

New Ventures' Inherent Resilience to the Negative Consequences of Shared Leadership

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Abstract

While shared leadership is increasingly recognized for its positive impact on early-stage business performance, contemporary literature has begun exploring its "dark side" or negative consequences. However, because these negative consequences have predominantly been investigated within structured, mature corporations, their manifestation within more volatile early-stage environments remains largely underexplored. This thesis addresses this gap by investigating how shared leadership emerges and functions in new ventures, identifying its potential negative consequences, and exploring how co-founders actively mitigate these risks.

Adopting an exploratory qualitative research design we conducted semi-structured interviews with co-founders across five nascent ventures within the Öresund region. The empirical data was analyzed using the thematic analysis framework by Braun & Clarke (2006).

Our findings reveal that the dark sides of shared leadership operate under fundamentally different boundary conditions in early-stage ventures compared to established corporations. Critically, destructive interpersonal rifts, such as power struggles and knowledge hiding, are largely absent.

Ultimately, this study advances literature by showing that corporate leadership risks do not directly transfer to startups, where survival demands a low-ego "venture-first unity". While shared leadership inherently reduces decision-making speeds, practitioners can effectively mitigate this friction by structuring teams around non-overlapping expertise and continuous goal-setting.

Keywords: Shared Leadership, New Venture, Startup, Decision-Making, Ego, Entrepreneurship, Negative Consequences.

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1. Introduction

This chapter will provide an overview of why leadership is important in new venture creation, popular leadership approaches and shared leadership. This is followed by a presentation of the problem discussion and aim of the thesis, as well as the research question and subquestion.

1.1 Background

1.1.1. Leadership in new ventures

The leadership requirements of new ventures differ significantly from those of mature corporations. This divergence stems from the "liability of newness," a term coined by Starr and MacMillan (1990) to describe the fragile nature of new organisations. While traditional leadership often focuses on optimizing established processes, new ventures demand a more resilient, adaptive and flexible approach.

In the meantime, poor leadership is one of the main reasons why new ventures fail (Gaskill, Van Auken & Manning, 1993). The leader’s behaviour is a highly important aspect when it comes to the performance of a project (Ahmad et al. 2022). Vertical leadership has traditionally been the most adopted approach to leadership. However this perspective has incrementally changed over the past few decades as other approaches to leadership have been examined (Ensley et al. 2006).

Current research highlights that top-down management styles aimed at maximizing stability and efficiency are often fundamentally incompatible with the fluid needs of a startup (Huang et al. 2014; Yu et al. 2022). Instead, transformational models, such as entrepreneurial leadership, have emerged as the preferred mechanisms for navigating early-stage complexities (Huang et al. 2014). This emphasis on transformational dynamics is highly dependent on the venture's developmental stage. As Baldegger and Gast (2016) observe, leadership requirements evolve across a company's lifecycle, while later growth phases often necessitate a shift toward structured, transactional styles, the initial phase relies heavily on transformational approaches. Because this thesis focuses exclusively on this nascent, highly volatile stage of the journey, it prioritizes these adaptive, collective frameworks. Prominent among these is the phenomenon of

shared leadership (Pearce & Conger, 2003), a model that departs from single-leader dynamics to distribute authority across the team, serving as the core focus of this study.

1.1.2 Shared Leadership

Shared Leadership can be defined as a type of leadership that stems from a group of people rather than an individual person, when several people lead each other (Wassenaar et al. 2025). Unlike more traditional leadership, where one person leads a group of people, leadership is here seen as an activity that can be conducted by any member of the group (Pearce & Conger, 2003).

Shared leadership is widely understood as the process of influence from different members in a team, with different members, both official and unofficial leaders, influencing at the same time, over a long time (Ensley et al. 2006). Zhou (2016) describes it as a dynamic, interactive influence process where leadership is distributed across a team rather than centralized in a single individual. Lyndon & Pandey (2021) claim that shared leadership emerges when team members get to know each other's strengths and weaknesses and gain trust in each other. In this process, leadership is claimed and granted continuously, by and among the team's members.

Compared to vertical leadership, where there is one formal leader, shared leadership can add value in addition to only using vertical leadership. Especially in the early phases of new ventures, once the business starts gaining some traction and the leadership responsibility becomes too large for one person. In these settings, the implementation of shared leadership has positive effects on the performance of the new venture (Ensley et al. 2006). It also impacts the performance in an entrepreneurial setting positively (Zhou, 2016).

Soo, Kim & Beyerlein (2024) examined how shared leadership can lead to better results. They concluded that trust within teams was strengthened via shared leadership and additionally that it improved the team's performance. Manz and Sims (1984 cited in Ensley et. al., 2006) state that formal leadership structures often do not exist in teams that perform exceedingly well. Formal leadership structures are instead replaced by an impromptu structure where the one most suitable,

based on skills, abilities or knowledge, offers their opinions on different matters (Ensley et al. 2006).

