include entrepreneurial leadership and humble leadership. In past research, regarding leadership in startups as a key factor in influencing startup performance, focus on mainstream leadership theories such as transformational and trait leadership existed. Past research indicates that the transformational leadership theory had a positive impact on startup growth and development. Recent research included entrepreneurial leadership as a sufficient way of understanding complex startup leadership processes.

Entrepreneurial leadership research, with respect to startups, is still in its infancy stage and there is still no consensus on conceptualizing the phenomenon. Earlier research focused on the intersection of entrepreneurship and leadership. While more recent research by Dvalidze and Markopoulos (2019) focused on qualitatively analyzing the nature of entrepreneurial leadership to gain knowledge of elements of entrepreneurial leadership and to explore the entrepreneurial context where it happens. Dvalidze and Markopoulos (2019) suggested that entrepreneurial leaders characteristics include innovative behaviors as well as key drivers such as innovation and creativity. Dvalidze and Markopoulos identified the stages of startup to include the launching stage of the startup and attaining significant growth of startup. I identified leadership challenges in the entrepreneurial context to include vision development, optimal persistence achievement, and thriving through the chaos. This present study included focusing on the features of entrepreneurial leadership and their specific impact on startup growth and performance.
**Startup Culture and Startup Performance.** The startup business environment changes, typically because customer and economic conditions are always changing. To prevent the startup from deteriorating and position the organization to be effective, leadership plays a significant role in combating the changes. According to the ODA Team (2022), leadership precedes organizational culture. Lidow (2014) described organizational culture as a shared understanding of how contributions are valued and how rewards are given. Lidow (2014) argued that culture exists as soon as startup founders start to make decisions that cause the team’s status to be affected. Lidow advanced the notion that culture exists regardless of whether the founder consciously establishes it or not. Formal aspects of startup culture typically involve policies and rules that govern the running of the startup company, as well as the working environment of the company employees. However, the informal aspects of startup culture entail how people make decisions in their job.

Culture impacts startup businesses and large corporations. Lazarova et al. (2020) argued that the startup culture is not the same as the established corporate culture because it’s a reflection of the personalities and passions of the team members. Literature includes the suggestion that strong organizational culture develops through effective leadership that can effectively improve business performance through employee retention, satisfaction, and productivity (Lazarova, et al., 2020). Organization leaders should reconsider their perception and handling of culture. While some cultures as presented by Bätz and Siegfried (2021) are more conducive to startups and entrepreneurship, others are not. Startup companies are different from each other and as such the company culture as described by Lazarova et al. (2020) is the vibe and personality of the employees and the firm.

Coleman (2013) outlined six components of organizational culture including: vision,
values, practices, people, narrative, and place. Vision is the first vital component of company culture. Most successful companies typically start with phrases that capture their vision and mission statement to provide the company with purpose and guide their values (Coleman, 2013). The document analysis of Startup Company A’s websites captured the vision and mission statement demonstrating the purpose and the values of the company.

Through the vision and mission statement, the startup company helps the customers to familiarize themselves with the purpose and goal of the organization as well as ensure that all employees evaluate themselves to have the same value in the startup company (Lazarova, et al., 2020). The second vital component of a successful business is values. The values of a company consist of the core of its culture. Coleman (2013) advanced the notion that values are guidelines on the behavior and mindsets required to achieve the company’s vision. Startup Company A articulated five core values in the company website as outlined earlier in Theme 1. From this research finding, these core values stemmed from eight cultural practices of the startup founder. The values as described in the startup website will help to orientate the communication of processes within the company as well as help to set guidelines on employee behavior in serving customers (Lazarova, et al., 2020). The third component is “practices.” According to Lazarova et al. (2020) the importance of values embeds in the company’s practices. The startup values must reinforce the obvious policies and criteria of the company. This startup company’s practices revealed in the eight cultural practices of the startup founder which he utilized to establish organizational culture. The fourth component is people. For any company to be successful, people need to build a rational culture by sharing similar ideas and visions. Therefore, leaders and employees with diverse values and beliefs can influence the overall startup. The fifth component is the narrative of the company, which is the unique history and the
selling story of that company. For example, from the document analysis of the startup company A website, the “about” section captured the following narrative and selling story as follows from the leaders:

We get it. We know there’s an ocean of options to choose from when you’re looking for translation services. That makes choosing the right one overwhelming and it consumes more time than you can afford. That’s why we created Startup Company A. So, you can get over 20 different translation services in any language combination from vetted professional translators, always from the same place. We started as a small one-man army in a bedroom covered by superhero posters. Now, we’ve become the “translation department” of 189 companies and counting. We currently do a lot of emailing and zoom meetings with customers, we also get into heated debates with translators over if the 30,574th word within your 50,000-word document should be translated in a specific way. Sometimes we work from the office, some other times we work from home pretending we’re not in pajamas…Let’s just say we’re passionate about helping you keep your international edge. So… Ready to leave translation to the experts?

(Lazarova, et al., 2020) advanced the notion that such selling stories and history like this startup’s narrative help the company to rebuild the past and attract the right talents to build the future. The final component of startup culture is place. Lazarova et al. (2020) describes the place to include the company building. An observation of the startup building structure by the researcher confirmed that the startup open architecture fostered motivation and inspired collaboration between employees. The document analysis of the Facebook page of startup Company A captured the startup’s employee comments that indicated employee satisfaction and productivity as follows: “Having a space to connect and even play games with my colleagues in
the middle of my work week helps me unplug from stress and create a better relationship with them.”

The employee’s comment above highlights a conducive work culture that allows employees to deal with stress and promote bonding. In other words, developing relationships among employees is essential for employees’ motivation, commitment, and productivity (Lazarova, et al., 2020). Lazarova et al. (2020) supports this notion, indicating that organizational culture is a factor in helping employee retention and satisfaction which leads to productivity. In a similar notion, ODA Team (2022) suggested a positive workplace culture characterizes by policies that promote respect, trust, empathy, and support that fosters and prioritizes the well-being of all employees within the organization.

ODA Team (2022) suggested that organizational culture is a reliable predictor of employee turnover. ODA Team (2022) cited that research findings indicated that the cost of turnover was estimated at $223 billion over 5 years and this was attributed to toxic work culture. Therefore, a lack of toxicity produces healthy organizations, decreases negative behaviors, increases loyalty, reduces turnover, and improves organizational performance. Several reasons exist for toxicity. ODA Team (2022) suggested two main reasons including environment and leadership. ODA Team described environmental factors to include external pressures (such as those from venture capital funding) that organizations combat which eventually can produce a sense of urgency and a culture that is exploitative to the organization. ODA Team (2022) further argued that external pressures to focus on meeting goals at the expense of building a sustainable culture can trigger leaders of startups.

Startups are smaller organizations without complex systems of checks and balances. Therefore, the startup leader’s nature has a huge influence on its culture. Leaders with self-
awareness and self-sacrificing behavior are more productive and they stimulate employees to produce stronger performance. Leaders with narcissistic behaviors a selfish admiration of oneself especially when coupled with intelligence and physical attractiveness can find success in the short term. These traits can help a leader get ahead but not get along and can potentially result in negative cultural implications (ODA Team, 2022). A solution to these issues as highlighted by ODA Team (2022), is the concept of leadership awareness and dignity in the workplace. Leadership awareness is an individual that is conscious of their nature. ODA Team (2022) suggested that inexperienced startup leaders may need to expedite their learnings and strongly commit to leadership development by receiving feedback from allies, mentors, and peers, taking personality assessments, and making use of leadership coaches to improve leadership awareness.

