



Navigating Investment Terrain: Exploring the Efficacy of Relational Perspective as a Tool for Team Analysis in Private Equity and Venture Capital Investments

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Abstract

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<p>This bachelor's thesis, within the International Business Degree Program specializing in Entrepreneurship at Haaga-Helia University of Applied Sciences, aims to bridge the gap between psychological, sociological, and financial perspectives. It does so by exploring the practical applicability of the relational perspective as a tool for analyzing teams. Focused on private equity (PE) and venture capital (VC) investments, the interdisciplinary research examines teams through multiple lenses, aiming to provide a comprehensive understanding of the relational perspective in financial contexts.</p> <p>The research employs a mixed methods approach, integrating both quantitative and qualitative data. Quantitative data, provided by the commissioning company, is complemented by qualitative insights gained through interviews with investment experts.</p> <p>The central research question investigates the effectiveness of the relational perspective in mitigating human-related risks for PE and VC investors before investment decisions. The research identifies 18 dimensions affecting teams through quantitative analysis, providing a nuanced understanding of team dynamics. Qualitative data from investor interviews highlights the need for trustworthy team analysis in decision-making.</p> <p>Viewed through a relational lens, team issues are seen as challenges that have a ripple effect on the entire team. This perspective emphasizes the significance of scrutinizing not just the interactions among team members but also the relationships each member forges with the team as a cohesive unit. Risks within teams are identified and recognized as broader problems affecting work groups and the overall work environment. The relational perspective heightens the interdependence of team dynamics, underscoring the imperative to address these issues for enhanced team well-being and performance.</p> <p>For investors, this perspective provides valuable insights, facilitating a more informed assessment of whether to invest in the team. Venture capitalists can utilize this understanding to forecast optimal approaches for mentoring and coaching the team, leveraging a deeper insight into their relational dynamics. Private equity investors gain a more accurate perspective on areas requiring attention and potential modification, enabling them to navigate the complexities of team dynamics with greater precision and foresight.</p> <p>The thesis concludes with the recommendation section, offering concrete guidance to aid investors in their decision-making process based on the pivotal role that management teams play in investment decisions and the various factors influencing these evaluations.</p>
Key words Private Equity, Venture Capital, Relational perspective, Human risks, Team Research

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1. Introduction

This bachelor's thesis, part of the International Business Degree Program with a major specialization in Entrepreneurship at Haaga-Helia University of Applied Sciences, constitutes a research endeavor. In this chapter, the author explores the foundational aspects of the thesis, pinpointing the existing research gap, formulating essential research questions, outlining the employed methodologies, introducing pivotal concepts, clarifying potential benefits, and presenting details about the commissioning company.

This research takes a focused approach towards determining the practical applicability of the relational perspective as a tool for analyzing teams. The central objective is to explore the utility of this analytical tool within the tricky landscape of financial investment. Specifically private equity (PE) and venture capital (VC) investments. This interdisciplinary thesis examines the relational perspective and teams through psychological and sociological lenses, while concurrently scrutinizing investment from a financial standpoint.

Within this exploration, this thesis aims to bridge the gaps between diverse disciplines, providing a comprehensive understanding of how the relational perspective can be harnessed as a strategic tool in financial contexts. By undertaking this research, the author contributes to the synthesis of psychological, sociological, and financial perspectives, thereby offering valuable insights into the dynamics of teams within the financial world.

The distinction between teams and groups is often muddled, with their meanings frequently entwined. In an effort to enhance the coherence of this research, both group and team definitions have been integrated without distinction, simplifying the reading experience. The decision to interweave these definitions was made during insightful interviews, ensuring a nuanced understanding that aligns seamlessly with the overarching objectives of the study. For an in-depth exploration and precise definitions, readers are directed to section 2.1.

This thesis undertakes a comprehensive research approach, combining both quantitative and qualitative data. The quantitative data, gathered approximately a year prior to the inception of this study, has been graciously provided by the commissioning company. Their vested interest in exploring the profitability of team analysis for investors as a business model prompted the release of this valuable dataset. Section 1.3 provides an overview of the methods employed, while section 3.1 dives into the details of the research methodologies.

It is noteworthy that despite the commissioning company's provision of quantitative data, the author of this thesis actively contributed to the research process as an assistant to lead researcher

Professor Pauli Juuti during the quantitative phase. This collaboration ensures the robustness and reliability of the data utilized in this thesis, reinforcing its credibility and relevance.

1.1 Background

Investors, driven by the pursuit of lucrative opportunities, traditionally prioritize three key factors in their decision-making calculus: 1. Revenue growth, 2. Value-added of product/service, and 3. Management team track record. (Block, Fischha, Vismara & Andresa 2019, 341). While the former two have garnered extensive attention, this thesis positions itself uniquely by zooming in on the often-underexplored factor of team dynamics.

The discourse on the importance of the management team is not new, yet a comprehensive examination remains obscure. An insightful study, employing a large-scale conjoint analysis involving 19,474 screening decisions by 749 private equity investors, underscored the significance of the management team as a crucial investment condition (Block, Fischha, Vismara & Andresa 2019, 330).

This foundational insight serves as a catalyst for this thesis, propelling the author to examine deeper the complex interplay between management teams and investment decisions, aiming to contribute valuable insights to the existing body of knowledge.

Undoubtedly intricate, teamwork demands effective coordination, communication, and collaboration among members, with added complexities in diverse environments. Achieving this effectiveness is challenging, encompassing issues like leadership styles, supportive team behavior, organizational environment, and adaptability. (Salcinovic, Drew, Dijkstra, Waddington & Serpell 2022, 3.) Assessing the complicated and multi-layered system of teams poses significant challenges, particularly for investors who specialize in finance rather than psychology, sociology, or anthropology. The question then arises: How are teams evaluated?

Currently teams face a comprehensive evaluation by investors, utilizing diverse methods such as in-depth interviews, reference interviews, track-record, CV's, and stress interviews (Blume & Hsueh 2023, 25). However, a significant challenge arises due to the non-scientific nature of these methods, rooted in intuition and subjectivity of the investor. This approach, as noted by Blume and Hsueh, often leads to blindsiding and the influence of personal biases. (Blume & Hsueh 2023, 17).

In the landscape of investment, where investors wield significant influence over the trajectory of promising companies, a notable gap is evident. Despite the wealth of information scrutinizing the behaviors and decision-making processes of investors, there is a void in studies offering practical solutions in the form of tools (Block, Fischha, Vismara & Andresa 2019, 350). This research seeks

to fill this specific void by investigating the effectiveness of the relational perspective as a tool for analyzing teams. The overarching goal is to provide investors with valuable insights that enhance decision-making and mitigate risks.

1.2 Research Question

This thesis focuses on identifying and addressing human-related risks pertinent to Private Equity and Venture Capital Investors. The central research question is framed as follows: Is the utilization of the relational perspective in team analysis effective in mitigating human-related risks for Private Equity and Venture Capital investors prior to their investment decisions?

The objective of this research is to assess whether adopting a relational perspective in team research can help reduce risks for PE and VC investors. As seen in Table 1 the research question is divided into three investigative questions (IQ) as follows:

- 1) What human-related risks can be identified in teams through the application of a relational perspective?
- 2) What is the significance of human-related risks in teams for PE and VC investors before making an investment decision?
- 3) What are the advantages of incorporating a Relational Perspective in Team Analysis for PE and VC Investors?

Table 1: Overlay matrix

Investigative question	Theoretical Framework	Research Methods	Outcomes
IQ 1.	Relational view	Quantitative research	Identify main human related risk factors for investors.
IQ 2.	Investment risks	Qualitative research	Validate IQ 1 risk factors for PE and VC investors.
IQ 3.	Relational view Investment risks	Embedded mixed method research	Identified new practical risk management.

1.3 Methodology & Research process

This thesis employs an embedded design for mixed-method research, crucial for integrating quantitative and qualitative data within a unified framework. The embedded approach becomes particularly significant when the quantitative data, in this instance, gains relevance through its integration with qualitative data, serving as the primary data source (Edmonds & Kennedy 2017, 189).

Rooted in the philosophical foundations of pragmatism and critical realism, author in this thesis adopts a flexible approach to methodological choices, prioritizing methods based on their effectiveness in generating credible, reliable, and contextually relevant data, with due consideration for the research question, context, and anticipated outcomes (Saunders, Lewis & Thornhill 2019, 151).

The choice of an embedded design is driven by the core objective of this thesis: evaluating the effectiveness of the relational perspective as an analytical tool in the financial domain of investment, with the investment world serving as the overarching context for its integration.

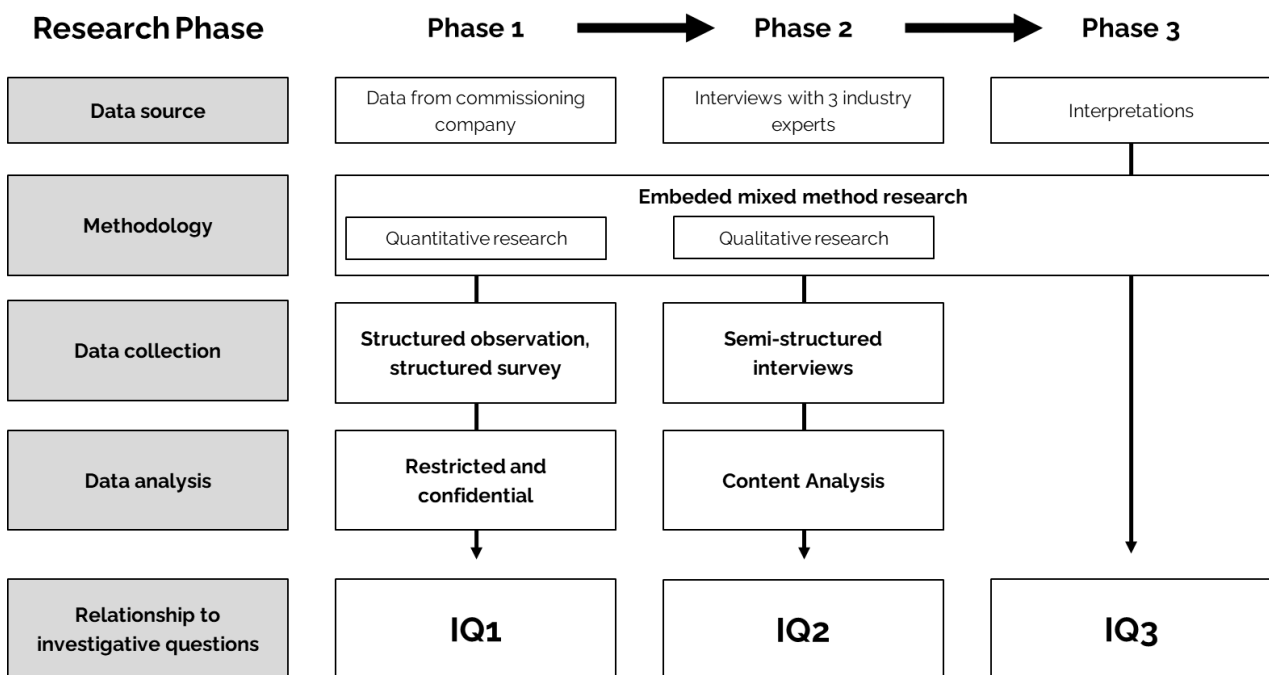


Figure 1. Research Phases.

In the embedded mixed-method design of this study, Phase 1 involves gathering quantitative data from the commissioning company, forming the foundation for the first investigative question. Phase 2 consists of conducting semi-structured interviews with three investment experts, providing research data for the second investigative question. The integration of quantitative data into qualitative findings occurs in Phase 3, leading to interpretation and addressing the final investigative

question, as illustrated in Figure 1. This methodological approach ensures a comprehensive exploration of the research questions, combining the strengths of both quantitative and qualitative data.

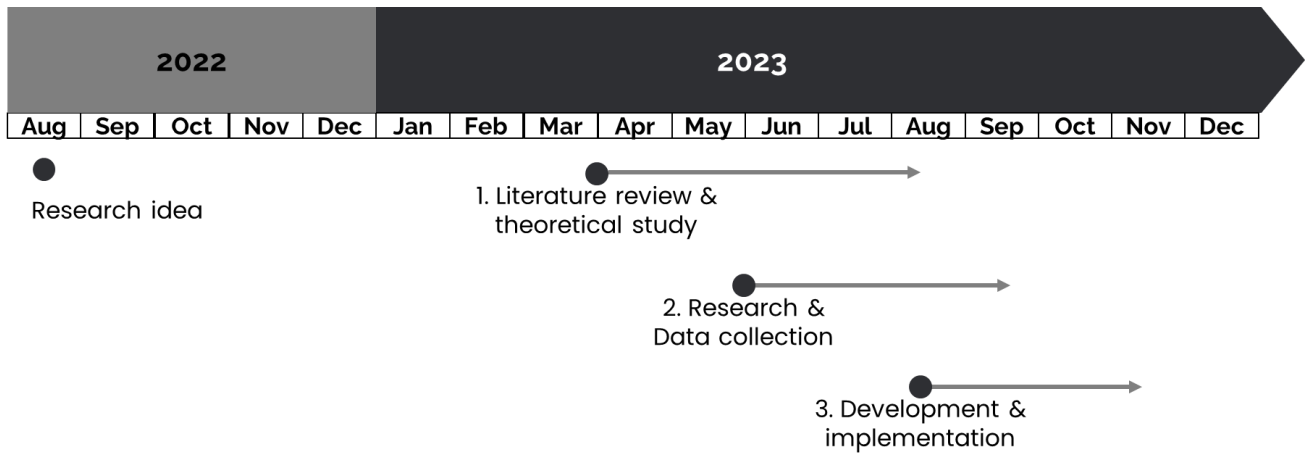


Figure 2. The research process of thesis

Figure 2 visually illustrates the lifecycle of this thesis. The inception involved collecting initial quantitative data by thoroughly examining organizational teams using the relational perspective as an analytical tool. The author actively engaged with teams, conducting analyses and providing coaching. It was during this immersion in the intricacies of team dynamics that the realization of a clear gap or void emerged, particularly in the intersection of team analysis and the financial realm of investment. It was this recognition that sparked the conceptualization and initiation of this thesis, bridging the worlds of team dynamics and investment practices.

1.4 Scope and Delimitation

This thesis explores a team analysis tool's applicability in the dynamic landscape of investment. Given this thesis's interdisciplinary nature, encompassing psychology, sociology, and financial disciplines, the scope of the thesis is expansive. To ensure the reliability and validity of the study, strategic delimitation is imperative.

The realm of equity investments spans a diverse array of organizations within the financial domain, including angel investors, peer-to-peer investors, pension funds, hedge funds, and index funds. To maintain focus and depth, this thesis strategically narrows its concentration to a specific subset: private equity and venture capital investors. Specifically, the study focuses on investors who enter the scene after the seed phase but before IPO.