Recently, a new stream of shared leadership literature has begun to analyze the negative consequences or "dark sides" of implementing this approach to leadership, leading to potential negative consequences for team members, formal team leaders and the teams as a whole (Chen & Zhang, 2023). Researchers have found that, despite its benefits, shared leadership can also lead to negative consequences, such as power struggles (Ji, 2018 cited in Chen & Zhang, 2023), decline in leadership motivation (Zhu et al. 2018; Chen & Zhang, 2023) and low decision making-efficiency (Zhu et al. 2018; Kaur, 2013 cited in Chen & Zhang, 2023). However, these studies have focused on shared leadership in established organisations. Therefore, the perspective of potential negative consequences of shared leadership in new ventures has not yet been sufficiently analyzed.

1.2 Definition of Key Concepts

New Venture: An early-stage, newly established business characterized by high levels of operational uncertainty, environmental volatility, and resource scarcity. Within the scope of this study, this term refers specifically to nascent and early-growth companies that are at most five years old and still navigating the transition from conceptualization to market entry.

Shared Leadership: A dynamic, interactive influence process among individuals in groups for which the objective is to lead one another to the achievement of group or organisational goals, or both (Wassenaar et al. 2025).

Co-founders: The individuals responsible for launching and driving a new venture. They do not need to have joined the company at the exact same moment, but they must hold equity and view themselves as partners on the founding team.

1.3 Aim and Problem Discussion

Given their nascent nature, new ventures typically operate within highly uncertain and "weak" situations (Ensley et al. 2006), where behavioral expectations for leaders have yet to be established (Mischel, 1977 cited in Ensley et al. 2006). In these ambiguous environments, organisational outcomes become disproportionately dependent on top management's action, contrasting with more structured, certain contexts where impact is more evenly divided across the workforce (Mullins & Cummings, 1999). Consequently, Ensley et al. (2006) describe that the actions of top management carry a far greater impact in entrepreneurial settings than in mature corporations. When this heightened influence is coupled with the fact that leadership deficiencies are a primary driver of startup failure (Gaskill et al. 1993), the empirical necessity of researching leadership structures and phenomena within new ventures becomes clear.

A lot of research has been conducted on the topic of shared leadership within new ventures (Lyndon & Pandey, 2021; Qian et al. 2023; Ensley et al. 2006; Zhou, 2016). However most of the research on shared leadership has been done with the aim to identify benefits and potential positive impacts (Chen & Zhang, 2023) as a type of leadership that can add value to a vertical leadership (Ensley et al. 2006), improving the performance of a team (Zhou, 2016). Concerns about the potential negative consequences of using shared leadership in established ventures and organisations have been expressed by Pearce et al. (2007) and by Zhu et al. (2018; Chen & Zhang, 2023), who pointed it out as something that can be time-consuming, and have negative effects on team members, formal leaders and work groups. Chen & Zhang (2023) conducted a systematic review on literature regarding the potential "dark sides" of shared leadership. However, the potential negative consequences of shared leadership in the setting of new ventures remains largely underexplored. Because leadership in new ventures carries disproportionate importance compared to established organisations (Ahmad et al. 2022), it is crucial to examine the potential risks of implementing a shared leadership model within these settings. This thesis aims to examine the potential negative consequences of shared leadership in new ventures by looking at nascent companies that implement shared leadership among co-founders in the Öresund region.

1.4 Research Question

The aim of the thesis is to answer the following research question:

- *How does shared leadership emerge and function in new ventures, and what are the potential negative consequences?*

With the subquestion being:

- *How do co-founders mitigate the potential negative consequences of shared leadership?*

1.5 Academic contributions and relevance

Contemporary literature offers extensive insights into the benefits of diverse leadership styles, particularly entrepreneurial and shared leadership (Ensley et al. 2006; Zhou, 2016; Soo et al. 2024). Consequently, there is a critical need for a more balanced perspective on the operational effects of shared leadership. Because studies addressing the negative consequences of this leadership model have predominantly been conducted within established organisations, its negative consequences within early-stage environments remain unexplored. Given that leadership efficacy is a primary determinant of new venture survival (Mullins & Cummings, 1999), critically examining the risks and boundary conditions of shared leadership in the setting of new ventures is of high empirical relevance.

The limited research that does investigate the "dark side" of shared leadership typically assumes a structured corporate environment. For instance, a prominent literature review by Chen and Zhang (2023) categorizes the negative consequences of shared leadership into three distinct domains: the individual, the founder, and the team level. However, this thesis aims to contribute to the field by exploring how, and if, these negative effects manifest in a startup environment, where high uncertainty causes these traditional boundaries to blur into a single overlapping domain.

In addition to the negative effects, it is important to understand how shared leadership actually originates. Therefore, this thesis explores how co-founders first decide to share leadership, and

how their early goals and relationships shape this setup. By looking at both the challenges of shared leadership and the strategies founders use to handle them, this study provides a realistic, practical view of how these teams work in action.

Ultimately, this study aims to contribute to the academic fields of entrepreneurship and leadership studies. It achieves this by establishing a comprehensive understanding of the potential negative consequences of shared leadership, identifying how these structures emerge among co-founders, and highlighting the proactive strategies utilized to navigate and mitigate these risks.

1.6 Delimitations

To maintain a precise analytical focus, this study is subject to three primary delimitations. First, it focuses exclusively on the qualitative, lived experiences of co-founders rather than measuring quantitative financial performance or long-term venture success. Second, the scope of the thesis is restricted strictly to the perspectives of the founding team, so it does not account for the experiences of early employees, interns, or external advisors. Finally, the empirical data is geographically bound to early-stage ventures operating within the Öresund region.