The concept of dignity can impact organizational culture. According to ODA Team (2022), dignity is an individual ‘s sense worth because of their social status. Similarly, Hicks (2018) defined dignity as an individual feeling innate worth. ODA Team (2022) suggested that human beings in general need to feel noticed and wanted and as such leads to a higher sense of self-worth. This results in inculcating a sense of belonging and ownership and becoming a powerful source of motivation to exceed expectations. In support of this notion, Hicks (2018) suggested that ignorance of dignity affects the work environment. Hicks highlighted ten elements of dignity that play a leading role in creating a workplace and organizational culture that will promote well-being and other outcome desires. These elements include acceptance of dignity, recognition, acknowledgment, inclusion, safety, fairness, independence, understanding, the benefit of the doubt, and accountability. Awareness of dignity will influence the ability of a startup leader to lead employees so that they recognize first their self-worth and value and the dignity of others (Hicks, 2018).
In the context of a startup company, entrepreneurial leaders’ actions play a significant role in the establishment of the startup culture. In this present research, the participants, especially P1, described the role they played in establishing a culture for the startup company. The participants shared their experiences of running an open and transparent policy in the startup organization. Positive cultural practices as confirmed by the participants when established at the workplace tend to promote employee commitment and retention. In Theme 1, the eight cultural practices produced three dominant cultures for Startup company A. They included the competitive, innovative, and community culture. These three cultures yielded key indicators such as financial performance, customer satisfaction, and productivity. Ogbonna and Harris (2000) presented their findings that while leadership style is indirectly associated with performance, organizational culture is linked to performance. However, in their findings Ogbonna and Harris discovered that only innovative and competitive cultural traits link to performance while the bureaucracy and the community are not directly related to performance (Ogbonna & Harris, 2000). The results of Ogbonna and Harris study indicated that the startup founders and leaders’ innovative and competitive cultural traits were essential to immediately impact the efficiency and effectiveness of the startup company thereby producing startup performance and success.

Humble Leadership Impact on Startup Performance

The current business environment for startups is rapidly changing, including the role of leaders for startup businesses. Researchers indicated that leadership in a startup evolves as the startup grows in distinct stages from an idea into a value-producing and self-sustaining firm. The beginning stages of a startup firm are typically characterized by finding customers and markets. While the later stage of startup companies typically deals with challenges related to process optimization and reaction to competition. During the analysis of the interview data, it was
discovered that the participants exhibited an emerging leadership style referred to as humble leadership to combat the volatile startup environment in the later development stages of the startup. Owens et al. (2013) defined humble leadership as leaders who interact, teach, and appreciate their employees. Ali et al. (2020) advanced the notion that humble leadership has a significant positive impact on goal achievements through the effectiveness and performance of the team. Zhou and Wu (2018) verified findings that humble leadership had a positive impact on employee innovation behavior. Zhou and Wu’s findings also revealed that humble leadership was a supporting leadership approach that established an inclusive organizational learning atmosphere within the enterprise. This kind of working environment will foster innovation and creativity. Humble leaders are modest and have a great interest in the organization (Zhou & Wu, 2018). Owens et al. (2013) in their definition of humility described it individuals who view themselves as open, educational, appreciative, and accurate. According to Zhou and Wu (2018), humility is a core trait of other leadership styles such as level-five leadership, participative leadership, and servant leadership. However, humble leadership is a type of emerging and independent leadership approach that receives a lot of attention in academic circles (Zhou & Wu, 2018).

Recent research work focused on humble leadership and its impact on organizational performance. Identify the elements of humble leadership to understand the concept is essential. The three elements as suggested by Kelemen et al. (2022) include: self-view/self-awareness, teachability/openness to feedback, and appreciation of others. They also argued that humble leadership also emphasizes leaders assessing their strength and the strength of the follower. Owens et al. (2013) described humble leaders as those who appreciate the contributions and worth of others and recognize the strength of their subordinates without threat. These leaders
also exhibit characteristics such as being open to current ideas, information, and advice. A key behavior of humble leaders is a great interest to learn from others. This characteristic is teachability. Humble leadership is like servant leadership in the sense that it is bottom-up leadership. This means both humble leadership and servant leadership includes the focus on the followers by highlighting their strengths and contribution, keeping their subordinates engaged and openly admitting their mistakes, faults, and weaknesses. By highlighting strengths and contribution, leaders provide an environment of psychological freedom for their followers. Although servant leadership is like humble leadership, the underlying difference between them is that servant leadership focuses on the followers becoming model while servant leadership focuses on the “serving others” model. Also in servant leadership, the leaders profess to know it all, while the humble leadership acknowledges their limitations (Ali et al., 2020). A distinct difference exists between humble leadership and top-down leadership approach, such as transactional and transformational leadership. Transactional leadership characterizes by role-based and goal-oriented relationships between leaders and followers as opposed to humble leadership which is a human-oriented relationship. Qualitative evidence in research includes the notion that transformational leadership influences team performance by promoting cognition-based trust. However, humble leadership utilizes the contagion of the behaviors themselves to influence the team’s performance (Ali et al., 2020).

Some of the participants (startup founders and leaders) in the interview shared that they exhibited humility as a core value which is the key reason for their organization’s sustainable high performance. The participants also asserted they demonstrated this leadership style by being receptive to innovative ideas, information, and openness to feedback. With this openness towards new advice and knowledge, the participants encouraged employee innovation behavior and
produced team effectiveness and performance. Some of the participants shared their leadership experience indicating that their leadership behavior evolved from a trait-based leadership style to a humble leadership style, where they leveraged the latter leadership style in the startup growth stage in the startup life cycle. These findings suggest that this leadership style has contributed to the growth and development of these startups resulting in a point of becoming self-sustaining enterprises.

**Entrepreneurial Leadership Impact on Startup Performance.** This present research work has revealed that startup success requires more than entrepreneurship. Most entrepreneurs start a new venture that ends up stagnant and eventually dies. Therefore, entrepreneurs are typically removed when external investors become part of the startup. To understand the concept of entrepreneurial leadership there is a need to differentiate entrepreneurship and entrepreneurial leadership. According to Lidow (2014), an entrepreneur is an individual who works to start a startup business, while a successful entrepreneurial leader is a startup founder that has led an enterprise from its conception to the stage where the startup produces value and is self-sustaining. By self-sustenance, the startup can first operate with or without the founder in the company. Second, the startup can gain new customers with new products or service innovations. Entrepreneurial leaders equipped with the right leadership skills can deal with the competitive and organizational pressures surrounding the startup environment. Most startup founders fail because they had no coaching on how to prepare and respond to the myriad of challenges associated with startup growth and development (Lidow, 2014). Entrepreneurial leadership is more challenging than starting a company. This makes startup leadership one of the most challenging forms of leadership because the founder typically starts alone or with a few people that are willing to follow his success. Different startup stages come with different sets of
challenges and require a different deployment of leadership skills that is beyond leadership traits. Lidow (2014) highlighted five of these skills to include: (a) self-awareness (b) motivation, (c) leading change, and (d) enterprise basis. Self-awareness includes individuals realizing their motivate and capabilities. Relationship building focuses on meeting new people and making their relationships stronger. Motivation is individuals being compassionate about helping other achieve. Leading change is leaders who lead individuals toward change. Enterprise basics is entrepreneurs who leads a startup to maturity.

Of all the skills highlighted above, self-awareness, relationship-building, and motivation were key skills that the participants shared in their leadership experiences during the interview. An entrepreneurial leader to discover his motivation and understand his traits and skills to be able to not react to external situations is essential. Traits influence feelings and that in turn impact a leader’s motivations which drive actions. Skills are the ability to perform a specified task which is influenced by traits and motivation (Lidow, 2014). The participants in the interview shared lots of leadership experiences where they demonstrated a capability mix that prevented them from reactionary leadership. P1 and P15 acknowledged that exhibiting resilience and motivation is key to continuing in business in the face of an uncertain business environment. According to Lidow (2014), the capability mix lets a leader create specific strategies, leverage strengths, and alleviate weaknesses to continue succeeding in a startup business.