The research tools employed by experts in the commissioning company are specifically designed for work-life teams, encompassing diverse metrics such as team maturity, performance, characteristics, dynamics, and the role of team leaders. Given the precision of these tools in measuring teams, this thesis adopts a similarly delimited approach.

In line with the commissioning company's guidelines, this thesis defines teams as comprising more than four and fewer than twelve individuals, with a lifespan exceeding six months. Additionally, these teams must have a clearly designated team leader and physically work within the same building, excluding part- or full-time virtual collaborations. The scope of this thesis excludes hybrid, virtual, and global teams. Furthermore, cultural, sociological, and gender aspects are neither limiting factors nor distinctly defined within the scope of this study. This strategic delimitation ensures a focused investigation into the specified parameters relevant to work-life teams in physical proximity.

1.5 International Investment Strategies

The Finnish Ministry of Economic Affairs and Employment is actively engaged in fostering foreign investment, assigning the responsibility of attracting foreign investments, venture capital, and managing organizations to Business Finland (Ministry of Economic Affairs and Employment 2023). As a public sector entity, Business Finland boasts considerable Finnish resources and employs 760 specialists across 37 foreign locations (Business Finland 2023, Organization). Notably, the organization's updated strategy for 2025 underscores a high commitment to sustainability, positioning it at the core of its operations and development (Business Finland 2023, Strategy).

Responsible or sustainable investing involves the careful consideration of environmental, social, and governance (ESG) factors. In the contemporary investment landscape, these ESG factors play a pivotal role in determining a company's success. (Jiang 2022, 89.) While this thesis excludes a focus on environmental factors, it examines the social and governance aspects of sustainable investments. The social factor delves into employment issues, specifically focusing on the management team's employment within the context of this thesis. Simultaneously, governance encompasses the mechanisms governing a company's management and control. (Jiang 2022, 94.)

Analyzing environmental, social, and governance data offers a unique perspective, unveiling risks and opportunities beyond the scope of conventional financial assessments. This approach enables investors to delve into a more comprehensive evaluation of a company's risk profile and future viability. (Jiang 2022, 98.) The primary objective of this thesis is to explore the practical application of the relational perspective as a tool in investment analysis. By doing so, this research introduces a fresh method to enhance the evaluation and integration of ESG factors into investment decision-

making processes. Hence, this thesis aligns with UN's Sustainable Development Goals (SDGs) for sustainable investments and economic growth (United Nations Development Programme 2023).

1.6 Benefits

This thesis holds potential benefits for the investment community in various ways. Firstly, it seeks to enhance investment decision-making processes by investigating the effectiveness of utilizing a team analysis tool in the financial domain, with a specific focus on private equity and venture capital investors. The findings of this research can contribute valuable insights that enable investors to make more responsible and strategic decisions.

This thesis not only tackles the crucial area of risk mitigation within investment teams by identifying and addressing human-related risks but also provides practical solutions to navigate challenges faced by investors in the complex financial landscape. With a focus on risk management, this thesis addresses a significant gap at the intersection of team analysis and the financial realm, positioning itself as a valuable resource for investment professionals seeking insights for more effective and informed decision-making processes.

The interdisciplinary nature of this thesis, incorporating elements from psychology, sociology, and financial disciplines, allows for a comprehensive examination of the intricate dynamics within investment teams.

Furthermore, this thesis's practical relevance is enhanced through the alignment of its research tools with those utilized by experts in the commissioning company. This alignment ensures that the findings are not only theoretically sound but also directly applicable, providing actionable insights for real-world investment scenarios. This alignment is advantageous for the commissioning company to expand service offerings to include private equity and venture capital investors.

1.7 Key concepts

Private Equity involves investing in non-publicly traded companies, often in their early stages or facing financial challenges. Investors, typically institutional entities or wealthy individuals, infuse capital to foster growth or facilitate a turnaround. This may include acquiring public companies and transforming them into private entities. The investment process, managed by fund managers, involves a close collaboration with selected companies for three to seven years. The ultimate goal is to exit, either by taking the company public or selling it at a higher valuation, thereby generating profits ("returns") for investors and fund managers. (Block, Fische, Vismara & Andresa 2019, 229; 350.)

Venture Capital refers to a form of private equity investment primarily directed at early-stage, high-potential ventures, characterized by their inherent high-risk nature. VCs invest financial capital in exchange for ownership stakes, actively engaging as mentors and strategic partners. Beyond financial support, VCs collaborate with ventures, aiding in overcoming technological and market challenges. The symbiotic relationship aims for substantial returns, typically between 25% and 35%, contingent on successful scaling and growth over the next five years. This funding source is vital for endeavors with limited access to traditional financing avenues like bank loans or public offerings. (Blume & Hsueh 2023, 4.)

Management team includes individuals entrusted with overseeing and directing the operations of a company or organization. This team holds pivotal significance in ensuring the execution of the business plan, making strategic decisions, and driving overall success. Often considered a key indicator of a company's potential, the strength of the management team is evaluated based on their collective experience, skills, and track record. In a company's early phase, a capable and cohesive management team plays a critical role in shaping the company's trajectory and achieving its goals. (Blume & Hsueh 2023, 7.)

Organizational Behavior (OB) establishes a comprehensive field of study exploring the complex interplay of individuals, groups, and structures and their impact on behavior within organizational settings. Simply put, OB scrutinizes how people's actions influence an organization's performance, emphasizing employment-related scenarios. It investigates phenomena such as job satisfaction, absenteeism, turnover, productivity, human performance, and management practices. (Robbins & Judge 2022, 30.)

Relational Perspective In Gergen's conceptualization of the relational perspective, it contends that our sense of self and identity is intricately shaped by interactions with others, challenging the idea of an independent, unchanging self. Identity, according to this view, emerges dynamically through continual social interactions and relationships. Stressing the impact of context on experiences and identities, the relational perspective highlights the pivotal roles played by cultural and social contexts. (Gergen 2013, 4-5.) Moving beyond individual-centric perspectives, this approach introduces a theoretical framework that questions the assumptions rooted in traditional organizational theories (Eacott 2019, 31).

1.8 Commissioning company

The commissioning company for the thesis operates as a team and executive leadership consulting agency, situated in Helsinki, Finland, and established in 2021. This Finnish agency focuses on

team research and performance, catering to the widespread use of teams and teamwork in the workforce.

The company excels in two primary services: team research and coaching. The team research process, a combination of quantitative and qualitative methods, is agile and consumes only 4-5 hours per participant. Post-research, client teams gain a clear understanding of their strengths and development areas, spanning communication to team trust. Notably, development areas may uncover nuanced issues like impostor syndrome or workplace harassment, demanding serious attention in any work community or team.

In addition to research, the company offers coaching services aimed at further developing client teams to attain their targets and goals. The company boasts a coaching pool of 20 top-tier professionals in Finland, each specializing in their respective fields, ensuring exceptional guidance and support for client teams.

Especially crucial within the dynamic investment ecosystem, where teams, frequently led by founders, negotiate through complex stages of the investment journey, the company aims to establish a presence in the investment market. The goal is to offer a distinctive team examination service, strategically designed to alleviate investment risks.

2. Theoretical framework

The theoretical framework of the thesis comprises three key components. Firstly, it delves into the foundational elements that constitute a team and examines factors influencing team dynamics. The initial section aims to clarify the building blocks of effective teamwork.

The second part of the theoretical framework adopts a relational perspective as an analytical tool. This section draws a clear distinction between individualism, an approach centered on the study of individual persons, and the relational perspective, which focuses on the analysis of groups and their interconnected relationships.

The final segment of the thesis sheds light on the financial landscape of investments. Specifically, it defines Venture Capital (VC) and Private Equity (PE) investors within the realm of investment, explaining the tools they employ in their decision-making processes based on existing research. This section provides insights into the complex workings of investment strategies employed by VC and PE investors.

2.1 Exploring Team Dynamics in-depth

A team is characterized by a cohesive group of more than two but fewer than twelve individuals, each assigned specific roles, collaboratively working towards a shared objective. The psychological commitment among team members distinguishes them from mere groups, contributing to enhanced effectiveness. The fluidity in role interactions and shared responsibilities results in a more dynamic and accountable team environment (Clegg, Kornberger & Pitsis 2016, 91-92; Salcinovic, Drew, Dijkstra, Waddington & Serpell 2022, 2).

Teams are established for various purposes, whether for decision-making committees or engineering teams engaged in software development. The underlying principle remains consistent: collective efforts surpass individual capabilities. Additionally, team membership fosters a sense of safety and belonging, crucial components contributing to overall well-being (Clegg, Kornberger & Pitsis 2016, 93-95).

2.1.1 Understanding Stages and Processes in Team Development

Teams, as dynamic entities, undergo continuous evolution over time. However, this evolution doesn't necessarily imply improvement; rather, teams experience different phases known as team developmental stages. These stages are characterized by unique processes, interdependent behaviors among members, and existing phenomena. (Peralta, Lourenço, Lopes, Baptista & Pais 2018, 98-100.)

Among the extensive body of research, four developmental stages have earned consensus, each identifiable by an overarching theme: 1. Dependency, 2. Counter-dependency, 3. Work restricting, and 4. Performing (Peralta, Lourenço, Lopes, Baptista & Pais 2018, 98-100). This thesis adopts Tuckman's group developmental model to explore the properties of each stage.

Psychological researcher Bruce W. Tuckman introduced his group developmental theory in 1965, outlining four main stages: 1. Forming, 2. Storming, 3. Norming, and 4. Performing. Tuckman's theory differentiates interpersonal group relations from task activities. (Tuckman 1965.) In 1977, Tuckman revisited the theory, introducing a fifth stage, "adjourning," (Tuckman & Jensen 1977). which focuses on the team's termination process but is not addressed in this thesis.

The initial phase in Tuckman's group development model is termed "Forming." During this stage, group members acquaint themselves with one another, emphasizing the importance of acceptance within the group. Given this human inclination, conflicts, serious discussions, and emotional topics are often avoided. Members adopt a polite demeanor while assessing one another, leading to a sense of ambiguity within the group, with questions such as "What is required of me?" and "What tasks or duties do I need to fulfill?" commonly arising. Naturally, reactions to this ambiguous stage vary, with some members expressing optimism and excitement while others harbor anxiety and apprehension. (Vaida & Şerban 2021, 93).

In this stage, the team leader plays an active role, establishing a foundational structure for roles and assignments and cultivating an atmosphere of trust and optimism. Providing a clear mission and vision is crucial to addressing the group's needs. Importantly, an active leadership role does not parallel to micromanagement. Instead, allowing the group breathing room and time to familiarize themselves with each other is essential for the team's evolution to the second stage (Vaida & Şerban 2021, 93).

The second stage storming, though perhaps turbulent, is indispensable for the group's progression into an effective team. Notably, power struggles come to the forefront as group members engage in arguments and set unrealistic goals. During this phase, individuals commonly experience feelings of confusion, defensiveness, and resistance to task assignments, resulting in reduced effectiveness in terms of task performance. (Vaida & Şerban 2021, 94).

In this stage, the leaders play a crucial role by providing sufficient space for everyone to express themselves and voice their opinions. Shifting the communication within the group from unproductive comments to constructive feedback is essential. Leaders should delegate more responsibilities to group members and share leadership roles. Clear and constructive communication sets the

stage for the group to develop the ability to listen, paving the way for progression to the third stage (Vaida & Şerban 2021, 94).

The third stage, known as norming, marks an extended period in the group's development timeline. While many groups never progress beyond this stage, some may even regress to the storming stage. During norming, group members experience increased comfort, fostering a stronger sense of belonging and proficiency in conflict resolution. Conflicts are approached with a sincere effort to achieve consensus, leading to improved task performance and the establishment of protocols for heightened task-related effectiveness. (Vaida & Şerban 2021, 94-95).

To facilitate continued growth within the group, the leader assumes a more consultative and coaching role, stepping back to share leadership responsibilities with the group. This approach encourages interaction, molding the group to be more flexible and less structured. Strong interpersonal relationships enhance collaboration compared to the previous stage, allowing information, knowledge, and feelings to flow effortlessly between members. Despite the comfort associated with this stage, members may resist change and progress, hindering the final transition to the ultimate stage of becoming a cohesive team (Vaida & Şerban 2021, 94-95).

In the fourth stage, the group transforms into a fully realized team, embodying the essence of collaborative synergy. Team members experience abundant independence and find fulfillment both personally and professionally. Creativity thrives, and the team dynamic becomes inherently flexible. Leveraging their robust relationships, team members motivate each other toward high performance. The infusion of fun and excitement within the team translates into a heightened commitment to achieving shared goals. In this stage, effective negotiation and communication not only permit conflicts but also welcome them as opportunities for growth and improvement. (Vaida & Şerban 2021, 94-95).

2.1.2 Factors Influencing Team Interactions

Teams and groups undergo a range of influences shaping their behavior, collectively referred to as group phenomena (Clegg, Kornberger & Pitsis 2016, 100). In this segment, this thesis will delve into significant psychological and sociological phenomena and dysfunctions that impact teams. The aim of this section is to clarify the complex dynamics of various factors influencing teams and teamwork, illustrating how these factors manifest in suboptimal team behavior.

Renowned British Psychoanalyst Wilfred Bion introduced the groundbreaking concept of basic assumption group theory. Revealing that groups operate based on shared assumptions. Regardless

of the commonly held assumption being true or false, everyone behaves accordingly. Bion identified three primary feelings or states shaping these group behaviors: Dependency, fight/flight, and pairing. (De Felice et al. 2019, 4.)

In a group guided by the dependency assumption, immaturity and passivity prevail, as members place unrealistic expectations on a perceived omnipotent leader to solve all problems magically. When the leader inevitably falls short, disappointment and hostility arise, leading to a cycle of replacing the once-idealized leader. (Bion 2004, 74-77.)

Groups influenced by the fight/flight assumption exist in constant danger, often paranoia. Their primary operating techniques involve self-preservation through either fleeing or summoning the courage to confront perceived enemies. Designating an external enemy allows the group to deflect attention from its internal issues. The leader's role is to identify these external enemies and make self-sacrifices, with leader's comments lacking flight or fight elements being ignored. (Bion 2004, 63-67.)

In the third basic assumption, known as "pairing," the group pairs two members with the aim of forming an ideal leader. While this process has a sexual connotation, the actual physical act is less significant than the creation of unrealistic hope for the future. This false hope serves as a mechanism for the group to stay inactive in the present. Interestingly, if the initial hope seems to be coming true, the group quickly discards it in favor of a new hope. (Bion 2004, 68-73.)

Transitioning from the complex dynamics of group behavior within the context of Bion's basic assumption, our focus now shifts to another influential aspect known as team cognition.

Team cognition stands as a significant factor shaping the behavior of groups and teams. It refers to the collective cognitive abilities within a group, impacting how its members interact. In simpler terms, team cognition is about how well team members communicate and share thoughts. When a team has high cognition, it means that everyone in the team understands information in a similar way. This shared understanding helps the team adapt to new situations and coordinate their actions effectively. In these teams, there is a collective awareness of the current circumstances, allowing for dynamic role allocation based on the team's objectives. It's important to note that the level of cognition within a team directly influences its overall performance. (Gorman et al. 2020, 826-828.)