1.7 Outline of the Thesis

The thesis is divided into six main sections. The introductory chapter presents the background, aim and purpose, research questions, and the study's delimitations. In chapter two, the theoretical framework is presented. Chapter three describes the study's methodological approach, including semi-structured interviews and thematic analysis. The fourth chapter presents empirical findings from our data collection. In the fifth chapter, the implications of the findings are discussed in relation to the theoretical framework and previous research. Finally, the study's primary conclusions are summarized in the sixth chapter.

2. Theoretical framework

This chapter provides the theoretical framework and a review of relevant previous research, forming the conceptual basis for the subsequent empirical analysis. Furthermore, this section

contextualizes our research questions within the broader scientific area and clarifies how this thesis contributes to the existing academic discourse.

2.1 New Venture Development

In many aspects, a newly established venture is more accurately characterized as an experiment as opposed to a fully functional and established business. Operating in this nascent phase, these early-stage companies are subject to a condition commonly referred to as the "liability of newness" (Starr & MacMillan, 1990). This concept describes the profound inherent volatility, uncertainty, and high risk of failure that face newly founded organisations as they attempt to establish themselves in the market.

While traditional organisational frameworks assume a rigid, linear lifecycle spanning three to eleven sequential stages (Levie & Lichtenstein, 2010), contemporary research rejects this deterministic view. Instead, venture development is increasingly recognized as a fluid, dynamic process driven by shifting market opportunities rather than a predetermined internal clock. While traditional metrics of structure and growth still help evaluate a venture's current state, our fundamental understanding of organisational evolution has become much more dynamic.

2.2 Leadership in New Ventures

In the nascent stages of a venture, extreme uncertainty necessitates a dynamic form of leadership capable of rapid adaptability (Liu et al. 2023). Entrepreneurial leaders address this volatility by absorbing uncertainty while simultaneously developing strategic flexibility, the role of the leader at this stage is to remain a clear visionary anchor while at the same time being able to constantly and recombine resources to meet shifting external demands (Yu et al. 2022).

2.2.1 Transformational leadership

In contrast to transactional approaches focused on short-term exchanges or rigid corporate hierarchies, transformational leadership aims to redirect individual motivations toward collective goals and the organisational "greater good" (Burns, 1978). Bass (1985) operationalises this through four core dimensions: idealized influence (acting as role models), inspirational

motivation (communicating high expectations), intellectual stimulation (challenging standard assumptions), and individualized consideration (providing socio-emotional support). While these dimensions are traditionally examined within vertical corporate structures, early-stage ventures rely heavily on collective transformational dynamics to empower individuals into autonomous decision-makers. This collaborative orientation directly lays the groundwork for shared leadership, where founding team members interchangeably assume fluid leadership roles depending on immediate operational demands.

2.2.2 The progression of new venture leadership

As the organisation matures and establishes itself, leadership requirements undergo a fundamental evolution. There are three distinct transitions that characterizes the evolution of the stereotypical leadership in a startup to an early growth venture (Baldegger & Gast, 2016).

The first transition in leadership style looks at managerial focus. As the business grows the focus shifts from the external to the internal. Less emphasis is placed on products, customers and financial stability and the focus is instead directed towards organisational development, employee management, and the optimization of internal processes (Baldegger & Gast, 2016).

The second shift is one of employee selection. The deciding factors of hiring an employee in a new startup venture is often based on the "person-founder-fit", where the CEO selects employees based on shared values, characteristics and a gut feeling (Baldegger & Gast, 2016). A different set of criteria arises when the business starts growing. A bigger emphasis is put on "person-organisation fit" meaning that the new hire needs to fit within their team and the entire culture of the organisation as opposed to only appealing to the founder themself (Baldegger & Gast, 2016).

The last, but most profound change, focuses on the change from transformational leadership to a leadership style that is better described as transactional. A growing business with added size and complexity necessitates a leadership style that prioritizes delegation, formal structures and only intervenes when absolutely necessary, as opposed to the transformational leader who focuses much more on a shared vision and high personal involvement (Baldegger & Gast, 2016).

In contrast to the transactional frameworks required by more established ventures, leadership within early-stage ventures frequently prioritizes the realization of collective goals and decision-making driven by the greater good of the company. A common leadership structure utilized within these environments that aligns closely with the transformational values of empowering the collective is shared leadership. Rather than relying on a single individual, shared leadership stems from a distributed group. In this collaborative model, multiple individuals lead one another interchangeably, shouldering diverse responsibilities in different operational domains across the organisation. (Wassenaar et al. 2025).

Ultimately, at its fundamental core, shared leadership aims to elevate followers into leaders themselves. This dynamic closely mirrors the third dimension of transformational leadership as articulated by Bass (1985), which posits that leaders must actively challenge the status quo and embolden their followers to critically reassess entrenched problems and their own assumptions. By deliberately integrating followers into the complex problem-solving process, organisations can successfully generate a much deeper, intrinsic commitment to the organisation's overarching goals (Bass, 1985).