Dvalidze and Markopoulos (2019) identified four elements needed for Entrepreneurial leadership. These elements included: risk, passion, vision, innovation, and creativity. In the present research, the participants shared their leadership experiences during the interview on how the initial stages of entrepreneurial leadership were characterized by the first three elements. The participants described these elements as they employed to establish startup culture at the
launching stage of the startup. For instance, the “risk” and the “passion” elements helped P1 start the new venture even though he was young and still a student at college. P1 described the “vision” element as helping him paint the big picture of what he perceives the company will be in the future. P1 and P15 also emphasized how they improved processes by automating to eliminate the repetition of tasks. This last element dominated the “attaining significant growth” or “self-sustenance” stage of the startup. Additionally, Dvalidze and Markopoulos (2019) also focused on entrepreneurial leadership at various stages of the startup. In other words, entrepreneurial leadership was viewed as a process. Their findings suggested that entrepreneurial leadership was at four stages of start-up life. The stages include the following:

Stage 1 – entrepreneurial leadership was characterized mostly by leadership traits such as being “passionate”, “courageous”, and “resilient.” According to Dvalidze and Markopoulos (2019), the participants believed that these leadership traits were crucial to carry on the transformation of the initial innovative idea into a startup. These traits were also believed to be required to cope with the volatile environment of the startup business. In this present research, the participants in the interview process also demonstrated leadership traits that align with being passionate, courageous, and resilient. P1 shared his view that one of the key traits an entrepreneurial leader must exhibit should be “passion.” However, P1 argued that passion alone cannot sustain startup success but rather there should be a need to focus on activities that grow that startup company into self-sustenance. Lidow (2014) refers to this concept as “entrepreneurial strategy”. According to Lidow (2014), entrepreneurial leaders are expected to formulate and implement entrepreneurial strategies that align with the startup growth stage. Entrepreneurial strategy is a key source of competitive advantage because it involves the best approaches to finding targeted customers with limited investment of time and spending.
Stage 2 – At this stage of the startup life cycle entrepreneurial leadership has evolved to agile and open leadership. P1 description of the experience of leadership evolution aligns with this finding. The participant described how his leadership style has changed from being friendly with employees (who were mostly his friends) at the preliminary stages of the startup business to integrating strict policies and establishing a business culture for employees to follow.

Stage 3 – The stage of entrepreneurial leadership involved sourcing the right talents and building the right team. P1 during the interview described this phenomenon when he mentioned he sits with new employees to coach them on the company's policies and further share with them strategic plans for the startup company. P1, P2, P6, and P7 also shared their perception of team building by developing a trait of openness to feedback and supporting their decisions in improving processes.

Stage 4 – The final entrepreneurial leadership involves focusing on empowering employees, assigning roles in the team, and sharing leadership responsibilities. The participants described encouraging employees as a reliable source of motivation which resulted in employee empowerment and improved productivity for the startup company (P1, P2, P4, P6, P11, P15).
Representation and Visualization of the Data

Figure 10

*Themes for Leadership in Startups*

Figure 10 shows the four themes identified in the data analysis of the interview data. The emerging leadership skills and other leadership approaches are key inputs utilized for leadership in startups to achieve the outputs themes such as improved startup performance and established startup culture. The impact of humble leadership and entrepreneurial leadership in the startup fostered employee innovation behavior and startup self-sustenance that yielded improved customer satisfaction and productivity where there are indicators of startup performance.
Figure 11

Modified Conceptual Framework

Figure 11 shows the improved conceptual framework as result of this research finding that shows the relationships between actors (such as startup founders, customers), concepts such as leadership styles, startup culture, and startup performance all linked to startup self-sustenance and success.
Relationship of the Findings

The purpose of this qualitative case study was to investigate and better understand the personal leadership styles and practices of successful startup founders. The findings of this research presented a significant explanation of the key reason more than 90% of startups fail because of self-destruction as opposed to competition (Giardino et al., 2014b). The themes developed from these research findings highlighted leadership characteristics that contributed to improved leadership effectiveness of the startup founder as well as enhanced decision-making processes leading to the sustenance of the startup business. The predominant leadership styles discovered from this research included humble leadership and entrepreneurial leadership. While humble leadership fostered innovation in the startup, entrepreneurial leadership created a suitable environment for entrepreneurship and growth in the startup enterprise.

Relationship to Research Questions

Five research questions were in this research study: three central questions and two sub-questions. The themes identified in the study will be related to the research questions in this section. In other words, the research study provided findings to answer the research question as follows:

RQ1. To what extent do business startups fail after a few years of operation?

Chandra Balodi and Prabhu (2014) suggest “that only about 60% of start-ups survive for up to three years and more than 90% of start-ups fail to achieve the targeted return on investment (p. 41)” They further described startup failures to include suspension of operations, business liquidation to avoid further losses, and discontinuance of organizations. ODA Team (2022) argued that high failure rates are mostly caused by pressures in the startup environment. Therefore, startup leaders are hard-pressed for time to achieve targets to create effectiveness and
long-term success. Leadership development that encourages leadership awareness is essential to establishing a positive workplace environment. Theme 1 – the impact of leadership behavior on startup culture - corresponds to RQ1. Findings from theme 1, suggested that cultural practices through leadership awareness from the startup founders and leaders created lasting positive cultures such as innovative, competitive, and community cultures that impacted the startup performance and sustenance. ODA Team (2022) supported this notion by stating that startup culture is easier to manage at the initial stages of the organization. Therefore, to avoid startup failures in the first few years of operations, startup leaders need to examine the nature of leadership regarding consciously creating a lasting positive culture.

Theme 3 - Developing emerging leadership behavior because of changing startup business environment - also corresponds to RQ1. The findings in this theme suggested that for a startup business to attain success in its first few years of operation, it will require more than entrepreneurship skills and trait leadership to lead the enterprise from the conception stage to self-sustenance. The participants – the startup business owners – in the interview, confirmed that the startup is characterized by several stages to grow to maturity, therefore, startup growth requires more than entrepreneurial skills such as passion and courage. Lidow (2014) supported this notion by suggesting that startups require entrepreneurial leadership skills (as presented in theme 3) that combat the competitive and organizational pressures that stem from startup uncertainty. Lidow further argued that at the conception stage, or the Bootstrapping stage, entrepreneurial skills suffice. In a similar notion, Dvalidze and Markopoulos suggested that because of the complex leadership process in startups, there will be a need to go beyond entrepreneurial skills and trait-based leadership to a more effective leadership style. Effective leadership processes included entrepreneurial leadership that will develop the startup to the self-
sustainability stage. Most startups fail at this stage because startup owners experience a highly uncertain ecosystem that characterizes different perspectives such as market, product features, competition, people, and finance. Therefore, an entrepreneurial leadership style is essential to survive the self-sustainable stage of the startup life cycle.

RQ1a. What business strategies lead to the failure or success of a startup business?

A startup exhibiting a toxic work culture can lead to the failure of the startup business. ODA Team (2022) supported this notion by stating that a work culture that lacks toxicity reduces turnover and therefore improves performance across the startup organization. In a similar view, Lazarova et al. (2020) advanced the notion that treating people with dignity through open communication is a great leadership strategy to build the long-term commitment of employees. Simpson (2022) argued that establishing organizational culture is an important leadership element in startup companies just like tactical and strategic thinking. Therefore, rather than just focusing entirely on meeting goals, startup leaders should build a sustainable culture to positively impact performance and attain startup success. The findings in Theme 1 corresponded to RQ1a. Theme 1 highlighted a great leadership strategy by P1 to establish a business culture that includes three dormant cultures such as competitive, innovative, and community culture through eight distinct cultural practices. The interview data analysis from Theme 1 also revealed that as part of his personal leadership strategy, the startup leader P1 played a huge role in creating a culture of dignity to achieve startup success by demonstrating “openness to feedback” leadership behavior. Therefore, organization culture integrated by leadership development positively impacts startup performance and success.

Similarly, Theme 3 findings correspond to RQ1a as well. In the findings, the participants suggested that the concept of entrepreneurial strategy consists of startup leaders focusing on
activities that grow that startup company from the conception stage to the self-sustenance stage as opposed to just relying on passion. Supporting this notion, Lidow (2014) suggested that entrepreneurial leaders are expected to formulate and implement entrepreneurial strategies that align with the startup growth stage to attain startup success. Therefore, entrepreneurial strategy is a key source of competitive advantage because it involves the best approaches to finding targeted customers with a limited investment of time and spending (Lidow, 2014).