As shown, various factors impact teams, and some of these factors, like psychological safety, are not immediately visible. Recent studies suggest that a crucial component in predicting a team's ability to handle conflicts and challenges is measuring its psychological safety. Psychological safety is about creating a shared understanding in the team. In a psychologically safe environment,

team members can push themselves, make mistakes, learn, and be creative without worrying about being judged or humiliated. Teams with high psychological safety often perform well, achieving their goals while taking care of their member's well-being. (Fyhn, Bang, Sverdrup & Schei 2023, 440–443.)

Over the years, extensive research across diverse disciplines has explored various aspects of teams and teamwork. Given the impracticality of delving more into the numerous factors influencing teamwork comprehensively, this thesis aims to extract the essential elements and phenomena that significantly impact teamwork. The focus will be on condensing insights derived from the Five Dysfunctions of a Team; a framework conceptualized by renowned team researcher Patrick M. Lencioni. As Lencioni asserts, mastering a set of behaviors is integral to effective teamwork, and the ultimate measure of a great team lies in its tangible results. (Lencioni 2023, A special tribute to teamwork.)

The initial dysfunction within a team is the absence of trust, characterized by the reluctance to be open and vulnerable with fellow team members regarding weaknesses and shortcomings. This hesitancy stems from a fundamental lack of trust in the team. This deficiency in trust lays the groundwork for the second dysfunction: the fear of conflict. In teams where trust is lacking, engaging in constructive and passionate debates becomes challenging. Consequently, such teams struggle to explore differing perspectives to arrive at ideal outcomes for the organization. Instead of openly expressing their passions, emotions, or frustrations, team members withhold their comments, hindering the collaborative and productive exchange of ideas. (Lencioni 2023, Understanding and overcoming the five dysfunctions.)

The third dysfunction manifests as a lack of commitment, which arises from the challenge of endorsing and dedicating oneself to an idea or goal when team members are unable to openly express their honest opinions and feel heard. In an environment characterized by the absence of trust and the prevalence of fear, the commitment to unite around a shared objective becomes elusive. Conversely, in highly effective teams, every perspective is genuinely taken into account, and members unite around a common cause, even if the ultimate decision doesn't align with their individual preferences. This commitment stems from the assurance that their ideas were acknowledged and valued, contributing to the collective advancement of the entire team. (Lencioni 2023, Understanding and overcoming the five dysfunctions.)

Due to the deficient commitment and genuine endorsement, the team encounters the fourth dysfunction characterized by an avoidance of accountability. In the teamwork context, this evasion entails individual team members evading their personal responsibilities. Moreover, it extends to the team's incapacity to hold one another accountable for behaviors and actions detrimental to the

team's ability to attain shared goals. (Lencioni 2023, Understanding and overcoming the five dysfunctions.)

In summarizing Lencioni's five dysfunctions, the final dysfunction, Inattention to Results, is presented in a positive context. In exceptional teams characterized by trust, constructive conflict, commitment to decisions, and mutual accountability, there is a notable tendency to prioritize the team's best interests over individual needs and personal agendas. These teams resist the temptation to prioritize departmental concerns, individual career aspirations, or ego-driven status, recognizing that collective results define team success. (Lencioni 2023, Understanding and overcoming the five dysfunctions.)

2.2 Tools of Evaluation & Perspectives in Team Dynamics

The foundation of the commissioning company's business model lies in the examination of team performance, utilizing the relational perspective as its primary analytical framework. The results illustrated in section 4.1 are also derived through the lens of a relational perspective. In this vein, this section of the thesis endeavors to clarify the nuances of the relational perspective, distinguishing it from the perspective of individualism. By doing so, this thesis aims to provide a comprehensive understanding of the analytical approach adopted, interpreting the distinctive features that set relational perspective apart in the assessment of team dynamics.

2.2.1 Reconsidering Possessive Individualism

In the profound words of Søren Kierkegaard from 1843, "Life must be understood backwards, but it must be lived forward." Aligning with this Danish insight, let us embark on a retrospective exploration of individualistic views in team and group analysis within organizations. By delving into the past, the author aims to strengthen the understanding of the impact of past events, ensuring a more robust foundation for comprehending teams in the future.

A seismic shift brought about by the scientific revolution of the 16th century and the subsequent wave of modernization echoed through the scientific realm, altering worldviews from community and religion-based ideologies to a paradigm rooted in reason, knowledge, and individualism. At the forefront of this transformative era stood the eminent French scientist and mathematician, René Descartes (1596-1650). Preceding the 16th-century revolution, individuals did not conceive of themselves as independent entities; rather, they existed as integral components of larger communities bound by religious ties, unless, of course, one held the esteemed position of a monarch. (Yadav 2022, 2-4.)

Embarking on this historical journey not only reveals the fascinating evolution of individual identity but also lays the groundwork for a nuanced understanding of the intricate dynamics of teams in today's organizational landscapes. Yet, let us delve even further back in time, reaching into a more philosophical era, to gain deeper insights into the prevailing paradigms that shape our contemporary understanding.

Venturing back to the ancient Greeks introduces a captivating discourse on the nature of the soul. Plato staunchly argues for the immortality of the soul, while Aristotle posits that the soul is an integral part of our living bodies, thus challenging its immortality. Amidst these philosophical musings, Heraclitus injects a dose of skepticism, asserting that "Permanence is an illusion, and everything is in a state of flux." However, René Descartes, the renowned mathematician and philosopher, dismisses these debates as futile. For Descartes, certainty lies in the simple statement, "I think, therefore I am." This declaration gives birth to Cartesian dualism, a perspective that sees the mind and body as distinct entities. (Hodgkiss 2001, 17-18) As the author reflects on these ancient philosophical inquiries, a discernment of the origins of paradigms that continue to influence contemporary perceptions and approaches becomes evident.

Cartesian mind-body dualism provides a mechanical way of looking at the world. In this perspective, the mind and body are considered as two distinct parts that somehow interact with each other (Stanford Encyclopedia of Philosophy 2003). How exactly these two components interact has been a topic of discussion for quite some time. Despite the ongoing debate, the notion of a separate mind and body has played a crucial role in driving scientific advancements, particularly in modern medicine. Interestingly, this division led to a unique scenario where the exploration of the mind was often associated with the domain of the church and religion, while the study of the body underwent thorough examination by both medical science and academic psychology (Gendle 2016, 142-143).

To simplify, Cartesian dualism suggests that the mind and body operate independently, and this idea has significantly influenced how we approach scientific inquiries, especially in the realms of medicine and psychology. Now, why does this matter in the context of a thesis on team analysis in finance? Well, understanding these historical perspectives helps us question the tools and methods used for psychological analyses in teams. By delving into these philosophical foundations, the author aims to provide investors with reliable insights into the performance and characteristics of management teams. This journey from Cartesian dualism to team analysis in finance showcases the evolution of thought and its impact on how we perceive and study human behavior in different contexts.

Venturing into the workings of dualism, let's envision the components of a human as parallel to a ship, a sophisticated machine piloted by a captain, representing the mind. In this analogy, a well-

functioning human is an independent entity, akin to a ship with a knowledgeable captain at the helm. This coherence allows individuals to navigate their ships skillfully. Therefore, coherent human beings exhibit robust reasoning abilities characterized by mathematical precision, clarity, and logic. Within a paradigm of individualism, each person steers their own ship independently. To address deviations from one's intended course, concepts like self-love, self-care, self-compassion, and self-empathy are prescribed as remedies to fortify the individual. These principles are deeply ingrained in modern medicine, psychological theories, and practices. (Gendle 2016, 142-143; Gergen 2009, 134-135.)

Picturing a world dominated by independent, constantly calculating machines might evoke a feeling of impersonal detachment. When confronted with the task of thoroughly studying and evaluating a team's performance, let's consider a team of five members as an example. Through the lens of individualism, we would essentially be analyzing five isolated machines. Here lies a fundamental limitation, we simply cannot achieve a comprehensive understanding of people in this way.

Possessive individualism contends that knowledge is a proprietary asset confined within an individual's mind, accessible only to the possessor. In this framework, expertise is treated as personal property. Embracing a Cartesian paradigm, this perspective sees groups, teams, and organizations as mere fusions of individual parts. (Hosking, Dachler & Gergen 2013, 2-3).

To untangle the complexities inherent in teams and their members, a more holistic approach becomes imperative. This entails not just scrutinizing individuals in isolation but also delving into the dynamics and interactions among team members within their environment. Consequently, it becomes apparent that the concept of coherent individual machines is inadequate, prompting us to embrace a more fluid and interconnected perspective, the relational view. This shift is crucial for attaining a nuanced comprehension of teams and lays the groundwork for more effective analyses and assessments in the realm of team dynamics and performance.

2.2.2 Embracing Relational View

"A claim to know is a claim to be able to construct meaning from a running text." - (Attributed to a sociologist discussing the role of interpretation in knowledge construction; Author unknown).

In the realm of management and organization studies, relational perspectives have often taken a back seat, overshadowed by dominant viewpoints emphasizing components or possessive individualism (Sampson 1988, 15-22). To appreciate the practice of the relational view, it is informative to compare it against the epistemological view of individualism. Therefore, for the purposes of this thesis, a crucial inquiry emerges: How does knowledge, encompassing values, truths, facts, and

more, accrue within the dynamics of groups and teams? Let us undertake an exploration to reveal the complexities inherent in the process of knowledge construction within collective settings.

The relational view of human beings posits that knowledge emerges as a product of shared understanding, co-created and distributed among group members through interpersonal connections. Whether in the realms of leadership, networking, or management, the acquisition of knowledge is conceptualized as an ongoing process rooted in relational dynamics. Contrary to fixating on an absolute truth, the relational perspective redirects attention to cultural meaning and significance (Hosking, Dachler & Gergen 2013, 4-5; Gergen 2009, 205-207). In essence, the assertion that one can definitively claim to possess knowledge is challenged within this paradigm.

The relational perspective liberates teams, groups, and organizations from fictitious constructs and imposed limitations, paving the way for a boundless trajectory towards an enlightened future marked by sustained progress. As we collectively shape our future reality, the shared experience of its fruition becomes a collective endeavor (Gergen 2009, 201-202).

Navigating away from the widely embraced individual-focused perspective presents a challenge: why should teams be explored through a relational lens? However, the relational viewpoint offers a fresh angle, placing emphasis on the social aspect of knowledge and its formation within various contexts. Here, knowledge intertwines with power dynamics and meanings, acknowledging the intrinsic value of everyday knowledge. (Juuti 1 June 2022.)

In the relational paradigm, knowledge and power complement each other positively. Empowered individuals construct new knowledge, and in egalitarian relationships and psychologically safe environments, shared knowledge sparks creative thinking. In contrast, hierarchical, leader-centric organizations may restrain open interaction, hindering creativity. (Juuti 1 June 2022.)

Effectively navigating power dynamics is vital, particularly for individuals in leadership positions. Embracing a relational perspective places a significant focus on relationships and social connections, contending that leadership transcends the individual leader to encompass collective dynamics within and between groups. This outlook not only aims to enhance an individual's effectiveness in leadership roles and processes but also seeks to nurture the collective capacity to generate leadership. (McCauley & Palus 2021, 3.)

A relational approach to leadership brings numerous advantages to teams and groups. By underscoring the significance of relationships and social connections, this perspective fosters a collaborative and inclusive work environment, where each individual's contributions are not only valued but also duly recognized. This emphasis on relationships cultivates increased trust, enhances communication, and promotes more effective teamwork. (McCauley & Palus 2021, 2.)

Moreover, adopting a relational perspective in leadership development contributes to building a collective's ability to generate leadership. This, in turn, translates into more effective decision-making, problem-solving, and innovation within teams and groups. Lastly, by concentrating on shaping a leadership culture and democratizing leadership development, a relational view of leadership contributes to creating a supportive and empowering environment for everyone. This, in effect, enhances job satisfaction and engagement among team members, fostering a more positive and fulfilling workplace experience. (McCauley & Palus 2021, 1-2.)

In authentic interactions, each statement builds upon the previous, and teams are able to leverage diverse perspectives. Critique and alternative viewpoints are catalysts for team development. The crucial shift is from an individual-centric worldview to embracing a relational perspective that values open dialogue and the experiential wealth of everyday knowledge. (Juuti 1 June 2022.)

To truly harness the potential of people's expertise, organizations must transition away from the limiting individual-centric perspective that upholds leader-centricity and hierarchy. Genuine teamwork necessitates adopting a relational viewpoint, grounded in authentic encounters, open communication, and a genuine appreciation for the practical everyday knowledge that each team member brings to the table. (Juuti 1 June 2022.)

2.3 Navigating the Investment Landscape

Investing in entrepreneurship stands as a formidable catalyst for driving economic growth, ushering in a wave of new innovations, products, and services that disrupt markets and enhance the quality of people's lives. Startups backed by investors not only benefit from increased financial stability but also gain valuable knowledge and expertise from investors, equipping them to navigate diverse challenges. (Blume & Hsueh 2023, 4.) This symbiotic relationship between investors and startups has contributed to the success stories of renowned brands like Google, Facebook, Uber, and Alibaba, as well as groundbreaking ventures in biotechnology and renewable energy, shaping the landscape of today's global economy. (Zeisberger, Prahel & White 2017, 19.)

During critical junctures, businesses often take external support, whether through capital infusion or managerial guidance, to navigate challenges, unlock potential, and seize emerging opportunities. Start-ups, in their endeavor to overcome obstacles and bring conceptual ideas to realization, actively pursue visionary capital. On the other hand, mature enterprises contend with challenges such as market disruptions and intensified competition. Whether a small or more established company, these small and medium-sized enterprises (SMEs) undergoing prolonged underperformance must systematically address underlying issues. (Zeisberger, Prahel & White 2017, 5.)

Various factors contribute to the inadequacy of conventional financial institutions and consulting firms in meeting the diverse needs of SME enterprises. In response to these challenges faced by SMEs, investors establish venture, growth, and buyout funds as pivotal sources, providing sustained capital, specialized expertise, and hands-on support throughout these critical phases. (Zeisberger, Prah & White 2017, 5.)

At its essence, investment revolves around the straightforward concept of regulating the flow of money. The objective is to direct funds from investors seeking returns to entrepreneurs and business builders abundant in ideas but lacking in financial resources. (Zeisberger, Prah & White 2017, 138.) For the scope of this thesis, it suffices to comprehend the typical stages at which investors engage and the criteria influencing their investment decisions regarding the management team.

2.3.1 Funding Rounds & Due Diligence

Startups with promising ideas and profit potential undergo various funding rounds, each serving specific purposes for both the company and investors. The first round, pre-seed funding, often involves support from family and friends, aiming to establish the company. Following this, seed funding, the initial official round, helps startups finance market research, product development, and team activities. (Reif 15 July 2023.) Notably, VC and PE investors are typically absent from these initial rounds, making them beyond the scope of this thesis.