2.3 Shared Leadership

While these foundational theories illustrate how shared leadership roots itself in transformational values, understanding its operational reality requires a closer examination of the concept on its own terms. Therefore, the following section explores contemporary frameworks of shared leadership and its evolving role in modern organisations.

2.3.1 The contemporary view on Shared Leadership

The view on how organisations work has changed. Now it is seen as "a living, dynamic system of interconnected relationships and networks of influence" (Fletcher & Käufer, 2003 in Pearce & Conger, 2003, p. 21). This changing view on what an organisation is has also changed the view on what effective leadership is. Rather than leadership being up to one strong leader, new leadership models suggest that the effectiveness in organisations is decided by "leadership practices embedded in a system of interdependencies at different levels within the organization" (Fletcher & Käufer in Pearce & Conger, 2003, p. 21).

Albrecht (2024) claims that the increased rights of employees and the search for more talented employees has led to a need for new approaches to leadership. Hierarchy, motivation and leadership styles needed to change. Instead of more vertical hierarchies, they now need to be flat. Motivation has moved from extrinsic to intrinsic. Approaches to leadership have gone from transactional to transformational. He presents research from Small & Rentsch (2010 cited in Albrecht, 2024) that shared leadership, where the whole team is involved, comes with expectations of team members in the form of high team consistency and a great sense of belonging. The motivation and will to perform gets larger thanks to tasks being varied and responsibilities being delegated, leading to more effective teams.

Wickert & de Bakker (2019 cited in Albrecht, 2024) conclude that the risk of conflict is smaller and that innovation is promoted when there is a favorable exchange in a flat hierarchy. This leads to organisations experiencing better knowledge and interface management. All in all, the leadership culture is deemed as more sustainable, the sharing of knowledge is larger and the team spirit is better.

2.3.2 Negative Consequences of Shared Leadership

Chen & Zhang (2023) conducted a systematic review on literature, where they categorised potential negative effects of shared leadership after what level the negative effects occur on. For team members, they found that power struggle, role stress and knowledge hiding can occur. Among formal team leaders, shared leadership could lead to psychological territorial loss, decline in leadership motivation and a paradox being created, something they call "the dualistic paradox of self and group" (Chen & Zhang, 2023, p. 59). On a work team level, shared leadership can lead to inhibition in the team's performance, low efficiency in decision-making, team responsibility dispersion and a decline in team creativity.

Zhu et al. (2018; Chen & Zhang, 2023) assign a number of traits to shared leadership. They mean that it is more time-consuming than other leadership approaches. They argue that when the power is equal and decentralised, it causes negative effects on the team members, formal leaders and work groups. Furthermore, Chen & Zhang (2023) mention two doctoral dissertations (Ji,

2018 & Zhao, 2013) that raise concerns about shared leadership and that it can lead to power struggles and of leaders hiding knowledge from each other. Role stress (Wang & Peng, 2022; Chen & Zhang, 2023) is also mentioned as a potential negative effect when implementing shared leadership.

Albrecht (2024) describes similar findings, stating that despite all the positives attributed with shared leadership there still are some tangible drawbacks. He reaches the same conclusion as Chen & Zhang (2023) in that shared leadership can add confusion regarding tasks and roles within an organisation. He also mentions that executives struggle with giving up control and supervision of the employees' tasks, claiming that delegation is "the most difficult task for most executives" (Albrecht, 2024, p. 239).

All of these negative effects mentioned above have not yet been analysed in the context of new ventures. Therefore we deem it relevant to examine if and how the negative consequences transfer from larger organisations to smaller ones, and to look closer at how these negative effects manifest themselves in the context of new ventures.

2.3.2.1 Shared leadership's negative effects on team members

2.3.2.1.1 Power Struggles

Power struggles are a natural consequence of using shared leadership according to Ji (2018 cited in Chen & Zhang, 2023) since teams start to compete for important resources. This can be seen in the form of cliquing, team members trying to impress management, and slandering. This is a natural consequence of there not being a stable hierarchical structure (Greer et al. 2018 cited in Chen & Zhang, 2023).

Emerging leaders are especially likely to engage in power struggles, for example by implementing punishments, status discrimination or ignoring advice from team members, as they see a possible threat in the decentralization behaviour of team members. Team members on the other hand have a tendency to engage in behaviours that are competitive. These can be seen in the form of team members adopting hostile attitudes towards the organisations' emerging leaders, or team members not obeying their leaders. A consequence of these power struggles

among both emerging leaders and team members is that confrontations between the two groups emerge (Ji, 2018 cited in Chen & Zhang, 2023).

The fact that multiple informal leaders emerge and coexist in settings of shared leadership, lead to power struggle behaviours being a potential consequence. A reason behind this is that team members take the role of leaders and followers at the same time (Ji, 2018 cited in Chen & Zhang, 2023). This can cause problems as people are more likely to see themselves as team leaders, according to the social identity theory (Tajfel & Turner, 1986; Chen & Zhang, 2023), leading to conflicts regarding power and status when different people all see it this way (Kilduff et al. 2016; Zhu et al. 2018; Chen & Zhang, 2023).

All in all, the consequences of power struggle will limit the group's ability to perform and develop (Chen & Zhang, 2023). Ji (2018 cited in Chen & Zhang, 2023) concluded that the negative consequences of shared leadership will be stronger when a formal leader of the team uses transactional leadership to a larger extent, and smaller if the team's functional background is diverse.