RQ2. In what ways do failed startup businesses impact the job market?

Startups evidently play a vital role in job creation. Decker et al. (2014) cited that business startups account for 20 percent of US gross job creation. Bardazzi (2020) argued that startup impact on the US economy is not straightforward as it seems. Although, there is a widespread belief that more than half of new jobs and economic growth come from new enterprises. Lidow (2014) argued that this information is misleading. Decker et al. (2014) supported this notion, by stating that most startups fail after a brief period and will not make any long-lasting net contribution to job creation. In a similar view, Lidow (2014) further suggested that startups account for only a few percent of the jobs in any given year. Lidow (2014) suggested that the more accurate statement is that virtually all the new job creation and economic growth comes from startups that have taken all the entrepreneur’s original idea and transformed it into scalable activities that teams of people are motivated to work on together. Lidow (2014) advanced the notion that successful startups that have thrived to the growth and maturity stage account for over 60 percent of all job creation.

Theme 1 findings relate to RQ2 because the startup failure rate determines the net contribution of startups to job creation. Theme 1 findings indicate that a positive workplace culture focuses on employee well-being and job stability. This implies that a lack of toxicity in
the workplace promotes employee loyalty, reduces negative behavior, increases employee commitment, and reduces turnover. ODA Team (2022) in support of this notion, cited that the cost of turnover is estimated at $223 billion over five years because of a toxic work culture. Most failed startups occur because of negative work cultures caused by the pressures of the startup environment. Therefore, leadership development of startup leaders that enables a positive workplace through prioritizing dignity and respect will result in satisfied employees who will not quit their jobs. Therefore, the findings in Theme 1 indicate that resilience in sustaining startups in the face of uncertain business environments positively impacts the job market by reducing turnovers.

**RQ3. What leadership qualities lack in the survival and success of a startup business?**

Theme 2 findings correspond to RQ3. The findings indicated that the survival and success of a startup require several leadership approaches at various stages of the startup cycle. Hunt and Fedynich (2019) supported this notion that no one leadership theory can be suitable to every leadership scenario for startups. The appropriate leadership approach will depend on the environment in which the leaders and followers operate. A startup business environment, especially at its growth and maturity stage, characterizes by an uncertain startup business environment. As earlier mentioned, leadership in the startup context is a complex leadership process since it requires several leadership approaches at various stages of the startup lifecycle (Dvalidze & Markopoulos, 2019). Theme 2 indicated that qualitative evidence from the interview data analysis indicated that trait leadership is essential at the conception stage of the startup while entrepreneurial leadership skills will become a more adequate leadership skill to understand startup leadership complex process in the startup’s growth and maturity stage characterized by the uncertain business environment. Findings discovered in the participants’
interview data confirmed the five entrepreneurial skills needed for a startup to survive include: self-awareness, relationship building, motivation, leading change, and understanding how an enterprise works as presented by (Lidow, 2014).

RQ3a. What leadership characteristics are linked to organizational performance of startup businesses?

The findings from Theme 3 indicated qualitative evidence that leadership characteristics such as humility – a core trait of humble leadership – encourage employee innovation behavior in the startup context. The results from the interview data analysis indicated that startup founders’ humility provided a supporting leadership that fostered innovation and creativity and positively impacted goal achievements through team effectiveness and team performance. This type of learning environment within an enterprise is a key reason for his organization’s sustainable high performance. Humble leadership with key traits such as self-view/self-awareness, teachability/openness to feedback, and appreciation of others as presented by Kelemen et al. (2022), have a direct positive impact on startup organizational performance. This type of leadership achieves through fostering an innovative culture that promotes innovation, creativity, highly sustainable team effectiveness, and performance and goal achievements.

Relationship to Conceptual Framework

The conceptual framework in Figure 1 shows an underlying structure followed for the research activities that occurred for this study. The elements of the research framework included the concepts, theories, actors, and constructs that are central to the research problem. The research finding indicated that leadership style is a key input construct to sustaining startup success. In the findings, the major leadership styles that most impacted startup success included humble leadership and entrepreneurial leadership. The business planning construct earlier
proposed in the research framework as a key input to the research process was later discovered in the findings and not a significant input in the startup leadership process. Part of strategic leadership activities performed by the startup founder for goal achievements occurred. The participants in the interview confirmed that they review business plans quarterly to meet and achieve goals to position the startup company to improving startup performance as presented by Welter et al. (2021). The research methodology employed in the research process for data collection did not require a survey but just a semi-structured interview for a single case study of a successful startup business founder. The startup founders and leaders were the only “actors” (and not customers as actors) selected for interview data collection because the research involved a case study of successful startup businesses to explore the leadership characteristics needed for startup sustenance. The output themes - including customer satisfaction and productivity - discovered in the research findings correspond to the proposed output constructs earlier identified in the research conceptual framework. These output themes are the key indicators of startup performance that drive startup success.

**Relationship to Anticipated Themes**

Anticipated themes earlier in the research proposal included customer service and relationship of startup companies and, community involvement to improve the perceived value of the startup by customers. In addition, leadership training programs for startup founders to improve leadership effectiveness and entrepreneurial leadership at different stages of start-up lifecycle occurred.

Based on the data collected from the interview, four core themes emerged from the Indiana startup founder participating in the study. They included: the Impact of leadership behavior on startup culture, and leadership approaches driving startup success. In addition,
developing emerging leadership behavior because of changing startup business environment and improved organizational performance driven by leadership development. Only two of the anticipated themes above corresponded to the findings of this research. The first anticipated theme - customer service and relationship of startup companies relates to the last emerging theme in the findings. This theme includes improved organizational performance driven by leadership development. The concept of organizational performance in the research findings confirmed two major indicators to include: productivity and customer satisfaction. Improved customer services mentioned in the anticipated theme led to customer satisfaction. The second anticipated theme was entrepreneurial leadership at different stages of Start-up Lifecycle relating to the emerging theme developing emerging leadership behavior because of changing startup business environment from the research findings. The emerging leadership styles discovered in this research include humble leadership and entrepreneurial leadership. During the data analysis, the entrepreneurial leadership style occurred at the startup lifecycle stages.

Two of the anticipated themes including “community involvement to improve the perceived value of the startup by customer” and “leadership training programs for startup founders to improve leadership effectiveness” are missing in the emerging themes discovered in this research findings. With regards to the “Startup founder’s leadership training programs” theme, some of the participants mentioned in the interview that they never enrolled in such formal leadership training but rather engaged in self-leadership study from books and other startup founders. However, two participants acknowledged that they received formal leadership training prior to establishing the startup business. The first two core themes discovered in the research findings are considered unanticipated themes that emerged in this study that play a significant role in startup success.
Relationship to the Literature

The findings of this research study correspond with the current literature identified in Chapter 2. In the literature review, Dvalidze and Markopoulos (2019) claimed that mainstream leadership theories such as Transformational and Trait-based leadership approaches have a positive impact on the growth and development of startups. However, the entrepreneurial leadership approach offers a more satisfactory leadership style to be adopted by startup founders to understand the complex leadership process in startups because of the highly uncertain business environment. The findings of the study supported the startup founders’ exhibiting entrepreneurial leadership styles characteristics such as demonstrating entrepreneurship cognition, innovation, and passion. They also demonstrated self-awareness by understanding their traits, motivations, and skills; building new and making existing relationships stronger; motivating employees to become successful; leading followers to change willingly with what they are already successful at; and understanding how the startup enterprise works, and what it requires from the leader at every stage of maturity. According to Cogliser and Brigham (2004), innovation is a key trait associated with entrepreneurial leadership and is considered a cognitive component of planning from an entrepreneurial perspective. This finding concurred innovativeness as a vital element of entrepreneurial leadership.