Following pre-seed and seed funding, privately held companies with substantial growth potential seek additional capital through their first round of venture funding, known as the Series A round. The key distinction lies in the funding amount, where seed money typically ranges from tens or hundreds of thousands, whereas Series A funding involves amounts in the millions. (Chen 6 April 2022a.)

While startups reaching the Series A funding round are viewed as more developed, they are not fully established, posing high risks for investors. Typically, well-established Venture Capital or Private Equity investors participate in this round. Due to the inherent risks, it's not uncommon for investors to seek returns ranging from 200% to 300% of profit. The extent of the investment may grant investors seats on the board, allowing for thorough oversight of the company. With ongoing growth, the company may undergo further assessments for additional funding in subsequent rounds, including Series B, C, and occasionally, Series D. (Chen 6 April 2022a.)

Following Series A, Series B funding marks the subsequent stage. At this point, companies have usually surpassed the startup phase, boasting a well-established business and a proven profit track record. With reduced risks compared to Series A, investors typically secure a smaller equity

stake. Series B may share similarities with Series A, and often, investors from the preceding round may continue their involvement, contributing additional resources to the Series B round. (Smith 20 October 2021.)

Enter Series C, the fourth official funding round, reserved for companies that have achieved notable success. Investors participating in this phase aim not only to reinforce their positions as market leaders but also to realize substantial returns, often doubling their initial investment. The funds raised in Series C commonly fuel expansion, whether through introducing new products or entering new markets. Additionally, it's not uncommon for companies in this stage to leverage the capital to acquire other businesses, further illustrating the strategic and transformative nature of Series C funding. (Reif 15 July 2023.)

As IPOs entail substantial costs as an exit strategy, many owners exploring exit options during the later stages consider alternatives such as mergers and/or acquisitions (M&A). (Jones & Stucke November 2013.) For companies progressing through Series C and aspiring to go public, utilizing Series C fundings becomes pivotal. These funds strategically elevate their valuations, positioning them favorably for an eventual initial public offering. At this stage, companies are expected to have solidified robust customer bases, established reliable revenue streams, and demonstrated a consistent history of growth. This phase represents a critical juncture where companies actively prepare for the increased scrutiny and opportunities associated with the transition to a public status (Reif July 15 2023).

As companies advance through different funding rounds and stages, they are continually subjected to a process known as valuation. This entails investors, banks, and the market assessing the company's current or anticipated value (Chen 30 June 2023b). However, given the thesis's objective of extracting pertinent facts about the company, especially those pertaining to the management team, the focus will be on understanding due diligence.

Startups seeking funding undergo a thorough examination, known as due diligence, covering financial, legal, tax, and commercial aspects. This process is conducted by equity research analysts, fund managers, broker-dealers, individual investors, and companies considering acquisitions, ensuring a comprehensive understanding of the business. While individual investors opt for due diligence voluntarily, broker-dealers are legally mandated to perform it on securities before sales. (Chen 29 April 2023c.)

In the assessment of a startup's core team, a reliance on instinct and intuition persists. Statistics indicate that 60% of new ventures fail, often attributed to team-related issues. The effectiveness of experience and expertise hinges on the team's ability to share knowledge and align with a common

vision for the company (De Mol 2019). In the context of M&A deals, where failure rates range from 70% to 90%, shortcomings often arise from neglecting the human element (Chen April 29 2023c). Conducting due diligence on human capital allows for a comprehensive grasp of potential risks and liabilities. When integrated into the architecture of an investment or acquisition plan, this due diligence process can shed light on overlooked areas, pinpoint unforeseen challenges, and unveil unexplored possibilities within the transaction. (29Bison 9 May 2022.)

2.3.2 Decision-Making process

In an extensive examination, Block and his team pinpointed the track record of the management team as one of the foremost factors influencing investment decisions. This insight was derived from a large-scale conjoint analysis encompassing 19,474 screening decisions made by 749 private equity investors. The researchers thoroughly examined and compared investment criteria across diverse investor types, providing valuable insights into investor's diverse preferences (Block, Fisch, Vismara & Andres 2019, 341). This thesis will specifically delve into the evaluation process of the management team.

Investor's decision-making regarding management team appears to center around five key factors. First is the past experience of the team, where the investor seeks prior recognition from other investors as an indicator of the team's ability to foster business growth, often assessed through a curriculum vitae (CV). Second is an exploration of the management team's motivations. The third factor involves evaluating the team's drive and grit, essential for overcoming challenges inherent in business. Assessing factors two and three helps the investor to determine the team's passion and capability to address issues and sustain business growth post-investment. These insights are typically gleaned through interviews and informal meetings with the investor (Blume & Hsueh 2023, 14-15).

In continuation, the last two factors serve to enhance the effectiveness of the preceding ones. Factor 4 involves assessing complementary skills among team members, emphasizing the importance of each member possessing a distinct skill set. Ideally, team members should not share identical skills, promoting more efficient task division. For instance, a team consisting solely of engineers lacking sales, marketing, or financing skills would be considered a suboptimal investment. The verification of Factor 4 typically occurs through the examination of CVs and interviews (Blume & Hsueh 2023, 15).

In the complex landscape of investment decisions, the fifth and pivotal factor is the team's proficiency in communicating their vision. Venture capitalists actively seek teams that can articulate their business model with precision. Effective communication is not only crucial for securing future

funding from diverse stakeholders but also plays a pivotal role in customer interactions. This factor inherently involves assessing the team's marketing skills, a facet thoroughly examined during interviews, particularly in the crucial pitching stage. Thus, the ability to convey a compelling vision becomes a linchpin in the complex web of investor's decision-making processes. (Blume & Hsueh 2023, 16.)

3. Research Methods

This thesis underscores the utilization of mixed methods research, a comprehensive approach that integrates quantitative and qualitative data collection and analysis within a unified research framework. Rooted in the philosophical underpinnings of pragmatism and critical realism, mixed methods researchers, including those within this thesis, adopt a flexible stance in methodological choices. Pragmatists prioritize the selection of methods based on their effectiveness in yielding credible, reliable, and relevant data, with considerations for the research question, context, and anticipated outcomes. (Saunders, Lewis & Tornhill 2019, 151.)

This methodological flexibility aligns with the nuanced investigation of investors and teams within this thesis, recognizing the intricate dynamics inherent in these entities. The thesis advocates for an adaptable and comprehensive mixed methods approach, emphasizing the importance of respecting diverse methodological preferences, in contrast to rigid perspectives that advocate for a singular "correct" method.

Echoing similar sentiments, Creswell & Creswell emphasize the benefits of mixed methods research. They assert that when research incorporates elements from both quantitative and qualitative methodologies, it falls under the umbrella of mixed methods research. This integration provides richer insights into the research topic, offering a more nuanced understanding (Creswell & Creswell 2018, 4.)

Moreover, the literature suggests that mixed methods research has the potential to neutralize individual biases inherent in quantitative and qualitative research, minimizing the risk of biased results (Creswell & Creswell 2018, 14). This approach not only contributes to a broader comprehension of research findings but also allows for the comparison of perspectives derived from both qualitative and quantitative data (Creswell & Creswell 2018, 216.)

This thesis employs an embedded design for mixed-method research. The embedded approach is crucial when the quantitative data, in this case, would lack significance without being integrated within the qualitative data, which serves as the primary data source (Edmonds & Kennedy 2017, 189). As illustrated in Figure 3, the quantitative data has been incorporated into the qualitative data.

The rationale behind choosing an embedded design is rooted in the primary goal of this thesis: to determine the effectiveness of relational perspective as an analysis tool in the financial realm of investment. Therefore, the investment world offers the overarching context into which the relational perspective is integrated.

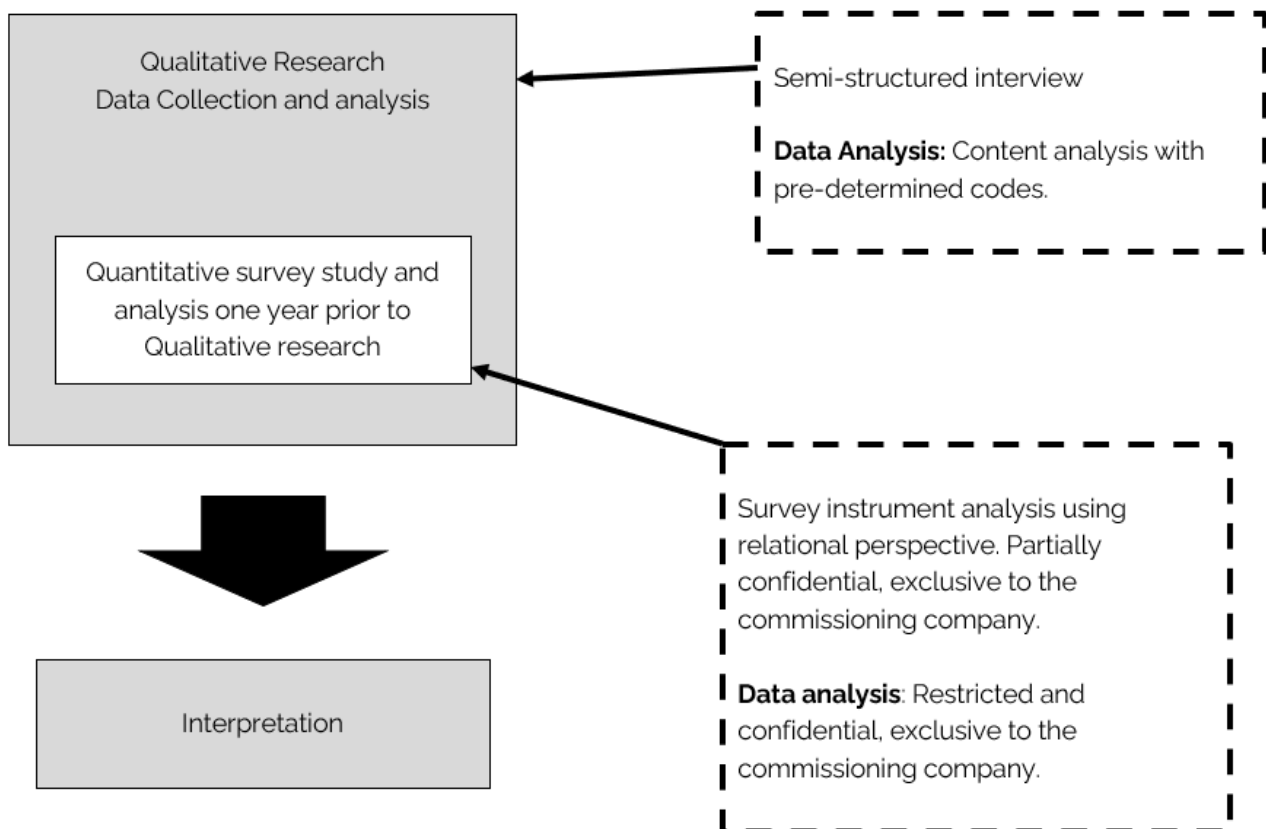


Figure 3. Embedded Mixed Methods research design.

3.1 Quantitative Research

Quantitative research involves the examination of numerical relationships between variables, employing diverse statistical and graphical techniques for analysis. In the realm of quantitative research, survey strategies are commonly implemented through questionnaires or structured observations. A quantitative research design can incorporate multiple data collection techniques and corresponding analytical procedures, constituting a multi-method quantitative study. Within the domain of business and management research, the endorsement of multiple methods stems from their capacity to address the limitations inherent in mono-method approaches, providing a more comprehensive framework for data collection, analysis, and interpretation. (Saunders & al. 2019, 178)

3.1.1 Quantitative Data Collection

In this thesis, the approach to collecting quantitative data involved adopting a multi-method quantitative study. This encompassed obtaining quantitative data through structured observations of the analyzed teams and administering structured questionnaires as seen in Figure 4. The subsequent statistical analysis allowed for a detailed examination of the data. The standardized data collection

process ensured uniform understanding among client team members, facilitating a cohesive interpretation.

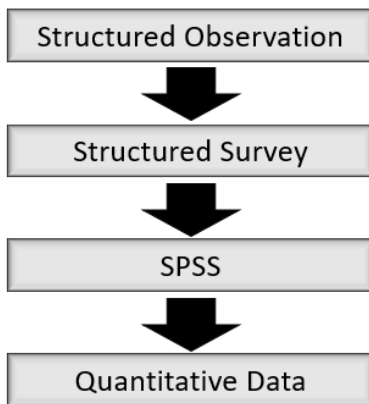


Figure 4. Steps included in quantitative data collection.

Structured observation entails a predetermined framework that systematically observes and records specific behaviors, interactions, or events. This method is instrumental in uncovering the mundane and routine activities constituting everyday practices. Researchers employing this approach thoroughly observe specific behaviors within a defined setting, with a primary focus on gathering quantitative data. The emphasis lies in quantifying a defined set of behaviors within the context of naturally occurring behaviors (Saunders & al. 2019, 399-401).

In preparation for administering the questionnaire, the author of this thesis engaged in structured observation using pre-determined codes to systematically collect data. These codes aligned with the 18 dimensions outlined in Figure 5, encompassing the entire scope of the quantitative research. For a more detailed category of the dimensions please see appendix 3. The pre-determined codes were instrumental in mitigating potential bias stemming from the researcher's perspective. During the observation, the team's behaviors in a predefined setting underwent systematic assessment, with each dimension assigned a numerical rank. This systematic approach enhances the reproducibility of observations as needed.

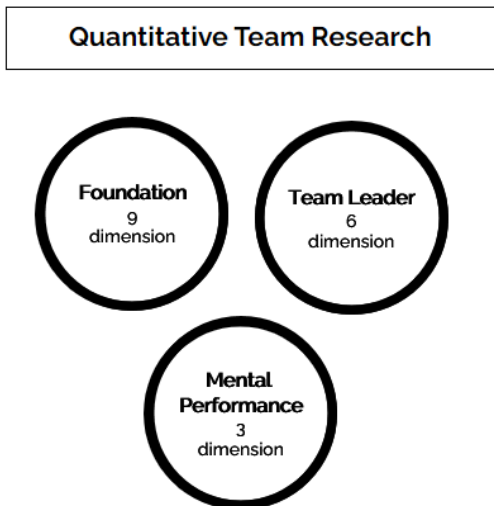


Figure 5. Dimensions of quantitative research.

Following the structured observation, the second phase of quantitative data collection involved the implementation of structured questionnaires. Integrated into survey strategies, structured questionnaires systematically gather data, providing descriptive and explanatory insights into demographics, attitudes, opinions, and behaviors. (Saunders & al. 2019, 505). This method is particularly relevant for the commissioning company's emphasis on studying teams and team behaviors.

Professor Pauli Juuti played a pivotal role in designing the entire quantitative questionnaire for the commissioning company, emphasizing the importance of a clear understanding of the required data, thoughtful question construction, comprehensive structure, and rigorous testing to enhance effectiveness and response rates. The complete process of Professor Pauli Juuti's quantitative questionnaire, covering preliminary research, question formulation, data collection, and final analysis, was made available for use in this thesis. The author incorporated the already finalized quantitative results into the embedded mixed methods research design.