2.3.2.1.2 Role stress

Role stress, the feeling of not having a clear understanding of what is expected, can be a consequence of shared leadership. The term role stress has multiple aspects to it, including role ambiguity, role conflict and role overload according to Chen & Zhang (2023).

Role ambiguity appears when someone is expected to perform multiple roles. Being a leader and a follower come with different expectations. When working on a specific task, it can be hard to tell what role one should assume. Role conflict can appear when someone takes on different roles where the role expectations are incompatible with each other. Changing between being a leader and a follower depending on the task can be difficult, as the roles differ a lot from each other. Role overload is when someone lacks time or the right skills to live up to the expectations from different roles. Having to change between being a leader and a follower brings larger work pressure on employees, leading to them experiencing a high role load (Wang & Peng, 2022; Chen & Zhang, 2023). Evans et al. (2021; Chen & Zhang, 2023) pointed out that in situations of

low peer engagement, and when there was a need for everyone to take interpersonal responsibilities, individual enjoyment and performance will be lower in settings of shared leadership.

2.3.2.1.3 Knowledge Hiding

Han et al. (2018; Chen & Zhang, 2023) concluded that knowledge sharing can be greater in settings where shared leadership is used. However, Chen & Zhang (2023) also raise an empirical study conducted by Zhao (2013 cited in Chen & Zhang, 2023) that showed in settings where shared leadership is implemented, leadership power is unstable. This allows for team members to grow into the role of the informal leader. As people are interested in accessing the status and power that come with leadership, they can hide information and knowledge from other team members, in order to gain an advantage.

2.3.2.2 Shared leadership's negative effects on formal team leaders

2.3.2.2.1 Psychological territorial loss and leadership motivation decline

Zhu et al. (2018; Chen & Zhang, 2023) state that the leaders can experience that their psychological territory is being violated when other team members take leading roles in different processes, as the power and influence of the formal leader is reduced in these situations. At times they need to follow the leadership of subordinates, creating this feeling of psychological territorial loss. These factors lead to a decrease in leadership motivation, as the expected benefits of being a leader are not provided. Self-efficacy is also weakened, leading to a weaker development of leadership abilities.

2.3.2.2.2 The dualistic paradox of self and group

Fletcher and Käufer (2003; Chen & Zhang, 2023) concluded that formal team members can face contradictions and paradoxes in settings of shared leadership. One of these is that the team structure has to be more flat and adaptable, as learning and coordination processes are central among the entire team. However, this change requires a change of culture and strong leadership, creating a paradox. Normally, companies turn to a strong CEO in this scenario, for them to share their power and influence. This is contradictory, as the CEO or other formal team leaders need to differentiate themselves from the group and be above them from a hierarchical perspective, but

also act as an equal team member. Teamwork and collective learning is crucial when it comes to the success of a team, but the leadership from an individual is often seen as a key factor in successful teams. However, the ability of leaders to share information and offer help to others are often regarded as personality traits and not leadership skills, resulting in yet another paradox for the formal leader of a team. They need to be stable and act on routine to be effective, but this does not make them stand out. Heifitz and Laurie (1999; Chen & Zhang, 2023) explain that this creates a conflict for leaders, as promotions rarely are a result of working for enhanced learning in an organisation, nor is the leadership that is required to do adaptive work. Dealing with these paradoxes is crucial to avoid losing individual leadership and create doubts regarding the use of shared leadership (Fletcher and Käufer, 2003; Chen & Zhang, 2023).

2.3.2.3 Shared leadership's negative effects on work teams

2.3.2.3.1 Team performance inhibition

As explained earlier, power struggles and knowledge hiding can occur in environments of shared leadership. These factors do not improve the performance of the team (Ji, 2018 and Zhao, 2013 cited in Chen & Zhang, 2023). Chen & Zhang (2023) mentions a number of studies. One concluded that shared leadership can be differently efficient in depending on the complexity of the task (Pasarakonda et al. 2021; Chen & Zhang, 2023). Another one, by Hao (2016 cited in Chen & Zhang, 2023) showed that when the leadership is not equally split among team members, the team monitoring level is low and the cooperative orientation among team members is low, shared leadership had a negative effect.

The leadership style of different team members can also lead to negative outcomes. Passive avoidant leadership (Boies et al. 2010 cited in Chen & Zhang, 2023) and task oriented leadership (Han et al. 2021; Chen & Zhang, 2023) being two of them. When the leadership is shared to a too high extent, this can lead to individual team members experiencing less psychological empowerment, leading to a lower motivation to adopt behaviours that the organisation can gain positive effects from (Liu, 2017 cited in Chen & Zhang, 2023). Nordbäck and Espinsoa (2019; Chen & Zhang, 2023) also concluded that the performance of the team became worse when leadership was shared to a too high extent. Furthermore, the degree to which shared leadership was overlapping between different operation modes of separate leadership roles also plays a role.

A lower degree of overlapping had negative effects on the performance of the team (Li, 2019 cited in Chen & Zhang, 2023).