The findings provided an independent leadership style known as humble leadership that was not explored in the literature review because of its infancy in the academic circle. The leadership characteristics identified from theme 3 regarding humble leadership include self-awareness, teachability, and appreciation of others. The other leadership approaches identified in the literature review, which overlap with humble leadership, include transformational leadership and servant leadership as presented by Northouse (2019). The specific finding in this current
study includes the emphasis that humility trait is a key element of humble leadership Van (2011) corresponds to specific findings that humility is one of the main servant-leader characteristics. According to Ali et al., (2020), humble leadership compared to servant leadership, is a bottom-up leadership style as opposed to transformational leadership which is a top-down leadership approach. Ali et al., (2020) further suggested that both humble and servant leadership are bottom-up leadership approaches because their leaders focus on strengths. The leaders acknowledge their faults, and their followers gain psychological satisfaction. However, Ali et al. presented an argument that humble leadership as confirmed in theme 3 has an underlying difference from servant leadership which focuses on meeting the needs of followers. In comparison Parris and Peachey’s (2013) indicated that servant leaders are described by the leader’s character and a demonstration of the leader’s commitment to serve others. Another major difference pointed out by Ali et al., (2020) is that servant leaders claim to know it all, whereas humble leaders acknowledge their limitations by exhibiting teachability traits. Recent research indicates that humble leadership, being supportive leadership, has a direct impact on startup performance by fostering innovation through organizational culture (Ali et al., 2020).

According to Underhill et al. (2007), organizational culture is the personality of the startup company that influences employee’s behavior by guiding their daily decisions. The findings in this present study concurred that the leadership behavior of the startup founders and leaders fostered an innovation culture within the startup companies. Northouse’s (2019) indicated that leadership approaches such as trait-based theory, transformational leadership, and situational leadership impact startup performance. These current study findings agree with the literature. Leedham’s (2004) findings categorized organizational performance indicators to include: financial (metrics such as profit margin growth, revenue and Return of Investment,
ROI), and non-financial performance or operational performance measures (including customer satisfaction and productivity). The findings in the current study affirmed that organizational performance indicators include non-financial (customer satisfaction and productivity) and financial (revenue and profit margin growth). The study findings also agreed with Nandasinghe’s (2020) claim that integrating leadership development into organizational culture can affect improved organizational performance.

**Relationship to the Problem**

The specific problem addressed is that software startup business owners potentially lack the leadership skills to succeed, resulting in a high failure rate of software startup businesses in Indiana. The findings in this research study relates to the problem. The results of the research study indicate that entrepreneurial leadership skills of the startup founders and leaders helped them sustain the startup for more than four years. The leadership behavior of the startup founders and leaders enabled them to establish an effective startup culture that provided the flexibility necessary to cope with the uncertain startup business environment as well as influence the startup performances resulting in the startup business success.

**Summary of the Findings**

Four anticipated themes emerged through an extensive literature review and findings of this study. Based on this investigation, the themes from the findings of this study included the impact of leadership behavior on startup culture and leadership approaches driving startup success in addition, the themes developing emerging leadership behavior because of changing startup business environment, and improved organizational performance driven by leadership development emerged. The themes from this study were like the anticipated themes. Findings suggested that leadership behaviors can affect establish startup culture such as innovative,
competitive and community culture that can foster can sustain the growth and development of a startup company. The findings indicated that the survival and success of a startup require several leadership approaches at various stages of the startup cycle. The results of this research study also addressed the problem exploring and identifying entrepreneurial leadership and humble leadership approaches as the necessary leadership skills adopted by the startup founders and leaders in Indiana. Therefore, establishing a startup culture that will combat the uncertain startup environment, foster innovation, and creativity, and improve team effectiveness and performance to achieve startup performance and success. Finally, the findings and how they are related to the conceptual framework, research questions that address the problem and the existing literature received discussion.

**Application to Professional Practice**

The data analysis of the semistructured interviews and my contextual observation indicated that two emerging leadership approaches namely entrepreneurial and humble leadership were key to influencing the overall startup performance. The first observation was entrepreneurial leadership at the initial stages of the startup provides the entrepreneurial strategy to mature the startup. The second observation was entrepreneurial leadership also exhibits self-awareness which is the capability mix of understanding motivations, traits, and skills to allow the startup founder to devise specific strategies to turn ideas into tangible reality. The third observation was entrepreneurial leadership additionally fosters strong relationships and building skills. Lidow indication strong relationships and building skills prevents peoples’ problems and grow the startup (Lidow, 2014). However, humble leadership, characterized by the reaction to competition and optimization. The first characteristic is through appreciation of employees’ contributions that creates the right learning atmosphere fostering innovation and creativity.
culture at the later stages of the startup. Second, by exhibiting teachability and openness to learn establish a startup culture, humble leadership promotes team effectiveness. These effective leadership capabilities suggest a positive impact on startup performance that results in startup success (Zhou & Wu, 2018).

Following analysis and interpretation of interview data, I highlighted several aspects of this research study that will have a direct application to professional practice. Prior to embarking on the research study, by reviewing the existing literature I discovered several knowledge gaps that needed addressing. To close these gaps, the findings discovered in this study should apply to the improvement of general business practice. The specific aspects that relate to the themes identified in the study include leadership approaches driving startup success and developing emerging leadership behavior because of changing startup business environment. The following section will address each theme application.

**Improving General Business Practice**

The first application to improve general startup business practice is startup culture establishment through founders’ leadership behavior. Research studies indicated that organizational culture has a direct impact on organizational performance. Zehir et al. (2011) outlined such performance outcomes to include financial performance, gaining competitive advantage, and achieving firm effectiveness. Zehir et al. (2011) presented findings that there is a link between leadership types, culture types, and firm performance. Zehir et al.’s findings confirmed that organizational culture and leadership are significant factors of firm performance. According to Simpson (2022), the organizational culture from the startup context differs from those of the established companies in the sense that every stakeholder has the power to influence and create overall culture. Lazarova et al. (2020) defined organizational culture in startups as
visioning the product, technology, and event management styles. In his description of the startup company culture, Lazarova et al. (2020) categorized it into the espoused value is unique to an organization or a group of members that declare and desire its values based on popular opinion. The value is not a reflection of the duties and responsibilities of the workers, but rather it inspires them to work within the stated values of the mission and vision statement of the organization.

The participants in the interview confirmed that the crucial steps in building organizational culture and strong startup leadership as presented by Lazarova et al. (2020) involved three things. The first theme is the defining of the mission of the startup company. Therefore, the kind of company the founder wants to develop, includes establishing long-term goals of the startup company which includes how the customers will benefit. The startup founder will have to clarify the mission to answer the questions such as: *Who is the organization?* “What are the startup business intentions?”, and “What is important to the startup?”. The second step in establishing startup culture is defining the core values of the organization. In the case of this research, the startup founder highlighted eight core values that guide the operations of the startup. Defining the core values consisted of what the long-term goals are as well as the desired employee behavior with regards to how employee will serve the. This step distinguishes the startup company from others and is essential for organizational success. The last step will involve communicating the company vision and culture with the employees. This will enable the employees to help develop the startup culture. The startup founder ensures this process by spending time to convert company vision and mission into smaller pieces of actions and goals as this will enhance employee positive attitude thereby yielding overall goal achievements. The participants in the interview highlighted how they shared financial and market goals with employees to help them understand the importance of meeting goals. The establishment of
startup culture involves more than just initial defining and following the culture. Established culture is a dynamic process because startups characterize by changes and scalability. To apply these findings to professional practice, startup founders should exhibit these values by leading by example to support similar behaviors in employees that will result in building a culture of loyalty and trust between management and team members.

This process will lead to higher employee commitment and retention, which increases productivity and startup performance. The second application to improve general startup business practice is startup founders developing emerging leadership skills and strategy to combat uncertain startup changing business environment through the startup stages. A significant emerging leadership style was discovered in the research that will equip the leader with the necessary skills to sustain the startup through startup growth and development stages. The startup growth stages from conception of an idea into a value-producing and self-sustaining enterprise occurs in four discrete stages which includes customer validation, operational validation, financial validation, and self-sustaining validation (Lidow, 2014).