Given the proprietary nature of the questionnaire, a limited description is provided in this thesis, acknowledging its status as a proprietary product vital to the commissioning company. However, the extensive contributions of Professor Pauli Juuti in the field of leadership and management underscore the requisite expertise for crafting a robust questionnaire tailored for team analysis. The author of this thesis, during the earlier quantitative research phase preceding this work, served as a research assistant under Professor Pauli Juuti. This role involved actively participating in pilot testing, modifying, and analyzing the survey instrument, contributing significantly to the meticulous refinement and validation process.

3.1.2 Reliability Analysis

Quantitative data obtained from the structured surveys and structured observations underwent analysis and manipulation using the Statistical Package for the Social Sciences (SPSS). The objective was to assess the internal consistency reliability of the surveys. SPSS, is a widely utilized statistical analysis software that enables comprehensive data analysis, making it particularly advantageous for handling large datasets (Saunders & al. 2019, 566).

In our study, maintaining a high level of consistency was crucial. Thus, we employed Cronbach's Alpha to determine the reliability across the 18 dimensions in the survey. This statistical measure is especially useful when dealing with surveys with multiple questions forming a scale, aiming to discover the reliability of that scale (Laerd Statistics 2018).

3.2 Qualitative Research

This thesis sought to evaluate the applicability of the relational perspective as a tool for investors, necessitating a profound comprehension of investors and their decision-making processes. To fulfill this objective, a qualitative methodology was employed, aiming to delve into individual's perspectives, thoughts, emotions, and understanding of the world. The qualitative approach strives to offer a nuanced and detailed interpretation of meaning, distinguishing itself from everyday thinking through its commitment to observational rationality (Puusa & Juuti 2020, 9; 25).

The significance of qualitative research can be justified in various ways, particularly when the subjects under investigation are intangible, abstract, and emergent through the interplay of human relationships and interpretation. Qualitative research provides a platform to articulate these phenomena and enhances our comprehension of the workings of the world we inhabit. (Puusa & Juuti 2020, 62.) Given the inherent ambiguity associated with many aspects of investment decision-making, the incorporation of a qualitative method empowers investors to articulate these uncertainties in their own words, facilitating a deeper understanding of their perceptions.

3.2.1 Qualitative Sampling & Data Collection

Sampling in qualitative research involves the careful selection of participants or cases for inclusion in a study. This process entails identifying individuals, groups, or settings that are appropriate to the research question, aiming to gather meaningful and detailed data. The objective is to create an information-rich sample that enables the researcher to address the research question comprehensively and with detail. (Shaheen, Padhan & Ranajee 2019, 25-26).

For this thesis, the focus was on selecting VC and PE investors from a diverse pool of investor types. This decision was driven by the fact that, typically, after VC and PE investors exit, a company either faces failure or achieves success through an IPO. Involving other investor types, post-IPO could complicate the research process and potentially impede the thesis from achieving its goals in addressing the research questions. Additionally, the chosen sample aligns closely with the thesis's objective, given the inherent connection between VC and PE investor activities and team dynamics.

Table 2. Interviewed investors for the qualitative research.

Investor No.	Type	Experience in years	Current portfolio companies under management
1	Investment consultant for PE & VC	+10	none
2	PE	+10	40
3	VC	+10	15

Three investors were chosen from the sampled investor types for interviews in this thesis. The selection was guided by their diverse expertise, as outlined in Table 2. Additionally, the author of this thesis shared a familiar relationship with the chosen investors. This pre-existing connection fosters trust and enables the investors to express themselves more openly, knowing their anonymity is assured (Puusa & Juuti 2020, 81).

The interviews were carried out in a semi-structured format, with three mandatory questions for all participants. Additional questions were introduced based on the interview's progression to achieve clarification. Puusa and Juuti highlight the advantages of semi-structured interviews, emphasizing their flexibility in uncovering issues not previously identified by the researcher (Puusa & Juuti 2020, 111). Consequently, open-ended semi-structured interviews were selected for the thesis, allowing the author to pre-determine discussion themes without overly influencing the conversational flow. For the detailed mandatory and optional questions please refer to appendix 4.

3.2.2 Content Analysis & Coding Process

This thesis employs content analysis as a methodological approach for the systematic examination and interpretation of information gathered from semi-structured interviews with experts. Content analysis functions as a valuable research instrument, enabling the identification and analysis of specific words, themes, or concepts within qualitative data, particularly textual information derived

from interviews. Through this method, researchers can quantify and scrutinize the presence, meanings, and interrelationships of these identified elements. (Puusa & Juuti 2020, 148.)

The initial phase of content analysis involved carefully transcribing three interviews with industry experts using an edited transcription approach to enhance readability for subsequent coding. Following transcription, member checking technique was employed for respondent validation, ensuring data reliability through participant verification of accuracy and alignment with experiences of the interviewee's (Iivari 2018, 3).

Following the validation of transcribed text, the qualitative research data underwent a process of segmentation based on the qualitative data analysis methodology outlined by Puusa and Juuti. The segments constituted themes derived from the narratives of the interviewees. Subsequently, these themes were systematically organized into categories, and specific rules were established for this categorization. The themes were then categorized according to the predetermined rules, resulting in the identification of four distinct categories of codes. (Puusa & Juuti 2020, 152). The codes and corresponding coding rules are available in Appendix 2.

In the final stage of qualitative data analysis, an examination of relationships among the four codes took place. A detectable sequence of events emerged within the data, revealing connections between the identified categories of codes. Consequently, sequential relationship was uncovered as seen in Table 3. The sequential structure of the decision-making process will guide the presentation of the qualitative research results in section 4.2.

Table 3. Sequence of events leading to investment decision.

Code	Code Relationship	Sequence of events
1. Importance	Sequential Relationship	1. Team importance is acknowledged
2. Investigation		2. Team is evaluated using available tools
3. Future		3. Evaluation is used to forecast and prepare for the future
4. Marriage		4. Concept of marriage between investor and investee

3.3 Integration of Quantitative and Qualitative Components

The integration in the contiguous approach involves reporting qualitative and quantitative findings in separate sections within a single report. For instance, Carr and colleagues used this approach, presenting survey results first and then qualitative findings about contextual factors in a subsequent part of the report (Fetters, Curry & Creswell 2013, 2142). In line with the thesis objective to highlight the strengths and weaknesses of the quantitative section, presenting the findings separately was deemed more effective.

Integration is achieved at the interpretational level, with results presented independently. This approach aligns with the primary objective of the thesis, which is to assess the usefulness of the relational perspective as an analysis tool. Consequently, the results are presented separately to address this objective.

4. Results

The objective of this research is to assess whether adopting a relational perspective in team research can help reduce risks for PE and VC investors. The study is structured into three investigative questions (IQ) as follows:

- 1) What human-related risks can be identified in teams through the application of a relational perspective?
- 2) What is the significance of human-related risks in teams for PE and VC investors before making an investment decision?
- 3) What are the advantages of incorporating a Relational Perspective in Team Analysis for PE and VC Investors?

In this chapter, the author analyzes the quantitative data provided by the commissioning company to address the first sub-research question. The second sub-research question will be explored using data gathered from qualitative research. And the third sub-research question will serve as the foundation for integrating both the quantitative and qualitative data. Ultimately, the findings from these sub-questions will contribute to the primary objective of the thesis: determining the effectiveness of using a relational perspective as a tool to identify and mitigate potential issues within teams.

4.1 Identifying human-related risks observed in teams through the application of a relational perspective.

The initial sub-research question of this thesis involves an examination of quantitative data gathered from five distinct teams. For specific details regarding team size and field of operation, consult appendix 1. This analysis aims to compare the data obtained from all five teams in order to pinpoint potential factors influencing overall performance and raising concerns about mental health.

The assessment values range from 1 to 7, where 1 denotes the lowest score and 7 indicates the highest. Team members assign these values to statements reflecting various dimensions, capturing the team's nature from their perspective. Values below five indicate the absence of a dimension, categorizing them as low scores. A value of five suggests a partial presence, representing the minimum acceptable score for a positive work environment, considered average. Values 6 and 7 signify that a dimension is strongly present within the team, visible to all members. For instance, if a statement like "My team members trust me" receives a score of 5, it is distinct from scores of 6 and 7. Refer to Table 4 for detailed descriptions of the numerical scale.

Table 4. Numerical value and interpretation for the quantitative research.

Scale	
Numerical Value	Interpretation
1	Not true at all
2	Not true
3	Not very true
4	Holds very little truth
5	Holds true to some extent
6	Holds true
7	Holds completely true

The quantitative data comprises three distinct research components, each offering a unique perspective on the team 1) Risks in team foundation 2) Risks in mental performance 3) Risks in team leader's presence and behavior. By combining these datasets, the thesis gains a more comprehensive understanding of the team's overall condition. The first research segment delves into the team's foundational aspects, encompassing nine dimensions. The second segment examines mental performance, considering three dimensions. The third segment investigates team leadership, covering five dimensions.

4.1.1 Risks in team foundation

The first of the three quantitative research segments focus on "Team Foundation" This research includes nine dimensions crucial for laying the groundwork for a team to operate and function as a cohesive unit. Please refer to the results of this research in Table 5.

The initial dimension is "Relationship Foundation," which assesses the fundamental principles governing the relationships among group members. This dimension evaluates trust, equality, and mutual respect within the teams. All teams scored above five, and two teams achieved scores exceeding six.

The second dimension, "Interaction and Communication" examines the team member's capacity to engage in open and honest communication. It also gauges the team's ability to handle disagreements and challenge each other's perspectives. Additionally, it includes the willingness of team members to engage in non-work-related conversations. Team five, which was also the largest with

twelve members, attained the lowest score of 4.9 in this dimension. In comparison to other dimensions, "Interaction and Communication" received the lowest scores across all teams.

Table 5. Nine dimensions of team foundation. Value scale from 1 to 7, 5.0 considered as average.

Team		One	Two	Three	Four	Five
	1. Relationship foundation	5.9	5.5	6.3	6.4	5.5
	2. Interaction and communication	5.0	5.0	5.7	6.0	4.9
	3. Work routines	5.3	5.0	5.9	6.0	4.9
Dimensions	4. Effectiveness	5.3	5.1	5.9	6.2	5.0
	5. Collaboration	5.9	5.5	6.2	6.5	5.2
	6. Assistance & Willingness	5.2	5.0	6.0	6.1	5.0
	7. Competence & Professional skills	5.7	5.4	6.1	6.2	5.3
	8. Innovation and Development	5.1	4.9	5.5	6.1	4.9
	9. Tenacity	5.8	5.1	6.0	6.3	4.7

The third and fourth dimensions assess how well teams consider each other when formulating their goals and planning the steps required to attain them, as well as the time they allocate to discussing their goals. Team four achieved the highest scores, earning a 6.0 for establishing mutual work routines and a 6.2 for effective execution. In contrast, the largest team, team five, allocated fewer resources to developing robust mutual routines, receiving a score of 4.9, and achieved a score of 5.0 in implementing their plans to achieve their goals.

Team two consistently received lower ratings in their team foundation compared to the other four teams. Specifically, in the fifth dimension of collaboration, they scored 5.5, and in the sixth dimension of assistance and willingness, they scored 5.0. These dimensions measure the extent to which team members support and help each other, encompassing actions such as defending fellow team members against external pressures, offering encouragement during challenging times,

and the willingness of team members to go the extra mile to ensure the well-being of their colleagues. In contrast, team four achieved the highest ratings, scoring 6.5 for collaboration and 6.1 for assistance and willingness.

The seventh dimension evaluates the competence and professional skills of teams in their respective fields, while the eighth dimension assesses their capacity to leverage this competence and knowledge for effective development and innovation. Across all five teams, there were higher scores in the seventh dimension regarding competence and lower scores in the eighth dimension concerning the application of that competence.

Team five, which operates in the creative industry and consists of twelve members, recorded the lowest scores when compared to the other four teams. They received a rating of 5.3 for competence and professional skills in the seventh dimension and 4.9 for innovation and development in the eighth dimension.

The final dimension, tenacity, measures teams based on their determination to overcome discouragement, particularly as a cohesive unit. Most teams received relatively high scores in tenacity, except for team five. An aspect considered in evaluating team tenacity is the willingness to openly share feelings, especially during challenging periods. Team five scored 4.7 in tenacity, which coincides with their earlier score of 4.9 for interaction and communication.

Among the four teams, team one exhibited the greatest variation in their results. They displayed a strong foundation in their relationships, achieving a score of 5.9, but their communication effectiveness was lacking, with a score of 5.0. While they dedicated a significant amount of time to strategy, planning, and goal discussions, scoring high in collaboration at 5.9, they were less inclined to support each other, registering a 5.2 in assistance and willingness.

In terms of competence, they secured the third highest score at 5.7, yet their capacity for development and innovation fell in the lower range at 5.1. Nevertheless, their tenacity remained fairly high at 5.8.

Both team two and team five consistently received lower scores across all dimensions. Their low scores in communication, work routines, assistance and willingness, and innovation and development suggest that both teams are in a transitional phase between storming and norming on Tuckman's team model scale. Team five exhibited the lowest level of determination to overcome challenges in the tenacity dimension, scoring 4.7. Team two had the second lowest level of tenacity, with a score of 5.1.

Team three, primarily engaged in B2B sales, demonstrated relatively high scores and appeared to be on the verge of progressing into a performing team. While they had a lower score of 5.7 in interaction and communication, which seemed to have a detrimental effect on their ability to innovate, scoring 5.5 in the eighth dimension, this sales team exhibited remarkable tenacity to overcome challenges.

Additionally, they received high marks for collaboration and a strong willingness to support and motivate one another. Their most impressive score was in the relationship foundation dimension, with a score of 6.3, signifying trust, mutual respect, and equality within the team.

Team four stood out as the sole team consistently scoring above 6.0 in all dimensions. They established a robust foundation for their relationships, characterized by trust and open communication. They effectively formulated and executed strategies collectively, providing mutual support, assistance, and motivation to attain their goals. As a result, team four is the sole team meeting the criteria for being recognized as a cohesive team, while the other four teams are more appropriately identified as groups rather than fully integrated units.

4.1.2 Risks in mental performance

The second quantitative research is "Mental Performance." This research consists of three dimensions, and the results of all five teams can be found in Table 6. Team mental performance is assessed using a relational perspective, evaluating both individual and collective aspects in three dimensions: Team Value, Psychological Safety, and Performance under Pressure.

1. Team value pertains to the significance of the team to its members and their commitment to it. Shared team values facilitate coping with stress and ensure mutual support.
2. Psychological safety reflects the comfort and trust within the team, fostering a positive environment where diverse ideas are welcomed, and team members feel unjudged.
3. Performance under pressure involves developing skills for managing stress and maintaining focus on goals, both at the individual and group level, enabling teams to perform effectively even in challenging situations.

