



Euro-Asia Management Studies
Association 38th Annual Conference

28-30 October 2022

Narcissism, Workaholism, Family Support and New Venture Performance: Moderated Mediation Model

Galina Shirokova, HSE University St. Petersburg, Russia

Nailya Galieva, HSE University St. Petersburg, Russia

This research has been conducted with financial support from a Russian Science Foundation grant (project No. 19-18-00081-P)



RESEARCH MOTIVATION

Around **90%** of new ventures fail:

- **20%** fail in the 1st year,
 - **30%** in the 2nd,
 - **50%** in the 5th (Bryant, 2020).

New venture is a 8 eight years old or less
(Biggadike, 1979; Miller & Camp, 1985).

1.The drive and personality of the organization's founders is essential to the **venture performance** and **success** (Colombo & Grilli, 2017; Gartner, 1990; Scott & Bruce, 1987).

- **Narcissism** is usually observed in people in leading positions (entrepreneurs) (Buyl et al., 2019; Chatterjee & Hambrick, 2007; Peterson et al., 2012).

2.Narcissism may **positively** relate to **performance** (Cragun et al., 2020; Olsen et al., 2014; Reina et al., 2014), but **mechanism is unclear**.

3.New venture founders have **to work hard**, particularly while they are in the **early stages of venture growth** (Gartner, 1990).

4.Family plays an **important role** in new venture creation process (Kirkwood, 2012; Le Thi Bao et al., 2020;



KEY CONSTRUCTS

- **Narcissism:** grandiosity, a craving for adoration or adulation, and a lack of empathy. It can result in poor communication and business morale, continual conflicts (The American Psychiatric Association, 2013).
- **Workaholism:** an uncontrollable addictive desire to be concerned with work and to perform above and beyond expectations (Robinson, 1999; Spence & Robbins, 1992; Balducci et al., 2018).
- **Family support**
 - **Emotional:** attention with motivational tool from relatives, inspiring the entrepreneur to pursue his/her goals during the entrepreneurship activities (King et al., 1995; Mari et al., 2016; Van Aukem & Werberl, 2006).
 - **Instrumental:** valuable support (feedback and business-oriented advice), or tangible resources and services (Chrisman et al., 2005).



RESEARCH QUESTIONS

- How does workaholism mediate relationship between founder's narcissism and new venture performance?
- How does family support moderate the mediating effect of workaholism on the narcissism – new venture performance relationship?



THEORETICAL FRAMEWORK

Strategic Leadership Theory

the **relationship between individual-level and firm-level characteristics** (Finkelstein et al., 2009; Hambrick & Pettigrew, 2001).

- There is a link between top executives' personal characteristics, firm strategy, and firm performance (e.g., Nadkarni & Herrmann, 2010; Resick et al., 2009; Wales et al., 2013).

Family Embeddedness Theory

Family and business **are not separate institutions but are inextricably linked** (Aldrich & Cliff, 2003).

- The family structure (its resources, norms, perceptions, and values) influences enterprise processes and outcomes;
- The business can influence the family, even changing its members' norms, attitudes, and values.



HYPOTHESES (1)

- **Charismatic narcissists** (Agle et al., 2006; Deluga, 1997) **inspire others** (Brownell et al., 2021).
- **Narcissists use social interactions to quickly acquire resources** (Jones & Figueredo, 2013; O'Reilly et al., 2014).
- **Narcissists make risky decisions** (Campbell et al., 2004; Foster et al., 2009; Gerstner et al., 2013), **which may result in market expansion** (Li et al., 2021) **or adoption of new technologies and innovative products** (Gerstner et al., 2013).

H1. *Narcissism of the founder is positively related to new venture performance.*



HYPOTHESES (2)

- Narcissists **put all effort** to do things they like or are skilled at and to increase their **self-esteem** (Harms et al., 2011).
- Narcissists **work extremely hard** to **obtain external rewards** and approval from others (Bushman & Baumeister, 1998; Morf et al., 2000).
- **Narcissists** want to achieve success, status and admiration -> It results in **higher work investments** (Morf et al., 2000).
- Narcissistic workaholics, while trying to achieve social rewards (van Beek et al., 2011), increase firm performance.