These stages emerged because projects, processes, and culture must originate in startups to enhance the effective use of startup limited resources. Startup stages maturity cannot occur without the corresponding entrepreneurial leadership skills maturity. The findings in this research highlighted five basic skills for entrepreneurial leadership. Lidow (2014) presented these skills to include: self-awareness, relationship building, motivation, leading change effectively, and mastering the enterprise basics of how they operate and mature. These findings can improve general business practice when startup founders understand these skills and apply these skills and insight to avoid common mistakes that cause many startups to fail. According to Lidow (2014), the typical mistakes include (a) creating unfocused employees, (b) distracting, and
wasteful strategies, (c) implementing unleadable organizational structures, and (d) setting low expectations.

A startup founder will need to master the entrepreneurial skills highlighted earlier by creating and implementing entrepreneurial strategy. Avoiding pitfalls mentioned in this study is necessary to focus on getting the startup company go through the startup stages successfully. Lidow (2014) argued that business strategy practices in today’s world pertains to only establish mature enterprises and is inappropriate to entrepreneurial leaders. Lidow described the entrepreneurial strategy as activities determining valuable projects with less risky resources entrepreneurs need to succeed.

Entrepreneurial strategy identifies and strategically allocates which resources are crucial at any point in any stage of the startup development. As identified in the findings of this research, successful entrepreneurial leaders build leadership capabilities and leverage them in startup business by utilizing limited resources. In addition, spending the least amount of money with the least amount of time leads to successful leaders. Startup stage one or the financial validation stage involves finding committed potential customers that enables the startup founder to produce and deliver product/services in an economical manner. At this stage, the strategy required includes focusing on actions on how quickly and cheaper the startup can find potential customers that will be a fit for the product that startup founders can produce. Stage two, the operational validation, involves fully understanding customer value proposition, developing basic processes that run the enterprise to satisfy existing customers and attract new ones. The strategy for this stage involves being able to stay in control and handle all the information coming that emerges. Information includes customer feedback, feedback from other stakeholders such as employees, investors, suppliers, project leaders’ progress reports, and projections of cash
requirements. A good strategy is partnering with someone else with great organizing skills as well a deliberate to secure funding and grow. Stage three, the financial validation, involves putting in place effective and flexible processes that are proven and scalable to produce value in terms of profit or surplus under competitive conditions and changing markets. The strategy for stage three is to create a sustainable balance in the startup among effective processes that create significant value but at the same time meet potential and existing customer’s expectation. Stage four, the self sustainability stage - involves creating a process for innovation that positions the startup to become self-sustaining. The final strategy is stage five is for the startup to formulate and implement renewal processes that introduce new products, improve existing capabilities that set new products and open new markets. With this last strategy, the startup becomes self-sustainable (Lidow, 2014).

**Potential Application Strategies**

James and Wooten (2005) suggested that organizations including established companies and startups are prone to an array of crises with each crisis posing a different kind of threat and there is no one approach to managing a crisis. Business crisis is different from unpleasant business challenge and is defined by James and Wooten (2005) as acting on emotion rather than sound logical reasoning creates negative feelings for the members in the group which is a detriment to the overall well-being of the organization and could cause long-term irreparable damage. The differentiating factor between a firm that thrives in a crisis from the ones who do not is leadership displayed and organization culture. James and Wooten (2005) argued that crisis and the handling of crises can make or destroy a firm’s reputation. A bad reputation for a startup can have devastating impacts on the firm’s financial health and ultimately startup survival. A participant in this research pointed out how he managed a class action lawsuit crisis by avoiding
reactionary leadership but rather integrated humble leadership into organization culture to resolve the crisis. These findings apply to professional practice by identifying competencies in leading startups in the event of lawsuit crises. A key leadership approach identified was avoiding managing crisis in reactionary mode which positions the startup to be less competitive in the marketplace. In professional practice, what is needed by the startup founder is a leadership approach where the culture of the startup is fully understood, as well as the crisis and the business environment. Another key approach in the findings the participants confirmed as presented by James and Wooten (2005) involves the ability of the startup founders and leaders to make smart and rapid decisions. Making rapid decisions requires more of a traditional approach that involves having unlimited time and assuming complete access to complete information. Typically, startup leaders managing crises will hand over decision making powers to attorneys. Instead, what is needed is to not only listen to the counsel of its legal time but involve others decision makers such as investors and employees to obtain a broader view on how best to manage the crisis and move the startup company forward.

The research findings included entrepreneurial leadership skills of founders required in a startup business to take off from inception stage to a self-sustaining enterprise. Achieving startup success is demonstrating strong motivation to convert an idea into a value-producing and self-sustaining startup business, even in face of fierce business challenges and crises (Lidow, 2014). A potential application strategy for startup founders is to create and implement a personal leadership strategy as an action plan to master the basic skills of entrepreneurial leadership. Creating a personal strategy for entrepreneurial leaders to acquire and master these skills will give many startup founders who are failing the desire and energy to succeed. The first step to create and implement this entrepreneurial leadership strategy as presented by Lidow (2014)
includes determining core motivations and ensuring its credibility to people who are close and familiar with the founder. Answering the question *Why do you have to create a valuable startup company?* is essential. The next step is getting mentors such as objective and experienced persons or groups that will help test and validate startup ideas and capabilities throughout the startup journey. Former bosses, board of directors, and other successful startup founders with similar enterprises can all make good mentors. The third step is to create an inventory of personal traits with respect to consideration of how each trait either hinders or facilitates the mastering of entrepreneurial skills. The use of leadership traits assessment test such as MBTI could help as mentioned by two participants during the interview. Step four is assessing skills from inputs such as feedback from mentors, former coworkers, and bosses. The use of scales such as basic, *Competent, Advanced, and Expert* can determine the founder’s demonstrated entrepreneurship skill levels. Step five, which is the final step, is drafting a personal leadership strategy. A personal leadership basically includes what actions are needed to be taken to fulfil the ambition of a successful entrepreneurial leader. The personal leadership strategy must occur in written form to enable the mind. In addition, this strategy will help leaders to view the links between the motivations, traits, skills, and mapping out a plan on becoming an effective and successful entrepreneurial leader (Lidow, 2014).

**Summary of Application to Professional Practice**

In this section, several aspects of this research study findings occurred to have a direct application to professional practice. Discussions for application to professional practice on how leadership competencies through leadership development can leverage to manage unexpected crises such as the event of lawsuits. A discussion of key leadership approaches occurred to avoid reactionary leadership while managing crisis. Others application of the findings in professional
practice included discussions about understanding the culture to manage business crisis effectively. Lastly, the discussion regarding findings and how they can apply to professional practice to make smart and rapid decisions in the event of business crises was also very significant. The approaches discussed in this section relating to application of findings to professional practice will position a new startup company to attain business success.

**Recommendations for Further Study**

The objective of this research study was to explore and better understand the personal leadership styles and skills of successful startup business owners. The findings of this research provided an understanding of leadership approaches at the various startup stages and confirmed that leadership development through startup culture suggests a significant positive impact on the startup performance. This scholarly research results are essential to provide insight to the understanding of the complex leadership process in the startup context. The research findings also highlighted the differences between entrepreneurship and entrepreneurial leaders as well as the need for entrepreneurial leadership to move the startup from conception to self-sustenance startup company. The qualitative evidence discovered from this research findings closes the gap of knowledge of mainstream leadership approaches adopted in established companies and emerging leadership approaches styles in the startup company settings. The leadership role in the startup context evolves through the stages because of the highly uncertain business environment that startups operate.

Theme 1, from this current study, indicated that leadership behavior impacts the startup culture. The findings include cultural practices by the startup founders that led to establishing three dominant organizational cultures namely competitive, innovative, and community. Lazarova et al. (2020) argued that each startup company is different, therefore no similar startup
companies exist. Lazarova further explained that startup culture is the vibe and personality of the organization and employees. Therefore, future research recommendations can include a comparison of leadership impact on startup companies by industry. This type of research can help to aspiring startup leaders by providing an understanding of what leadership characteristics will establish a suitable startup culture that will positively impact startup performance by industry.