Table 6. Three dimensions of mental performance. Value scale from 1 to 7, 5.0 considered as average.

Team		One	Two	Three	Four	Five
	1. Team values	5.6	4.8	6.0	6.2	4.9
Dimensions	2. Psychological safety	5.7	5.5	6.4	6.3	5.3
	3. Performing under pressure	5.2	5.0	5.7	5.9	5.1

Team one demonstrated strong performance across all three dimensions. Psychological safety was moderately high at 5.7, with well-established team values and shared values among members, scoring 5.6. The only dimension with a lower score was the team's ability to perform under pressure, which was rated at 5.2. When comparing team one's mental performance scores to their team foundation research scores, a clear pattern emerges.

Their relationship foundation was relatively high at 5.9, as was their team values at 5.6. However, their communication and interaction skills rated at a lower 5.0. Similarly, their willingness to provide support to each other was also on the lower end at 5.2. The impact of this limited support to each other was evident in their lower mental performance score of 5.2 under pressure. An interesting note is the relatively inconsistent result for team one in the tenacity dimension, which stood at 5.8, suggesting a solid foundation for the team's growth and development.

Both team two and team five obtained low scores across all three dimensions in the mental performance research. Their team values appeared unclear or divergent among team members, with team two scoring the lowest at 4.8 and team five at the second-lowest level of 4.9. In terms of psychological safety, both teams achieved an acceptable level, with team two scoring 5.5 and team five scoring 5.3.

The relatively positive scores in the psychological safety dimension for teams two and five rule out major concerns related to bullying, fear, or intimidation within the teams. However, both teams scored poorly in the third dimension, which evaluates their ability to perform under pressure, with team two scoring 5.0 and team five scoring 5.1. Comparing the results of mental performance for team two and team five to their scores in the team foundation research highlights an unhealthy team environment. Low scores in both research areas suggest the potential for future burnout and mental strain.

Team three exhibited strong performance in all three dimensions of the mental performance research. A score of 6.0 in team values indicates that this sales team has diligently established and shared their core values. They achieved their highest score in psychological safety, with a rating of 6.4, demonstrating a high level of comfort and trust within the team. In the dimension of performing under pressure, they scored 5.7. Team three has a solid foundation for development and growth, positioning them to become a performing team.

When comparing their mental performance research results to their team foundation research, hindrances to growth become evident. Their willingness to support and motivate each other was high at 6.0. However, their lower score in communication at 5.7 negatively impacted their ability to innovate as a unified team, resulting in a score of 5.5. These factors had an adverse effect on their capacity to develop sustainable, effective work routines, scoring 5.9, and their overall effectiveness, also scoring 5.9, ultimately limiting their ability to perform at a higher level under pressure.

Team four exhibited above-average performance across all dimensions in the mental performance research. They achieved a strong score of 6.2 in the team values dimension, signifying clear and effective communication about goals, strategies, work routines, and shared values. This team conveyed a sense of security and comfort within their group, earning a score of 6.3 for psychological safety. Their lowest score, 5.9, was observed in the performing under pressure dimension. It's worth noting that team four's lowest score for performing under pressure was actually the highest among the participating teams in the same dimension.

Team four established a robust foundation, fostering a healthy teamwork environment. This C-suite team consistently scored highly across all dimensions in both research areas. Their lowest score, 5.9, in the performing under pressure dimension may be attributed to their setting higher standards for what constitutes pressure. Therefore, this rating might be even higher, reflecting their greater resilience to pressure. By focusing on improving communication among themselves and further enhancing their shared sense of safety and security, they can continue to progress as a team.

4.1.3 Risks in team leader's presence and behavior

The third qualitative research entails a comprehensive analysis of each team leader. Recognizing that the team leader's role, presence, and behavior significantly impact team performance and growth, this research delves into six key dimensions. Given the primary focus on the leader, self-evaluation is incorporated into all six dimensions, as depicted in Tables 7, 8, and 9. Self-evaluation helps highlight phenomena like impostor syndrome and the Dunning-Kruger effect.

To facilitate a better understanding of the results for all five team leaders, they have been grouped as follows: Team two and five, with lower results in the preceding two research segments, are

combined and presented in Table 7. Team one and three, which exhibited similar results in previous dimensions, are grouped together in Table 8. Team four, demonstrating outstanding results, is analyzed independently, as shown in Table 9.

The forthcoming sections will briefly introduce the dimensions under examination, followed by the presentation of results. It's important to note that all dimensions are approached from a relational perspective, emphasizing the leader's interactions with each team member.

Table 7. Team leader's presence and behavior in teams two and five. Value scale from 1 to 7, 5.0 considered as average.

Team		Two		Five	
		Self-evaluation	Team evaluation	Self-evaluation	Team evaluation
	1. Intellectual Stimulation	6.3	5.3	5.6	4.5
	2. Attention to individual team members	6.4	5.5	5.6	5.1
Dimensions	3. Leadership of team atmosphere	5.4	4.9	5.2	4.3
	4. Inspirational motivation	5.0	3.9	5.3	4.1
	5. Leadership by example	5.8	5.5	5.4	4.6
	6. Traditional leadership	4.6	4.2	4.1	3.4

The first and second dimensions revolve around the team leader's relationship with team members. In both teams two and five, the team leaders self-evaluated higher across all six dimensions compared to the assessments provided by their team members. A consistent pattern emerged where team members felt they did not receive adequate positive attention from their team leader, while the leaders believed they had given more than enough attention.

The first dimension primarily assesses the leader's capacity to stimulate intellectual growth and individual innovation in each team member, emphasizing their ability to foster professional development. The leader from team two received a rating of 5.3 in the first dimension and self-evaluated at 6.3, while the leader from team five received a score of 4.5 and self-evaluated at 5.6.

The second dimension centers on the team leader's relationship with each member individually, considering their ability to provide a sense of acceptance and encourage members to be themselves. A significant aspect of the second dimension is the leader's interest in the well-being of team members. Leader two received a score of 5.5 in the second dimension and self-evaluated at 6.4, while the leader from team five scored 5.1 and self-evaluated considerably higher at 5.6.

The third dimension, termed "Leadership of Atmosphere," centers on the leader's capability to be actively engaged with the team. This dimension assesses the leader's attentiveness to shifts in the work environment and their ability to intervene in challenging situations among team members. In both team two and team five, both team leaders self-evaluated themselves more positively compared to the assessments provided by their team members. The leader in team two self-evaluated at 5.4 but received a rating of 4.9, while the leader in team five self-evaluated at 5.2 but received a score of 4.3.

The fourth dimension, "Inspirational Motivation," serves as a continuum of the previous dimension. It places a focus on the leader's capacity to maintain a positive and inspiring work environment. Similar to the earlier dimensions, both leaders in team two and team five tended to over-evaluate their role and the positive impact on their teams. The leader from team two self-evaluated at 5.0 but received a much lower score of 3.9, while the leader from team five self-evaluated at 5.3 and received a score of 4.1.

The fifth dimension, known as "Leadership by Example," delves into leadership style, emphasizing the significance of setting an example for team members. Leading by example establishes leadership credibility and inspires team members to stretch their limits. The leader from team two self-evaluated at 5.8 and received a closely matched score of 5.5, while the leader from team five self-evaluated at 5.4 and received a rating of 4.6.

The final dimension in traditional leadership represents an extension of the fifth dimension, broadening the analysis of leadership style. In traditional leadership, strict rules are enforced with a dogmatic discipline, and a clear hierarchy exists, with micromanagement of the team and workflow. The leader from team two self-evaluated at 4.6 and received a rating of 4.2, while the leader from team five self-evaluated at 4.1 and received a score of 3.4.

Both team leaders in team two and team five self-evaluated themselves higher than their team members' assessments. This consistent pattern of higher self-evaluation across all six dimensions suggests a strong presence of the cognitive bias known as the Dunning–Kruger effect. Both leaders exhibited a robust traditional leadership style, prioritizing close management of subordinates,

enforcing strict adherence to processes, and expecting unwavering obedience from their subordinates. It's important to note that team two operates in the IT sector, while team five operates in the creative industry see Appendix 1 for further insights.

Table 8. Team leader's presence and behavior in teams one and three. Value scale from 1 to 7, 5.0 considered as average.

Team		One		Three	
		Self-evaluation	Team evaluation	Self-evaluation	Team evaluation
	1. Intellectual Stimulation	4.1	5.4	6.7	6.2
	2. Attention to individual team members	4.7	5.8	6.8	6.6
Dimensions	3. Leadership of team atmosphere	4.1	5.4	6.6	6.2
	4. Inspirational motivation	3.0	4.9	6.5	5.9
	5. Leadership by example	5.0	5.8	6.8	6.6
	6. Traditional leadership	2.6	3.3	3.9	3.6

The results from the leaders of team one and team three have been grouped together based on their similarities in the previous two research segments, as shown in Table 8. Both leaders self-evaluated across all six dimensions at scores similar to or closely aligned with the assessments provided by their respective team members. These leaders endorsed a more modern leadership approach and exhibited minimal engagement with traditional leadership style.

The leader in team one tended to undervalue themselves across all dimensions. In the first and second dimensions, focusing on the attention given to each team member, the leader self-evaluated the first dimension at 4.1 and received a higher rating of 5.4. In the second dimension, the leader self-evaluated at 4.7 and received a more positive score of 5.8.

On the other hand, the leader from team three self-evaluated at a high of 6.7 in the first dimension and received a closely matching score of 6.2. In the second dimension, the leader self-evaluated at a robust 6.8 and received a similar score of 6.6.

The third and fourth dimensions assess the leader's impact on the team's atmosphere. The leader from the first team underrated themselves in the third dimension, with a self-evaluation of 4.1 compared to a higher received score of 5.4. In the fourth dimension, the self-evaluation was 3.0, but the leader received a notably higher score of 4.9.

In contrast, the leader from team three self-evaluated at 6.6 in the third dimension and received a close score of 6.2. In the fourth dimension, the leader self-evaluated at 6.5 and received a score of 5.9. These results suggest that both leaders had dedicated time and effort to cultivate an atmosphere fostering positive growth and innovation.

The final two dimensions revolve around leadership style. The leader from team one self-evaluated at 5.0 in the fifth dimension and received a slightly higher score of 5.8. In the sixth dimension, the leader self-evaluated at 2.6 and received a moderately increased score of 3.3.

In contrast, the leader from team three self-evaluated at 6.8 in the fifth dimension and received a score close to that at 6.6. In the sixth dimension, the leader from team three self-evaluated at 3.9 and received a score of 3.6.

Persistent under self-evaluation by the leader in team one suggests the presence of imposter syndrome. However, it's important to note that the leader has demonstrated attention to individual team members and the overall team atmosphere. Imposter syndrome can hinder the team's growth as a unit and may also pose a threat to the leader's own well-being.

On the other hand, the leader from team three achieved nearly identical self-evaluation and team evaluation results. This close alignment between the team and the leader indicates that the team is fully aware of their situation, strengths, and weaknesses. Such awareness provides a solid foundation for the team to build and evolve.

Table 9. Team leader's presence and behavior in team four. Value scale from 1 to 7, 5.0 considered as average.

Team		Four	
		Self-evaluation	Team evaluation
	1. Intellectual Stimulation	6.2	6.4
	2. Attention to individual team members	6.3	6.3
Dimensions	3. Leadership of team atmosphere	6.2	6.2
	4. Inspirational motivation	6.3	6.6
	5. Leadership by example	6.4	6.6
	6. Traditional leadership	3.9	3.9

In the preceding two research segments concerning team foundation and mental performance, Team Four emerged with the highest scores compared to the other four teams in this thesis. Based on the results of these two research segments, Team Four stands out as the only unit in this thesis that truly meets the essential criteria for being classified as a team rather than just a group. The leader of Team Four's impact on the team has been scrutinized using a relational perspective, and the findings are presented in Table 9.

Across the six dimensions, the leader of Team Four exhibited a strong presence and alignment with the team. The first dimension was self-evaluated at a high 6.2 but received an even higher score of 6.4. The second dimension was self-evaluated at 6.3 and received an identical score of 6.3. In the third dimension, the leader's self-evaluation of 6.2 closely mirrored the team's assessment at 6.2. The fourth dimension, reflecting the leader's effectiveness, was self-evaluated at 6.3 and received the highest score of 6.6, awarded by any of the teams to their leader. The fifth dimension's self-evaluation at 6.4 also aligned closely with the previous dimension, receiving a notably high score of 6.6. The final dimension, focused on traditional leadership, was self-evaluated and similarly scored an identical 3.9.

The matching scores in three different dimensions between the team and the leader, along with closely aligned scores in the other dimensions, reflect the team's adeptness at maintaining awareness of their current situation. This shared understanding of the team's status paves the way for

effective team development. A score of 3.9 in traditional leadership indicates that the leader doesn't shy away from exercising their hierarchical authority when required. Importantly, this hierarchical power is thoughtfully applied and does not cross into the territory of micromanagement or abuse of power.

4.1.4 Impact of Dimensional Risks on Team Stability, Growth, and Maturity

As outlined in the theoretical framework, the linear approach to team development aids in comprehending the processes of team development and recognizing areas for improvement. In an ideal scenario, this linear approach helps us proactively address challenges, thereby mitigating the risk of burnout and the failure to achieve team objectives. In this section, the author employs Tuckman's team development model to provide further clarity on the outcomes of the preceding research.

Leveraging insights from three separate research segments 1) Team Foundation, 2) Mental Performance, and 3) Team Leadership, this thesis characterizes all five participating teams using Tuckman's model. This approach enhances our comprehension of the quantitative data's significance and impact. For detailed definitions of Tuckman's stages, refer to the theoretical framework discussed in section 2.3.

Notably, both Team Two and Team Five exhibit a recurrent pattern of transitioning between norming and storming. Given that the storming stage involves experiences of confusion, defensiveness, and resistance, this oscillation in growth can have detrimental effects. Teams One and Three, on the other hand, have successfully advanced to the norming stage but have remained there. Remaining in the norming stage restricts the team from fully harnessing their collective potential as a cohesive unit.

Team Four successfully transitioned into the performing stage within just one and a half years from its formation. Teams in the performing stage are characterized by flexibility, interdependence among members, and a high degree of mutual value and effectiveness in achieving their goals. Using Team Four's rapid progress as a benchmark, we can infer that a team's age beyond this point does not significantly impact its performance levels. It's worth noting that Team Four is the youngest among all participating teams in this thesis, as depicted in Table 10.

Table 10. Maturity and work years of the participant teams in the quantitative research.

Team	One	Two	Three	Four	Five
Team maturity	Norming	Storming/ Norming	Norming	Performing	Storming/ Norming
Work years as a team	6	5	4	1,5	4

The primary objective of this thesis is to provide valuable insights for investors, enabling them to make more informed decisions when considering investments in teams. Uncovering risks within teams and teamwork is a multifaceted and complex process. The utilization of a relational perspective in quantitative research offers a comprehensive view of these interconnected layers and translates it into comprehensible data.