H2. *Workaholism of the founder mediates the relationship between narcissism of the founder and new venture performance.*



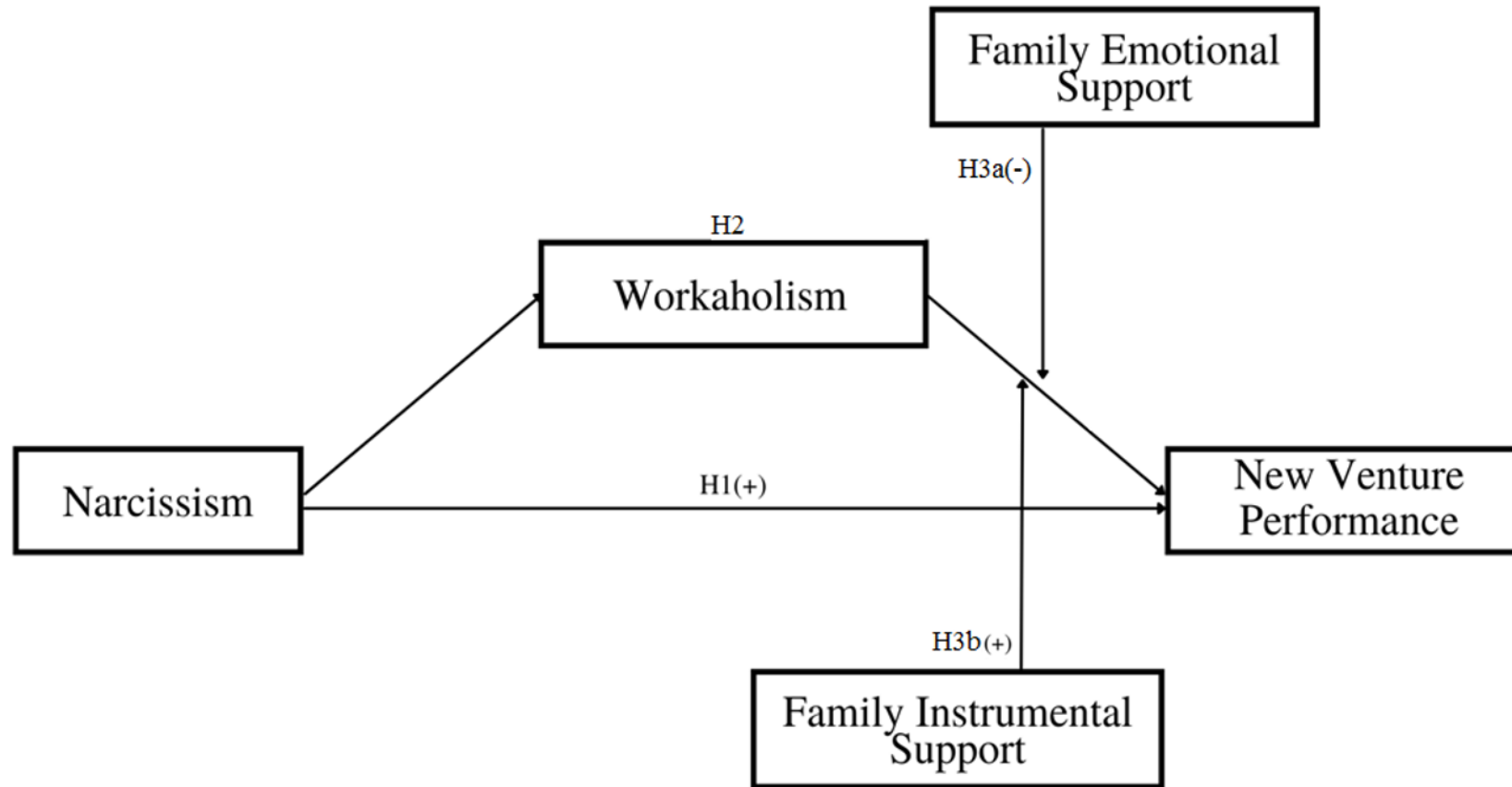
HYPOTHESES (3)

H3a. *Family emotional support weakens the relationship between workaholism of the founder and new venture performance.*

H3b. *Family instrumental support strengthens the relationship between workaholism of the founder and new venture performance.*

- **Workaholics spend all time on work and sacrifice family activities** (Scottl et al., 1997).
- **Families may be unsupportive** (Arregle et al., 2007), believing in **stability and prestige** associated with working for a high-status employer (Krueger et al., 2013).
- **Instrumental support of the family can be defined as physical assistance and knowledge can help enhance the odds of survival of the business** (Matzek, Gudmunson, & Danes, 2010).
- **It may minimize tension between family and work, reducing conflicts that arise because of workaholism** (Adams, King, & King, 1996).

Conceptual model





DATA & METHOD

Data: *Global University Entrepreneurial Spirit Students' Survey 2021*

- 58 countries, 267,366 observations;
- 3 categories of students: no intention to found business, intentional founders, **active founders**.

Sample: 1641 new ventures from 50 countries.

Firm performance: Profit growth, sales growth, market share growth as compared to other businesses selling similar products/services (Dess & Robertson, 1984; Eddleston et al. 2008).