The second recommendation is a comparative study of male and female leadership impact on startups. In recent years, an increased strong scholarly interest in the study of leadership and gender because of the increasing number of women in leadership positions occurred (Northouse, 2019). According to Amaechi (2018), including gender and culture in the study of leadership is essential. Northouse (2019) presented a discussion on gender gap in leadership and promoting women in leadership. This discussion was solely focused on leadership differences in leadership style and effectiveness for established companies. A compelling reason to conduct this research study is because startups are different in structure and size from established companies, therefore a need to explore the empirical evidence of gender differences in leadership in the startup context exist. In a similar way, Qiu (2018) suggested that because of the increasing contribution of female entrepreneurs in the economic development of most countries, research on female leadership characteristics of startup leaders will prove vital to demonstrate leadership impact on startup business activities.

**Reflections**

I reflected on the numerous aspects of the research study process upon concluding the investigation of leadership impact on startup businesses. In this section, the various aspects of personal and professional growth gained from conducting this research occurred. Furthermore, in
the section, I highlighted the biblical application of the research findings by exploring the leadership characteristics of renowned biblical characters and their leadership impacts on God’s people.

**Personal and Professional Growth**

The research study significantly enhanced the personal and professional my growth in several ways. The first aspect of this growth includes the wealth of knowledge gained throughout the phases of the research process. The dissertation involved an extensive exploration of a problem experienced by startup company founders. The quality time spent reviewing the literature provided insights into factors that contribute to the alarming failure of startup businesses and a clear understanding of the complex leadership process in startup businesses. The information gained helped me understand the problems surrounding the uncertain startup business environment. Furthermore, the findings and the new knowledge can apply to future startup business dealings that I will engage in.

The second aspect of the growth was learning more about the research process. Although I previously completed a quantitative master’s thesis research in electrical engineering, this was the first qualitative research study I conducted. The amount of learning was vast and intensive. I engaged in the various aspects of the qualitative research process such as identifying a problem, formulating the research questions, conducting field study, analyzing, interpreting data, and writing the results. The data analysis phase of the research study initially started out as a single source of evidence to establish the findings. With the guidance of the research committee member, construct validity was adopted as a design test to establish the quality of this empirical single case study. Researchers need to understand the ethical need to confirm the validity of the research process otherwise known as triangulation (Creswell & Poth, 2018). A quality case study
research work was achieved by me adopting tactics such as the use of multiple and not a single source of evidence (at the data collection phase) and the participant review of the case study report (at the composition phase of the research study) (Yin, 2018).

The third aspect is the increased awareness of technology for qualitative research study. Prior to the research period, I acquainted with quantitative software tools because of my in-depth engineering background. The research study enabled me to get acquainted and subsequently become proficient in the use of qualitative software tool referred to as NVivo software. The qualitative software provided me with powerful tools to assist in the research process. The NVivo software helped me in professional communication by organizing the research data and providing transcription software tools to transcribe the audio interview data to text. In the data analysis and interpretation phase of the research, using the software aided in highlighting noteworthy quotes, form codes, develop themes during the coding process, and create diagrams to visualize relationships amongst codes or emerging concepts (Creswell & Poth, 2018).

The final aspect of growth is the persistence the researcher acquired from unwavering faith in God to combat the numerous challenges and uncertainties during the doctoral dissertation journey. I endured from the start of the doctoral journey till as a full-time software engineer at Cummins Inc. I am also a resident church pastor at Christ Embassy in Columbus, Indiana. I improved tremendously in skills such as time management skills, resilience, flexibility, and most importantly strengthened faith in God to be able manage the heavy schedules because of engaging in the new endeavor of pursuing a doctoral degree in addition to tasks from work and church.
Biblical Perspective

Theme one discovered in this research work relates to biblical principles. Theme one is incredibly significant because it’s central to the other three themes. This research findings suggest that organizational culture links leadership styles and organizational performance. Therefore, relating the themes from findings to biblical principles will provide a Christian worldview on how to effectively operate a startup business successfully to align with God’s purposes and plan.

Theme one the impact of leadership behavior on startup culture corresponds to the Moses’s leadership journey and the establishment of the right spiritual and ethical cultural values to create the type of society that God and Moses envisioned for the Promise Land. The Promised Land was to constitute a people who would serve as “kingdom of priests and holy nation” (Exodus 19:6, New International Version). To fulfil God’s purpose of displacing the residents of the promise land, Moses was the appointed leader by God and had the leadership responsibility to develop the people of Israel (God’s chosen people). Moses did this by establishing sets of values and behavioral norms as presented in Duet 9:5, which will fulfil God’s plan for humanity as opposed the morally corrupt nations of Canaan (Laufer, 2008). The findings from this research study, for theme 1 highlights eight leadership behaviors as cultural practices that the startup founder established to attain the four cultural values outlined in the mission statement of the startup company A.

These cultural values and practices established three dominant cultures namely innovative, competitive, and community culture that is linked to organizational performance. Similarly, the Ten Commandments given by God and outlined in the Exodus 20 constituted the Book of the Covenant that Moses read to God’s people to which they expressed their passionate
consent by saying in Exodus 19:8, “We will do everything the Lord has said” (New International Version). Communication is a key element of organizational culture as used here by Moses to achieve real change. According to Laufer (2008), measuring leadership success includes measuring the results against the initial vision. Laufer (2008) suggested that Moses’s initial vision took place at the burning bush and the vision consisted of three parts: (a) Freeing the people from Egypt (b) Worshipping God at Mount Sinai and (c) Bringing the people to the Promised Land. The first two parts of Moses’ leadership were fulfilled. The third part of Moses leadership vision as recorded in the book of Numbers did not quite happen because of the sinning of the people of Israel, sinning of Moses and Aaron (Wolak, 2016). However, in the book of Numbers 32, the two tribes of Israel, Gad and Reuben, inherited the eastern side of Jordan River as part of the land the people conquered under the leadership of Moses. Another major success of Moses’ leadership for a change effort was raising and grooming a potential leader, which is this case is Joshua. This concept aligns with biblical leadership which is majorly stewardship as Moses was referred to as the servant of the Lord (Duet 34:5).

Unlike the Old Testament where Moses was the mediator of the new covenant, Our Lord Jesus refers to as the mediator of the new covenant. The old covenant failed because of sin and the people could not fulfil God’s vision of becoming “kingdom of priests and holy nation.” God in his infinite mercies for humanity had to send his son Jesus to mediate the new covenant by paying the ultimate price of sin. Our Lord Jesus declared expressively that his mission wasn’t to abolish the laws of Moses but to rather fulfil it. In dying for the whole world, God’s vision for humanity by becoming a “kingdom of priests and holy nation” was fulfilled. Jesus declared his vision in Matthew 5:17 as he states: “Do not think that I have come to abolish the Law or the Prophets; I have not come to abolish them but to fulfill them” (New International Version).
Apostle Paul reiterates this again in Romans 13:10: “Love worketh not ill to his neighbor: therefore, love is the fulfilling of the law” (New International Version). Jesus in his work of salvation dealt with the problem of sin and was able to lead Christians into God’s spiritual promise land. The evidence of this success is stated in 1 Peter 2:9: “But you are a chosen people, a royal priesthood, a holy nation, God’s special possession, that you may declare the praises of him who called you out of darkness into his wonderful light.” The fulfilment of this vision is also confirmed in Rev 1:6: and has made us to be a kingdom and priests to serve his God and Father—to him be glory and power for ever and ever! Amen” (New International Version). This is just like Moses when he led the children out of Egypt to bring them into the promise land. The world is a type of Egypt and Christ has translated us from the world into a place of peace in God.