In the following section, labeled 4.2, the author presents the findings derived from semi-structured interviews as part of the qualitative research. This section examines the practical applicability of the quantitative data collected using a relational perspective, particularly for investors in real-world scenarios.

4.2 Evaluating the significance of human-related risks in teams for PE and VC investors prior to making an investment

The qualitative data for this study was sourced from in-depth semi-structured interviews with seasoned investment experts. Through a detailed coding process, four distinctive codes emerged, encapsulating essential themes that illuminate the decision-making process in investments. Delving deeper into these codes, an insightful examination revealed a sequential pattern, providing an understanding of the dynamics underlying investment decisions. The sequential structure of the decision-making process will guide the presentation of the qualitative research results in this section. For additional details on the coding process of the qualitative data, consult section 3.2.2.

4.2.1 Team importance is acknowledged

The significance of management teams varies among investors, with the level of importance contingent on the size of the company. Particularly, the importance of the team becomes more pronounced for investors engaged in the early stages of a company's growth. It is important to note that this thesis excludes the initial stages where angel investors contribute to seeding the growth of a concept.

Following the initial phase, venture capitalists (VCs) enter the picture, assessing the team. At this juncture, the company typically demonstrates a viable product or service, revenue, and overall evidence of a profitable business. For VC investors, the role of teams becomes pivotal in their investment decisions. In certain instances, they regard the team as an even more crucial factor than the business itself.

“In VC’s world teams are everything. They say that a good team is better than a good business idea. If everything is ok in the team, if they have the know-how, drive, passion, and commitment the investor knows that these guys will find a way, even if the initial idea fails.” (Interviewee 1)

Venture capitalists interviewed in this thesis agree that teams play a crucial role in shaping the outcome of their investments. Consequently, it is imperative for investors to possess the capability to distinguish between a proficient team and an inadequate one.

“It’s absolutely critical for a VC to recognize and separate a good team from a bad team. If there's a lot of issues wrong in the team, it’s easy to say no to an investment even if the business idea is good.” (Interviewee 1)

In essence, the decision of venture capitalists to invest hinges greatly on whether they perceive the team as high-performing, capable of generating results, and enhancing profitability for the investment.

Qualitative findings indicate that venture capitalists categorize teams as either good or bad, drawing from their personal experiences. This enables them to swiftly decide to invest when the team is deemed good or withhold from investment if the team is considered inadequate. This straightforward approach stems from VC’s inability to modify the team without jeopardizing returns on their investment.

“Usually, we invest in the early stage and at the time we come in, the management team is likely also the founder team. In these situations, the team and the business are intertwined. Removing or replacing an individual from the team harms the business. If there is a need to modify the team, it’s generally smarter not to invest.” (Interviewee 3)

Conversely, the hesitancy to alter teams does not appear to frighten PE investors. Instead, PE investors typically enter with the anticipation that some form of modification to the management team may be necessary.

“The importance of the team becomes relevant after the investment. Ideally nothing has to be done and the same team can continue for the next 5 years. However, this is rarely the case, because often you'll find that the founder, CEO or someone else from the management team wants to leave. They might want to retire, or they don't have the capability to take the company to a higher level. So, we make those changes, and the business continues.” (Interviewee 2)

As PE investors enter the company's lifecycle at a later stage when it is more mature, the company stands on several pillars, with the management team being just one of them. Consequently, altering or modifying the management team does not result in the collapse of the business.

“For me as a PE investor the relevance of the team compared to everything else in the company is about 40%. By the time we invest in a company it already has a proven concept, a steady flow of income, and there is a basic structure of something that resembles a governance. In that sense we are more interested in the business itself, the business model, product/service, market, patent's etc.” (Interviewee 2)

While both VC and PE investors place a high value on teams, their perspectives on evaluating teams differ. VC investors seek teams with qualities beneficial to business growth, whereas PE investors aim to identify teams that can be effectively modified into stronger entities. Despite these distinct perspectives, both VC and PE investors recognize the crucial role teams play in influencing their investments.

4.2.2 Team is evaluated using available tools

Prior to making an investment, both VC and PE investors conduct assessments of the teams they are considering. The specific timeframe for these evaluations varies for each investment scenario and is not within the scope of this thesis. Instead, the findings will illuminate the tools employed by investors to assess teams before making investment decisions.

Both VC and PE investors employ comparable methods for team evaluation, with the specific tools being subject to the preferences of each investor.

“Risk factors or team analysis is made by asking around, making phone calls to previous work partners, requesting CV's and just spending time with the team.” (Interviewee 1)

Teams undergo assessment primarily on their historical track record rather than their present performance capabilities. Another factor influencing investor's decisions is more elusive, with one interviewee describing it as a sense or intuition.

“We take our time to get to know the management team. We ask CV's, recommendations, and previous track records. Over the years you develop a sense, to filter out the teams that have a strong passion towards what they do. And that's actually what I invest in. So, I would say intuition has a big role, because you can't predict the future.”
(Interviewee 3)

Consequently, a team that has demonstrated past success, even if currently facing burnout and potential dissolution, stands a good chance of securing investment as long as they present themselves favorably. The challenge lies in the absence of any other logical tools or methods readily available for VC or PE investors.

“When you make an investment the cost of the due diligence is around 10% of the sale. So let's say you're buying a company for 3 million euros. The amount of cost would be around 300,000 euros. I would need a concrete reason why I need to pay extra on top of the initial 300,000 euros for someone else to do a team analysis for me.” (Interviewee 2)

Each investor employs the mentioned tools in unique ways, making every team evaluation subjective to the preferences of the investor. Nevertheless, the common goal for both VC and PE investors in evaluating teams is to anticipate the likelihood of achieving a profitable outcome.

4.2.3 Evaluation is used to forecast properties of the future partnership

The third segment identified in the coding process of quantitative data is forecasting the future. Both VC and PE investors engage in attempting to forecast the future. They do this by assuming the investment has been finalized. The key questions involve understanding how the team will function post-investment. Is modification required, and to what extent?

“I would value a thorough analysis of the management team before the investment, even if the results of the analysis might not affect my decision to invest. However, if a team analysis provides me with information to better prepare for the change's needed in the management team, after the investment, I would pay for that service. Because this would enable me to calculate my costs and the time needed for the new team to become profitable.” (Interviewee 2)

Forecasting extends beyond the consideration of whether modifications are implemented within the team. Another crucial aspect involves predicting the investor's capacity to steer the team towards success for the mutual benefit of all stakeholders.

Following the investment, VC and PE investors play an advisory role by offering counsel, coaching, and mentoring to the management team. The guidance provided by the investor is tailored to what they perceive the team requires. Consequently, investors grapple with the question, as articulated by one interviewee: "Am I capable of mentoring this team?" (Interviewee 1). However, accurately forecasting one's mentoring abilities becomes challenging when the available data or information about the team to be mentored is insufficient.

"After the investment we work as mentor's or coach's so having an analysis would give us a deeper understanding of how to approach the team and help them on their path. Currently we mentor our portfolio teams based on what we think the team needs and not based on actual concrete information." (Interviewee 3).

Predicting the future remains an elusive task, regardless of the volume of available data. Nonetheless, having a substantial amount of information does facilitate the process. Incorrect decisions in team modification, mentoring, or overall investment in an unsuitable team can result in consequences beyond mere financial loss - namely, damage to one's reputation.

"Having a good reputation as an investor is critical. Especially in a small country like Finland, you want to have a good reputation." (Interviewee 2)

In the world of venture capital and private equity, where trust and credibility are paramount, a tarnished reputation can hinder future opportunities. Therefore, the importance of thorough evaluation, strategic decision-making, and practical forecasting cannot be overstated in the dynamic landscape of investment and team management.

Each investor approaches team evaluations and projections uniquely, yet the overarching objective is consistent - profit. As evaluations, projections, and forecasts progress, there comes a moment where they transition into a commitment. This commitment signifies a unified pact wherein both the investor and the investee mutually agree to assume responsibility for constructing a profitable company that benefits all stakeholders. This shared commitment is metaphorically referred to as a "marriage" in the context of this discussion.

4.2.4 Concept of marriage between investor and investee

In the qualitative research phase, VC investors frequently drew parallels to marriage when characterizing their association with portfolio companies. The analogy underscores the commitment required from both parties to ensure the success of the partnership. This commitment thrives and expands when there is a shared sense of understanding, alignment, or, as articulated by the interviewees, a chemistry between the investors and the investees.

“For VC investors it’s important to have a good chemistry with the management and/or the founder team. Because it’s like a marriage that will last a long time. Typically, the path is 5-10 years. So, it’s essential that the team and the investor actually like each other and get along. Another thing is that the team needs to be committed. Usually in the startup world the team or individuals in the team have side hustles. This takes focus and resources away and is generally disliked.” (Interviewee 1)

The significance of the VC investor's connection with the management team extends beyond mere commitment and good chemistry to include shared values.

“The relationship is like a marriage. It's important to have similar values for the partnership to be profitable. We value transparency, honesty, responsibility, and cooperation.” (Interviewee 3)

Contrary to VC investors, PE investors did not place as much value on the relationship to the extent of likening it to a marriage.

“After the investment we as investors participate actively in achieving both short- and long-term goals alongside the management team. We provide mentoring, networks, and necessary resources to solve challenges hindering the company. For us active participation means that we are available every day of the week. It’s nice if we get a long, but it’s not essential as long as it does not affect the work.” (Interviewee 2)

This distinction reflects the differing perspectives each investor type holds regarding the depth and nature of their relationships with portfolio companies. While VC investors emphasize a marriage-like commitment, PE investors may view the association through a different lens, prioritizing alternative aspects of their engagement.

PE investors assume a role similar to VC investors post-investment. However, given that PE enters more mature companies with established structures independent of founders, the investor-investee relationship is not as intimate compared to that between VC investors and their investees.

Findings indicate that both VC and PE investors extensively assess the management team both before and after investment. Utilizing available tools, investors calculate risks associated with the team; high risks may deter investment, while acceptable risks prompt an examination of the time and resources required to build a high-performing team. Critical tools for these calculations include CVs, recommendations, past track records, interviews, and intuition.

The subsequent section of this thesis aims to integrate results from both quantitative and qualitative research. The objective is to present comprehensive findings from both research approaches, highlighting the advantages of adopting a relational perspective in team analysis before making investment decisions.

4.3 Advantages of Incorporating a Relational Perspective in Team Analysis for PE and VC Investors

In the investment landscape, teams serve as the fundamental pillars of success, comprising individuals with a shared goal who collaborate through their interpersonal relationships. Examining the strength of these relationships enables investors to assess risks more accurately and forecast future investments with heightened precision.

Both VC and PE investors recognize the critical role of teams in influencing the profitability of their investments. They endeavor to evaluate these teams using available means, laying the groundwork for anticipating diverse potential outcomes. Should these forecasts prove favorable, partnerships are established.

The adoption of a relational perspective in team analysis represents a transformative paradigm, offering comprehensive, in-depth, and multilayered insights. Departing from the scrutiny of individual team members in isolation, this approach delves into the interplay and connections among team members. The outcome is a holistic understanding of the team as a unified entity, dispelling ambiguity surrounding what distinguishes a great team from a less effective one.

Qualitative data exposes the challenge investors face in articulating their needs precisely, as they seek intangible qualities like team chemistry and core values that vary across teams. Consequently, investors often resort to relying on experience, categorizing teams simply as good or bad investments.

A holistic and comprehensive understanding of the team is essential for both VC and PE investors, though their motivations differ. While both prefer long-term investments, PE investors may aim to

modify specific elements within the team. However, altering one part inevitably impacts the entire team, making a one-size-fits-all approach impractical and carrying significant risks, including potential damage to an investor's reputation, as revealed in qualitative interviews.

For VC investors, the depth of insight provided by the relational perspective is crucial in cultivating a symbiotic relationship with the management team. VC investors prioritize team performance, core values, commitment, chemistry, and effective communication, among other factors. These aspects are easily gauged within the team dynamic. If team members demonstrate mutual trust, psychological safety, and open communication amongst themselves, they are likely to establish a similar bond with the investor.

5. Discussion

The concluding chapter will showcase essential discoveries from both quantitative and qualitative research. In this chapter, the thesis will derive conclusions based on the findings and the underlying theoretical framework, offering recommendations for enhancing the decision-making process for investors. Additionally, in light of the research's limitations, the author will also propose areas for future studies.

5.1 Key findings of the research

Management teams hold varying levels of importance for investors, particularly contingent on company size and stage of growth. Early-stage investors, excluding angel investors in the seed stage, place heightened significance on the team. Venture capitalist's step in after initial stages, assessing teams alongside product viability, revenue, and business profitability. VC's often prioritize team quality over the business idea itself. They emphasize that a proficient team, equipped with expertise, motivation, and commitment, can adapt even if the initial concept falters. The thesis interview with VC's underscore the pivotal role teams play in investment outcomes. Hence, discerning between strong and weak teams is crucial. VC's stress the need to make this distinction, as a deficient team may lead to investment rejection, even with a solid business concept.

Both VC and PE investors value teams, albeit with different perspectives. VC's seek teams poised for business growth, while PE investors look for teams adaptable to refinement. Regardless, both investor groups acknowledge the critical influence of teams on their investments.

Before investing, both VC and PE investors evaluate the teams they are considering, although the specific timing for this assessment varies and will not be detailed in this thesis. Instead, the focus is on the tools employed by investors to appraise teams prior to investment decisions. Both VC and PE investors employ similar methods for team evaluation, although the tools are subjective to each investor. They assess risk factors and team dynamics by seeking input from industry contacts, contacting previous colleagues, requesting CV's, and spending time with the team. Teams are evaluated based on their past track records rather than their current capabilities, with many investors relying on their intuition.

Hence, a team that has previously demonstrated strong performance but is currently facing burn-out or instability may still secure investment as long as they present themselves well. The challenge lies in the absence of alternative, concrete tools or methods for VC or PE investors. Each in-

vestor employs the mentioned tools differently, making team evaluation a subjective process. Despite variations in how these tools are applied, the core purpose behind evaluating teams remains the same for both VC and PE investors: to predict the likelihood of achieving profitability.

Viewed through a relational lens, team issues are seen as challenges that have a ripple effect on the entire team. This perspective underscores the significance of scrutinizing not just the interactions among team members but also the relationships each member forges with the team as a cohesive unit. As risks within teams are identified, it becomes clear that these risks frequently manifest as more extensive problems that impact work groups and the overall work environment. Relational perspective accentuates the interdependence of team dynamics and underscores the imperative to tackle and relieve these issues to enhance the team's overall well-being and performance.

For investors, this provides valuable insights, making it easier to assess whether to invest in the team. In terms of forecasting, venture capitalists can identify optimal approaches to mentor and coach the team, leveraging a deeper understanding of their relational dynamics. Private equity investors gain a more accurate perspective on areas that require attention and potential modification, enabling them to navigate the complexities of team dynamics with greater precision and foresight.

With a thorough understanding of the pivotal role that management teams play in investment decisions and the various factors that influence these evaluations, the author proceed to the recommendation section, where the thesis will offer concrete guidance to aid investors in their decision-making process.