2.3.2.3.2 Low decision-making efficiency

The lack of clear hierarchy makes the decision-making efficiency lower in organisations where shared leadership is used compared to ones where vertical leadership is used. Making decisions becomes more time consuming as teams have a harder time reaching consensus. Organisations with a higher level of environment dynamics are especially sensitive to this negative effect (Zhu et al. 2018; Kaur, 2013 cited in Chen & Zhang, 2023).

2.3.2.3.3 Team responsibility dispersion

Other negative effects of shared leadership are that it can lead to team members free riding or socially loafing. The reason behind this is that team responsibilities can be dispersed, larger teams are more likely to fall victim to this (Zhu et al. 2018; Chen & Zhang, 2023). Locke (in Pearce et al. 2007) debates that there are advantages to having a formal leader making the final decision, as is the case in hierarchical organisations, something that can not be accomplished in teams using shared leadership (Chen & Zhang, 2023).

2.3.2.3.4 Team creativity decline

Zhu et al. (2018; Chen & Zhang, 2023) pointed out that group thinking occurs in organisations where shared leadership is used, due to high team cohesion. This causes negative effects on the team's creativity. Furthermore, low efficiency in decision-making can lead to negative effects in the convergence stage of team innovation (Kaur, 2013 cited in Chen & Zhang, 2023). Wu & Kathryn (2016; Chen & Zhang, 2023) suggested that the excessive communication in teams lead to team members getting a more similar view on matters, something that also has bad effects on team creativity.

2.4 Shared Leadership in New Ventures

2.4.1 The Emergence of Shared Leadership in Entrepreneurial Teams

Goldstein (1999) characterises emergence as a phenomenon that takes place in complex systems, during the process of self-organisation, as the development of novel and coherent patterns, structures and properties takes place. This means that something new is forming without anyone being in charge of the process.

Nguyen and Hunter (2023) suggest that leadership can be shared differently depending on where in the process of innovation the team is. Joint leadership (where everyone takes part is suitable at times), rotated leadership (where the leadership emerges informally), and collective or functional leadership (where the leadership is decided based on specific competencies) are three types of shared leadership that teams can use during the process of innovation. Soo, Kim and Beyerlein (2024) also argues that the leadership can change within a team, depending on different members' expertise in varying discussions, leading to a frequent change of who takes on the role as the leader.

Leadership within teams emerges from an extensive process in which team members learn about their own and each others' strengths and weaknesses. From this, team members initiate leadership claims by weighing their own perceived strengths against the capabilities of the others in the team. The leadership is granted through a process dependent on trust and mutual cognition within the team. Depending on how people react to this procedure, the team develops a trajectory towards a positive or negative spiral, or role ambiguity. A positive trajectory leads to a clear understanding of the leadership within the team. A negative one leads to team members having to use a range of strategies, in which a clear understanding of the leadership within the team eventually emerges. If ambiguity is developed, a third party is consulted. After receiving help from them, a new process of claiming and granting is entered, where a positive spiral or a negative one is created, and an understanding of the leadership emerges. (Lyndon & Pandey, 2021). Figure 1 presents the process of leadership emergence in new ventures using shared leadership, as established by Lyndon and Pandey (2021).

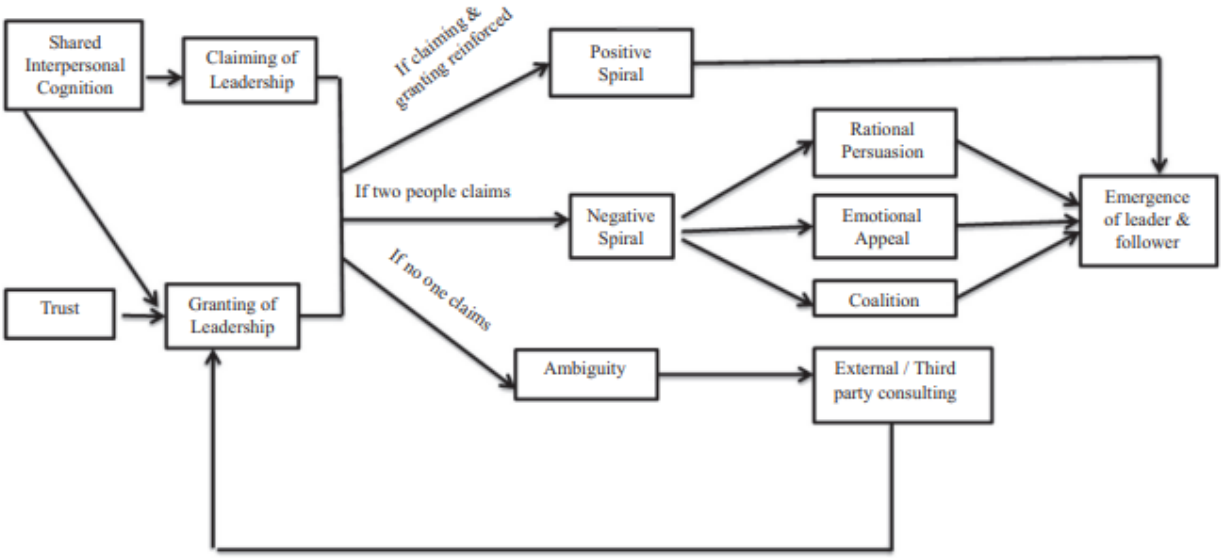


Figure 1. A visual representation of the emergence of leadership within new ventures (Lyndon & Pandey, 2021).