Organizational leaders such as startup founders, like Moses must also provide new employees with viable strategies that include detailed plans for the reaching envisioned promised land which in the startup context is the destination of sustaining competitive advantage and profitability. Laufer (2008) asserted that attaining the promise land destination will involve the startup leaders teaching new employee’s values, principles, and policies required to actualize and sustain the vision. To influence our world through Christ leadership, startup founders will need to yield to God’s instruction in Romans 12:2 – “Do not conform to the pattern of this world but transform by the renewing of your mind. Then you will be able to test and approve what God’s will is—his good, pleasing, and perfect will” (New International Version). In carrying this instruction, Christian businesses are to shine the light of God, by adopting the right behaviors and norms that will foster effective leadership that will produce startup success as well as fulfil God’s will and purpose in the world.
Summary of Reflections

The reflection included an insight into my personal and professional growth gained through working on the research project. Several aspects of this discussion included increased knowledge while engaging in the research process, experience gained through the research process, increased proficiency in the use of qualitative research tools, and developing persistence throughout the doctoral journey. Finally, the discussions surrounding the Christian worldview and how it relates to the findings of this study provided deeper insight into leadership principles that can include leveraging to answer the research problems thereby adding relevance to the study.

Summary of Section 3

Section 3 included an overview of the study. The findings discovered included four themes including the impact of leadership behavior on startup culture and leadership approaches driving startup success. In addition, the themes were developing emerging leadership behavior because of changing startup business environment and improved organizational performance driven by leadership development. Relating the findings to the research questions, conceptual framework, anticipated themes, the existing literature, and the research problem added to the body of knowledge in areas not previously explored. Also highlighted in this section were discussions relating to leveraging the findings of this study to potential application strategies that can improve professional practice. Insight included an emphasis on how leadership competencies identified through leadership development can manage business crises thereby sustaining startup growth and development. Another key discussion relating to application of leadership behavior of making smart and rapid decisions to manage business crises was crucial to the startup leadership process.
Discussions regarding recommendations for further study could expand the body of knowledge. Recommendations included conducting the impact of leadership on startups for by industry. Another key recommendation consisted of conducting a comparative study of impact of gender leadership concerning startup. This type of study could close the gaps in the existing literature regarding impact of gender leadership in startups. Furthermore, discussions relating to the reflection of the researcher’s personal and professional growth provided insight of benefits of engaging in the research study. Lastly, highlighting the relationship of the findings with biblical perspectives provided answers that can leverage to improve startup business performance.

**Summary and Study Conclusions**

I conducted this flexible research study using a single case study. Four themes emerged which included the impact of leadership behavior on startup culture and leadership approaches driving startup success. In addition, the themes included developing emerging leadership behavior because of changing startup business environment and improved organizational performance driven by leadership development. These findings suggested that leadership characteristics of startup founders and leaders can impact startup performance. To confirm this claim, additional research can compare leadership impact on startup companies by industry. Another suggestion for future research includes a comparative study of male and female leadership impact on startups. These recommendations will provide a deeper insight into understanding leadership’s impact on startup performance.

Reflections highlighted in the study included my personal and professional growth. Reflections included the aspects of growth that included knowledge gained through the research process, learning the research process, increasing awareness of technology as research tools, and
developing persistence to cope with the doctoral journey challenges. Finally, the themes derived from a Christian worldview by drawing insight from biblical leadership principles and concepts.
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Appendix A: Interview Protocol

Interview Protocol Project: Impact of leadership on startup companies

Time of Interview:
Date:
Place:
Interviewer:
Interviewee:
Position of Interviewee:

Basic information about the Project:

The purpose of this qualitative case study is to explore and better understand the personal leadership styles and techniques of unsuccessful startup business owners. The study will involve audio-recordings, semi-structured face-to-face interviews with a startup business owner and leaders in a software company in Indiana. This Interview will use open-ended questions to examine potential themes in the data. The themes developed from these research findings will highlight leadership characteristics that will contribute to resolution of organizational failure of new startup businesses.

The interview Content Questions:

1. As a startup business owner, can you describe the leadership characteristics that you have leveraged to contribute to organizational success?

   This question is to gain insight into the participant’s experiences by describing the connection between leadership characteristics and startup success.
a. Can you highlight the specific areas that your business has exceeded its organizational goals and objectives? What factors do you think drive these successes?

b. Do you prepare business or strategic plans for your firm? (If that is the case, can you explain the vital leadership elements of the strategy or plan)

c. What are the most important leadership characteristics required for organizational success?

d. To what degree do you demonstrate these characteristics?

2. As a startup business owner, how has your leadership behavior evolved over time since the inception of your company? This question postulates the lived experiences of the participant with regards to the leadership characteristics associated with the various stages of the startup development.

   a. What are the specific areas that you have been proficient in leadership. What factors drive these successes?

   b. Do you have a leadership strategy for your business? (If that is the case, describe the important elements of the strategy)

   d. To what extent have you implemented these leadership strategic plans?

3. How do organizational issues or situations impact your leadership characteristics? This question offers insight into participant’s lived experiences related to evolving leadership characteristics stemmed from crucial organizational incidents or issues.

   a. What specific leadership changes have you experienced? Were there successful changes? If so, what do you attribute these changes to?
b. Did critical organizational incidents or issues ever change your leadership strategy?

c. What leadership characteristics do you envision are critical for change to enhance organizational success in the marketplace?

d. To what extent have you demonstrated these leadership changes?

4. In the first four years of your company’s operation, can you describe your leadership experiences? This question offers insight into participant’s lived experiences related to the leadership style adopted by the startup founder and its impact on startup success.

   a. How would you describe the lessons you have learned in your leadership role during the first four years of operation?

   b. What leadership style do you identify with?

   c. What leadership behavior was the most helpful in leading your organization through the first four years in operation?

   d. Can you describe a profound leadership experience, if any, from your past that is key to your leadership success today?

5. For emerging entrepreneurial leaders, what leadership advice would you recommend? This question offers insight into participant’s lived experiences related to leadership lessons learned and things to avoid in leadership that can negatively affect startup success.

   a. Can you describe an emotional trait that has helped you in your current leadership role?
b. Did you receive leadership training prior to the inception of the startup business, if so, how have you leveraged this knowledge/skill to the leadership business process?

c. Have you had any leadership experiences that have negatively impacted the success of how you led your organization?

The following demographic questions were asked following the interview:

1. What industry type does your startup belong to?

2. How many years of operation has your organization attained?

3. How many people are employed both part-time and full-time for your organization?

**Closing Instructions:**

Thank you for participating in this interview. I assure you of confidentiality of responses and potential future interviews.
Appendix B: IRB Approval Letter

October 26, 2022

Emem Akpanekong
Vilma Edginton

Re: IRB Exemption - IRB-FY22-23-237 Impact of Leadership for Start-up Companies

Dear Emem Akpanekong, Vilma Edginton,

The Liberty University Institutional Review Board (IRB) has reviewed your application in accordance with the Office for Human Research Protections (OHRP) and Food and Drug Administration (FDA) regulations and finds your study to be exempt from further IRB review. This means you may begin your research with the data safeguarding methods mentioned in your approved application, and no further IRB oversight is required.

Your study falls under the following exemption category, which identifies specific situations in which human participants research is exempt from the policy set forth in 45 CFR 46:104(d):

Category 2.(ii). Research that only includes interactions involving educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures, or observation of public behavior (including visual or auditory recording) if at least one of the following criteria is met:
The information obtained is recorded by the investigator in such a manner that the identity of the human subjects can readily be ascertained, directly or through identifiers linked to the subjects, and an IRB conducts a limited IRB review to make the determination required by §46.111(a)(7).

Your stamped consent form(s) and final versions of your study documents can be found under the Attachments tab within the Submission Details section of your study on Cayuse IRB. Your stamped consent form(s) should be copied and used to gain the consent of your research participants. If you plan to provide your consent information electronically, the contents of the attached consent document(s) should be made available without alteration.

Please note that this exemption only applies to your current research application, and any modifications to your protocol must be reported to the Liberty University IRB for verification of continued exemption status. You may report these changes by completing a modification submission through your Cayuse IRB account.

If you have any questions about this exemption or need assistance in determining whether possible modifications to your protocol would change your exemption status, please email us at irb@liberty.edu.

Sincerely,

G. Michele Baker, MA, CIP
Administrative Chair of Institutional Research
Research Ethics Office