5.2 Recommendations

Armed with a comprehensive understanding of the pivotal role that management teams play in investment decisions and the various factors influencing these evaluations, this thesis now delves into the recommendation section. This section extends its guidance to multiple stakeholders. It equips investors with practical insights to refine their decision-making processes, provides valuable recommendations to the commissioning company, and empowers management teams seeking investment from private equity or venture capital investors. These recommendations aim to enhance and strengthen the commissioning company, investors, and management team's positioning in the fiercely competitive investment landscape.

5.2.1 Commissioning company

The information utilized by the commissioning company has a long-standing history, with extensive research in disciplines like sociology, anthropology, and psychology. Despite this wealth of knowledge, investors and management teams often remain unaware of these research findings.

Thus, the commissioning company plays a crucial role in bridging the gap between the scientific and investment realms. The current translation of research into practical application is time-consuming. To be more effective as a viable service, the research must yield faster results and be presented in a comprehensible manner while upholding scientific rigor and research standards.

The primary challenge faced by the commissioning company lies in its relative obscurity. Management teams and investors are unaware of its existence. To address this, raising awareness through marketing initiatives is essential. Additionally, offering different prospects the opportunity to test the analysis and experience the results firsthand, potentially through a smaller, free version of the quantitative analysis, can significantly enhance the company's visibility and attract interest.

5.2.2 VC and PE investors

Some investors find solace in relying on intuition and past track records for their decision-making process. Venture capitalists and private equity investors, in particular, tend to possess extensive knowledge and maintain a vast network of experts to consult before committing to an investment in any company.

However, incorporating a relational perspective into their approach doesn't contradict the use of intuition; instead, it complements it by providing additional valuable information. Investors who possess precise criteria for the types of businesses they seek to invest in should extend that precision to defining the types of teams they're interested in. Given the significant impact of teams on investment profitability, dedicating more time and resources to the evaluation process is imperative.

The initial step in this endeavor involves recognizing that teams are intricate and multifaceted entities, characterized by ambiguity and complexity. Relying solely on interviews, CVs, track records, and intuition falls short of providing the comprehensive understanding required to assess these intricate entities.

Scientific evidence from various multidisciplinary fields attests to the efficacy of a relational perspective. What remains is the willingness to implement this perspective in real-life investment decisions. It's essential to acknowledge that the results obtained through a relational perspective are informational and should coexist alongside the option of using one's intuition in the decision-making process.

5.2.3 Management teams

Within the realm of investment and decision-making, the role of management teams is undeniably critical to an organization's success. The capability of these teams to function harmoniously and

make well-informed choices stands as a cornerstone for favorable outcomes. As this thesis delves into the recommendation section, the author emphasizes the profound impact of relational analysis as a potent tool for management teams in their quest to boost their effectiveness and achieve superior results.

In this context, this thesis will outline two fundamental reasons why management teams should wholeheartedly embrace relational analysis, a practice that is essential for their ongoing success:

1. Relational analysis fosters an environment in which team dynamics are notably improved. It amplifies trust, enhances communication, and encourages collaboration, resulting in a more cohesive and effective team. To put this into practice, management teams should consider conducting team-building exercises, fostering open communication, and facilitating trust-building sessions among team members.

2. Exploring the details of relational team analysis results, management teams are better equipped to make informed decisions regarding their own team. Additionally, they can proactively address issues, thereby creating a supportive work environment that boosts mental performance and productivity. To implement this, management teams should integrate relational analysis into their decision-making processes, conduct regular assessments of team dynamics, and employ conflict resolution techniques to create a harmonious work environment. This, in turn, aligns with the overarching goal of optimizing investment strategies and decision-making processes.

5.3 Proposals for further research

This thesis is focused on the feasibility of applying a relational perspective as a tool for team analysis to benefit investors. However, it is essential to investigate **the willingness of investors** to adopt such assessments, despite the potential advantages of organizational behavioral assessments. What has been the underlying reason for investors to rely primarily on their intuition for so long? What barriers or factors might be hindering venture capital and private equity investors from embracing these assessments and analyses? Could it be cost-related, or is it simply a lack of awareness about the existence and potential benefits of these assessments?

Given that this proposal aims to gain deeper insights into the decision-making processes of investors, it is advisable to conduct research using a qualitative approach. To facilitate discussions during interviews, a semi-structured format should be employed.

It's worth noting that investor behavior can vary significantly based on different investment cycles. Therefore, for a comprehensive understanding, investors can be categorized based on the total investment sums. For instance, investors who allocate under 2 million in one category, 2-5 million in

a second category, 5-10 million in a third category, and 10 million or more in a fourth category can be considered for analysis.

Another potential avenue for future research involves an exploration of management teams within late-stage start-ups and growth companies. During the application of quantitative research, it became evident that **management teams** in these organizations tend to prioritize the business aspects, with team growth and well-being often taking a backseat. Team building activities are occasionally seen as leisure, akin to holiday celebrations. Paradoxically, it is these very teams that hold significant value for investors, with venture capitalists emphasizing their importance even over the business itself. The underlying reasons for this disconnect raise fascinating questions. Could it be due to a lack of leadership skills within these nascent organizations? Or is it a result of their relentless focus on daily operational tasks, preventing them from recognizing the potential benefits of effective teamwork?

Conducting research on management teams presents a unique set of challenges, as no two teams are alike. For this reason, a comprehensive research approach should commence with qualitative research. This initial phase seeks to gain a general understanding of the importance management teams place on teamwork. Key inquiries should revolve around whether team growth is integrated into their business strategy, the level of education and experience the management team possesses in team building, and the amount of time allocated on a weekly basis to team building and analysis activities.

These research areas hold the potential to enhance our understanding of team dynamics, decision-making processes, and the complex interplay between investors and management teams in the dynamic world of investments.

5.4 Validity, Reliability, and Ethics of the research

The quantitative analysis survey is structured into dimensions, and the outcomes of these dimensions can be found in sections 4.1, 4.2, and 4.3. Each dimension comprises several questions. It's important to note that the questions within these dimensions are considered internal trade secrets by the commissioning company, making them inaccessible for public validation or reproduction to ensure reliability.

Despite the constraints posed by these trade secrets, it is crucial to address certain considerations that demonstrate an enhancement in the survey's validity. Dimensions such as trust, innovation, or collaboration are inherently broad and subject to varied interpretations. To mitigate this potential source of ambiguity, the author of this thesis personally attended the survey sessions with each team and its members. This direct involvement was necessary to ensure that team members

shared a consistent and precise understanding of the dimensions defined by the commissioning company.

Internal consistency reliability of the survey analysis was conducted by utilizing SPSS program. Value of Cronbach's Alpha across all dimensions was consistently above $\alpha = 0.82$. For comparison and interpretation see Table 11.

Table 11. Cronbach's Alpha: Definition, Interpretation, SPSS (Glen s.a.)

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

In the qualitative study, including interviews with three investors and subsequent content analysis, establishing the validity and reliability of the collected data posed distinctive challenges inherent to qualitative research's interpretive and subjective nature. These challenges were addressed by adopting several key strategies. By doing so, not only does the thesis aim to uphold ethical principles, but to also enhance the objectivity and validity of the findings.

One essential approach involved embracing researcher reflexivity. Throughout the study, the author conscientiously acknowledged the potential influence of one's own subjectivity and personal biases, actively working to minimize their impact on the data collection process.

To ensure the comprehensiveness of the data collected, interview protocols were carefully formulated before conducting the interviews. These protocols featured open-ended questions and probing prompts, particularly designed to cover all relevant topics and research objectives. This consistency in the interview structure reinforced the validity of the data by ensuring that all relevant areas of inquiry were systematically explored during the interviews.

Furthermore, a member-checking technique was integrated into the methodology. After each interview, every participant was invited to review the interview transcripts. This process enabled participants to validate the accuracy of their responses and offered them the opportunity to provide corrections or clarifications as needed. As a result, this member-checking procedure strengthened the accuracy and reliability of the data, ensuring that it ethically represented the perspectives of the participants.

5.5 Reflection on learning

As I pen down this thesis, my personal goals involved finishing a master's thesis and, potentially, delving into the challenges of a PhD thesis in the future. Nevertheless, I confess that at the outset of this thesis journey, concerns loomed large. The project seemed formidable, demanding proficiency in both quantitative and qualitative research methods—fields where my knowledge was somewhat limited.

Balancing my roles as a father, employee, and business owner with the demands of the thesis presented a constant challenge. To overcome this constraint, I decided to allocate time from my professional responsibilities, organizing my schedule to dedicate myself to the thesis project.

Upon reflecting on the workload and timeline, I am confident that for my future master's and potentially PhD theses, I will allocate plenty of time. It is worth noting that this bachelor's thesis was carried out under the constraints of tight deadlines and limited time. Early planning, proficient time management and enhancing my research skills will assist me in executing my future research endeavors with increased smoothness and efficiency.

Despite the constraints of limited time, an overwhelming transformation took place within me during this journey. I discovered a continuing passion for the research process, which led me to realize that my inclination leans more toward qualitative research. I find myself drawn to the pursuit of a deeper understanding of phenomena. This newfound appreciation for qualitative research is aligned with my aspirations to further my studies in the field of management and organizational behavior, making this journey a fulfilling one.

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Appendices

Appendix 1.

Team size and field of operation of the groups that participated in the quantitative research

Team	One	Two	Three	Four	Five
Team size	5	6	6	6	12
Field	Production	IT	Sales	C-suite executives	Creative

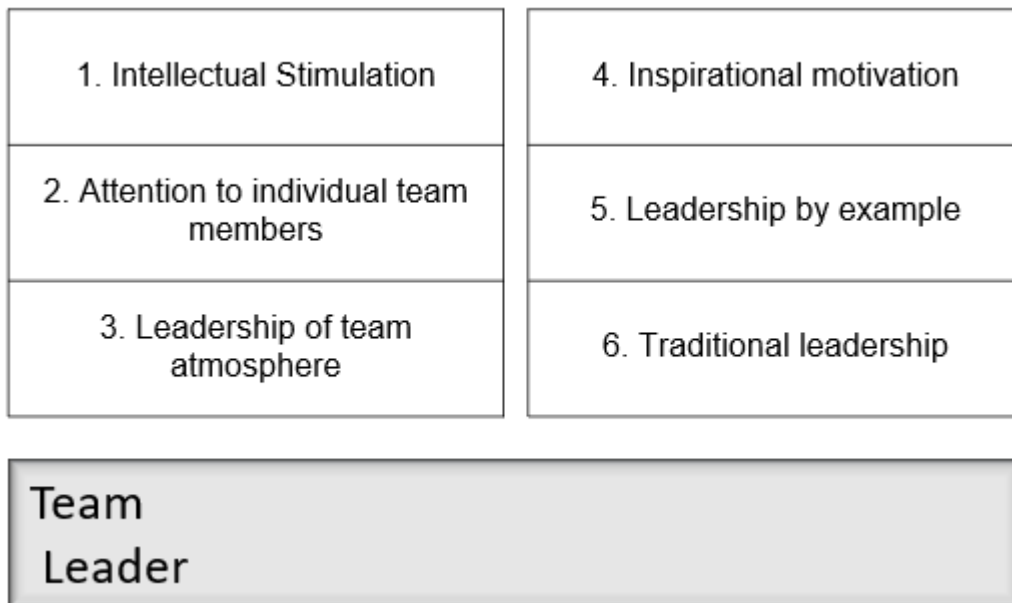
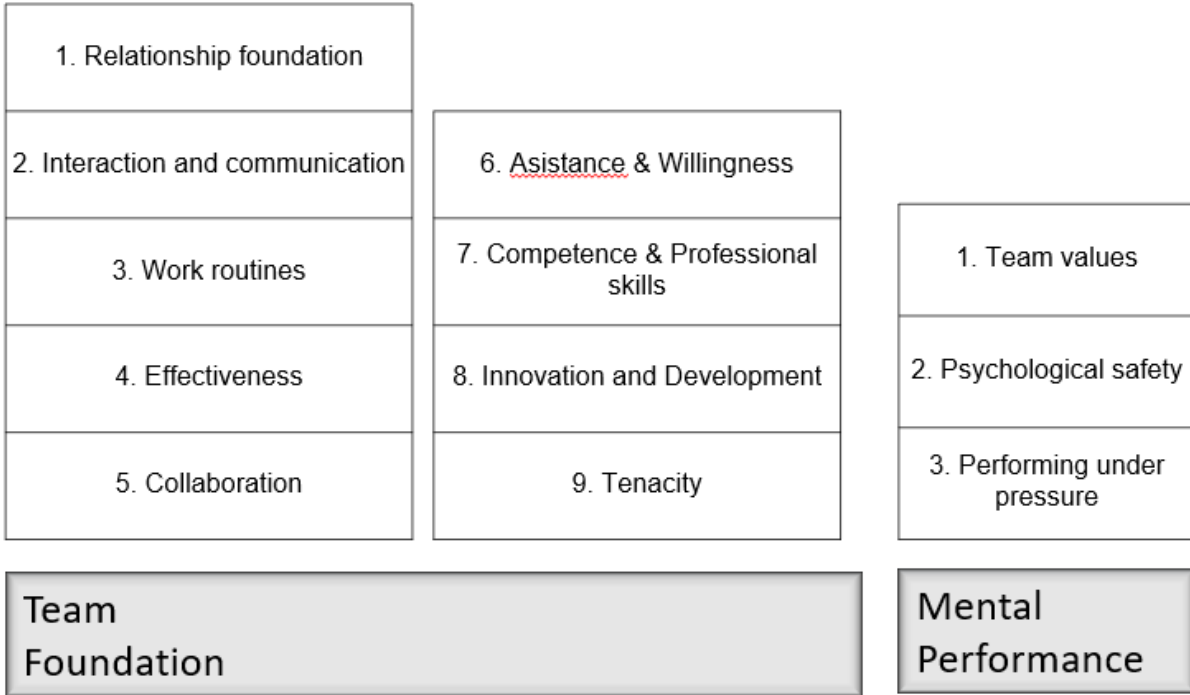
Appendix 2.

Qualitative content analysis codes and corresponding coding rules

Code	Code Description
Future	Factors that are taken into consideration by the investor, before investment and are under the control of the investor to be modified or left untouched after the investment.
Importance	The importance of teams for investors before investment.
Marriage	Factors related to chemistry and commitment, between the team and the investors.
Investigation	Methods used by investors to evaluate teams before investment.

Appendix 3.

18 Dimensions of the quantitative Research



Appendix 4.

Open-ended semi-structured interview questions of qualitative research

Question	Mandatory	Clarification - optional
1	In your investment decision-making process, how significant is the role of teams?	Could you share specific instances where team dynamics influenced your investment choices?
2	When evaluating teams for investment, what specific risks do you prioritize?	Are there particular challenges or factors that stand out in your risk assessment?
3	Can you elaborate on the tools or methods you typically use to assess teams before making investment decisions?	How do these tools contribute to your overall evaluation process?