2.1.2.1 Shared interpersonal cognition

Lyndon & Pandey (2021) examined the emergence of shared leadership in new venture teams. A shared understanding regarding each other's and their own strengths and weaknesses is created among team members, as they spend a lot of time with each other in uncertain conditions. In the process of claiming leadership, sharing their own strengths plays an important role. At the same time, they need to be aware of their own weaknesses, which leads to them granting others the leadership when the situation demands it. They also make an effort to understand each other's strengths. At times they have strengths in similar areas, and at times in different ones. The process of seeing and recognising each others' strengths helps them in the process of granting each other leadership. When others express their weaknesses, it creates a deeper understanding of each other. This leads to other team members claiming leadership.

2.1.2.2 Trust

Lyndon & Pandey (2021) also found that trust between team members is crucial in the process of leadership emerging. The fact that everyone has the team's best in mind makes the trust stronger. A trust in other's capabilities is also important and makes the team stronger. Furthermore, seeing

that other team members have the same commitment and passion as themselves, also contributes to creating trust within the team.

2.1.2.3 Claiming and granting of leadership

The next step of the process is the claiming and granting of leadership. When team members want to do a certain thing in a certain way, they step forward to make sure that this is happening. Team members claiming leadership is an outcome of the shared interpersonal cognition: knowledge of their own and other's strengths and weaknesses. The process of granting others leadership is, likewise, a result of shared interpersonal cognition. When someone is more suitable to take on leadership within a specific task, and there is trust in the team, granting others leadership becomes easy. Team members even urge others to take a leading role in situations like this (Lyndon & Pandey, 2021).

2.1.2.4 The outcome of the claiming and granting process

The process of claiming and granting leadership can result in three outcomes. A positive spiral is created when leadership is granted by others to the team member claiming it, leading to leadership behaviour being reinforced. A negative spiral is created when leadership is claimed by many different team members, and is not granted by the other team members. This is most common in areas where many team members have experience or knowledge. Ambiguity is created when team members are uncertain of how to handle a specific situation or task, and no team members granted or claimed leadership (Lyndon & Pandey, 2021).

2.1.2.5 How to manage a negative spiral

Lyndon & Pandey (2021) explain three different strategies used to manage a negative spiral. The most used one is to attempt to convince each other with arguments based on logic. If one is able to convince its team members, they are granted the leadership. Another way to tackle a negative spiral is to use emotional appeal. To convince others, they can try to influence them by understanding their emotional needs. In these cases, a wide range of emotions is used. The third way to manage a negative spiral is to convince neutral team members. If two out of three people claim leadership, they will try to convince the third team member to back them in their claim. The one who succeeds is then granted leadership.

2.1.2.6 How to manage ambiguity

Lyndon & Pandey (2021) present different approaches in situations where no one either grants or claims leadership. Taking help from a mentor is one. The second approach is to take help from common friends. This makes them see the situation from different perspectives, and helps with stress management. In other cases, especially when teams get stuck with a problem over a longer period of time, they ask for help from investors. The knowledge and experience of investors helps teams find a way forward. All these strategies help create clarity within the teams, leading to a possibility of going back to the process of claiming and granting leadership.

2.5 Connection between Theoretical Framework and Research Gap

While existing literature identifies the negative consequences of shared leadership, these dark sides have predominantly been explored in other contexts rather than early-stage ventures. This thesis addresses this theoretical gap by examining how these challenges manifest in the uncertain environment of new ventures. Additionally, by applying the emergence framework, this research explores how the initial establishment of shared leadership impacts its potential negative consequences.

3. Methodology

3.1 Epistemology and ontology

All research is inherently guided by fundamental assumptions regarding the nature of reality (ontology) and the nature of knowledge (epistemology) (Bell et al. 2019). This section outlines the philosophical foundations of this study to contextualize the assumptions that ultimately shaped our methodological choices and the interpretation of our findings.

This study is guided by a relativist ontology, which posits that truth and reality are not singular, objective entities. Instead, reality is inherently subjective and relative, shaped entirely by how an individual experiences it (Bell et al. 2019). For example, if three coworkers are interviewed about a specific event, they may each provide a distinctly different account. A relativist ontology

views all three of these experiences as equally valid. The primary aim of this research is not to uncover a single, objective truth or to determine who is "right" or "wrong". Rather the goal is to deeply understand and learn from these individual realities exactly as the participants experienced them.

In alignment with this relativist view of reality, this research follows an interpretivist epistemology. Within interpretivist epistemology, knowledge is not viewed as a tangible object waiting to be discovered, but rather as something actively co-created through the interaction between the researcher and the participant (Bell et al. 2019). Because everyone's reality is subjective, the only way to genuinely understand it is by interpreting the specific meanings that individuals attach to their experiences. As human researchers, we acknowledge that we cannot act as emotionally detached computer programmes. Our own backgrounds, beliefs, and worldviews inevitably influence our interactions and the resulting data. While this is sometimes critiqued as a weakness of qualitative research, interpretivism embraces it as a profound strength. It enables us to look beyond quantitative and numerical explanations to achieve a richer, more nuanced understanding of how shared leadership in new ventures is experienced at the individual level, capturing human complexities that statistics cannot explain (Bell et al. 2019).