- **Narcissism:** the Dirty Dozen subscale of narcissism by Jonason & Webster (2010).
- **Workaholism:** 10-item scale by Schaufeli et al. (2009).
- **Family emotional support** - 4-item scale, **Family instrumental support** - 5-item scale (Eddleston & Powell, 2012).
- **Controls:** Respondents' gender, age, level and field of study, family background; Number of partners, firm size, firm age, industry; Country's 2020 gross domestic product (GDP).
- **Tool for analysis:** Hayes (2022) PROCESS function (model 16) for RStudio.



RESULTS

Variable	Dependent variable: Workaholism			Dependent variable: Performance		
	Estimate	SE	95% CI	Estimate	SE	95% CI
Narcissism	.185***	.014	[.152; .215]	.086***	.018	[.050; .120]
Workaholism				.603***	.104	[.327; .856]
Family emotional support				.577***	.131	[.290; .861]
W x FES				-.110***	.025	[-.164; -.056]
Family instrumental support				.005	.100	[-.213; .233]
W x FIS				.034	.019	[-.007; .075]
Constant	5.079***	.636	[3.800; 6.276]	0.8262	.925	[-1.068; 2.246]
R ²	0.129			0.219		
F	9.986***			15.586***		

Note: N = 1641.

NAR = Narcissism; W = Workaholism; FES = Family emotional support; FIS = Family instrumental support; β = Standardized Coefficient Estimates; SE = Standard error; Bootstrapping = 1000; CI = confidence of interval 95%. *p<0.05; **p<0.01; ***p<0.001



DISCUSSION

- Narcissistic founder positively relates to new venture performance:
 - Conflicting results of CEOs' narcissism on performance (Fung et al., 2020; Navis & Ozbek, 2016; Olsen et al., 2014; Patel & Cooper, 2014), but in **new venture narcissistic charisma, overconfidence and risky behavior may be beneficial.**
- The mechanism of relationship between **narcissism** and **new venture performance**:
 - **Founders' workaholism mediates the relationship between narcissism of founder and venture performance.**
 - The idea of narcissism involves a desire to climb the social ladder, which also may correlate with time and effort spent on work, thus, workaholism.

DISCUSSION

- **Family emotional support weakens** new venture performance when workaholism is included:
 - misunderstanding, work-family conflicts may occur;
 - further research should be done to evaluate these impacts in the context of bigger and more mature enterprises.
- **Insignificant** moderating effect of **family instrumental support**:
 - Respondents: Management and Economics studies;
 - The majority have self-employed parents ->
 - observe and learn from the environment;
 - such support is not perceived as a valuable resource by respondents (Leung, 2020).



CONTRIBUTION

- **Research results contribute to literature of strategic leadership theory:**
 - **We extended research of founder's narcissism and new venture performance relationship by identifying the mechanism of the relationship.**
 - **The conflicting results in the analysis of the relationship between narcissism and performance (Fung et al., 2020; Navis & Ozbek, 2016; Olsen et al., 2014; Patel & Cooper, 2014) may be explained by including the missing link of workaholism.**

- **Extend the literature of family embeddedness:**
 - **Family support is considered as an important and beneficial factor for entrepreneurs,**
 - **BUT**
 - **its interaction with workaholism leads to decrease of performance level of new venture.**



PRACTICAL IMPLICATIONS

- **For business angels/venture capitalists/investors:**
 - **Narcissistic founder may be beneficial for new venture success;**
 - **Founders' narcissistic personality influences performance through workaholism as he or she can see their venture as a method of getting attention, admiration and fulfillment of their own goals.**

- **For founders:**
 - **Founder's workaholism is crucial, especially in the beginning stages.**
 - **Entrepreneurs should be attentive to family support factors when they are interacting with their personal characteristics.**
 - **Family emotional and instrumental support may help to increase organizational performance until founders' addictive desire to work is not included.**



LIMITATIONS AND FUTURE RESEARCH

Limitations

Future research directions

Respondents of the GUESSS project are students



Analysis of phenomenon on a sample of non-student new venture founders

Venture performance level was measured as subjective evaluations of business owners



Analysis with objective performance measures

Country level was controlled including GDP of 50 countries



Additional analysis with other country-level controls, including cultural differences

The whole workaholism construct is used



1. Comparative analysis of phenomenon in other countries;
2. Analysis of dimensions of workaholism

Narcissism subscale of the Dirty Dozen



1. Replication study with other measures of narcissism (e.g., NPI-16, NPI-40);
2. Consider other personality traits in analysis



Euro-Asia Management Studies
Association 38th Annual
Conference

28-30 October 2022
Keio University, Mita Campus, Tokyo, Japan

Thank you!

Narcissism, Workaholism, Family Support and New Venture Performance:
Moderated Mediation Model