3.2 Research Design

This study aims to expand the existing literature regarding the negative consequences of shared leadership. While current scientific research predominantly focuses on established organisations, we aim to contribute by investigating these phenomena within the context of new ventures. Specifically, we adopt an exploratory approach to determine how applicable the established theories describing the "dark side" of shared leadership are to the context of new ventures.

To answer our research questions, we implemented a qualitative methodology that prioritizes depth and detail over breadth and generality (Bell, Bryman & Harley, 2019). Because the root causes of these negative aspects are closely tied to subjective human interactions within the workplace, we deemed interviews to be the most fitting methodological approach. This qualitative format allows us to capture nuanced, personal information and provides deeper

insights into individual experiences, meanings, and motivations in ways that a quantitative methodology could not (Bell et al. 2019).

The research logic driving this study is abductive. It originates from an existing theoretical framework, namely the "Does shared leadership always work? A state-of-the-art review and future prospects" (Chen & Zhang, 2023), and uses this as a foundational lens. While our interviews are conducted with established theories in mind, our objective is to expand upon the topic by exploring how and if their findings manifest, in early-stage ventures.

When establishing our data collection methods, we weighed the use of structured versus semi-structured interviews. We decided on a semi-structured approach, as it offers the optimal balance for addressing our specific research questions. It utilizes a standardized guide that allows for the comparison of findings across multiple interviewees, while intentionally designing space for flexibility (Bell et al. 2019). This allows us to follow the participant's lead, adapt to the natural flow of the conversation, and dig deeper into relevant thoughts and experiences as they arise.

The research design used in this study is a multiple-case study, allowing us to compare findings across cases to see how unique or common certain phenomena were (Bell et al. 2019). Following the theory-building process presented by Eisenhardt (1989), we began by defining our research focus to identify core concepts. We then selected relevant cases, specifically new ventures that implement shared leadership, and conducted semi-structured interviews with eleven co-founders. Data was analysed alongside the collection process, which allowed us to spot emerging patterns early on. By identifying cross-case patterns, we were able to develop theoretical propositions. Finally, comparing these empirical insights to our theoretical framework allowed us to confirm or deny existing theories while presenting new findings.

3.3 Case selection

As we are examining the potential negative consequences of shared leadership, we used a purposive sampling approach, allowing us to examine the theoretical framework. (Easterby-Smith et al. 2021). A critical case sampling approach was used, allowing us to

examine the potential negative consequences of shared leadership to gain understanding of the phenomenon (Bell et al. 2019).

3.3.1 Sample

The approach to finding ventures was to reach out to mentors, advisers and staff within three incubators and accelerators in the entrepreneurial sphere in the Öresund region: two in Lund and one in Copenhagen. Through these, we got access to five new ventures. We interviewed eleven co-founders, ten of whom were male, and one was female. They were in their mid twenties to their mid thirties.

The criterias to be part of this study were: A founding team consisting of at least two co-founders, having worked together with the current venture for at least 12 months, but no more than 5 years. That they were new ventures implementing shared leadership in either the day-to-day operations and/or in their long-term strategic planning. Lastly, that they were new ventures in the Öresund region, either through incubation programs or working from the Öresund region.

A summary of the interviews conducted are presented in the table below. Ventures will be called 1, 2, 3 etc in chapter 4, not directly transferable to their names here, in order to strengthen the anonymity of the interviewees.

Venture	**Industry**	**Interview with co-founder 1, medium and duration**	**Interview with co-founder 2, medium and duration**	**Interview with co-founder 3, medium and duration**	**Total duration of the interviews**
A	Tech	In person, 60 minutes	In person, 63 minutes	Non (2 person team)	2 hours 3 minutes
B	Software - sustainability	Google meet, 42 minutes	Google meet, 62 minutes	Non (2 person team)	1 hour 44 minutes
C	Software - sustainability	Google meet, 54 minutes	In person, 49 minutes	In person, 48 minutes	2 hours 31 minutes
D	Energy	Google meet,	In person, 51	Not	1 hour 46

		55 minutes	minutes	interviewed.	minutes
E	Software - data simulation	Google meet, 59 minutes	Google meet, 69 minutes	Not interviewed.	2 hours 6 minutes

The purpose of this thesis is to look at potential negative consequences of shared leadership in new ventures. The articles of Lyndon & Pandey (2021) and Chen & Zhang (2023) were used as a base for the theoretical framework. Using this as a foundation, together with the critical case approach, it was made sure that the case selection aligned with the purpose of the thesis. As Yin (2003 cited in Bell et al. 2019) explained, critical case selection means choosing cases that "will allow a better understanding of the circumstances in which the hypothesis will and will not hold" (p. 65).

3.4 Data collection

As this thesis consists of a multiple-case study, a level of structure must exist for cross-case comparability to be possible. The data was collected through semi-structured interviews. The interviews were conducted by following an interview guide, where questions related to the subject were asked. This approach allowed the interviewees to depart from the questions asked in order for us to gain understanding of what the interviewees deem as relevant information regarding studied phenomena. Questions that were not included in the interview guide were still able to be asked when using the semi-structured approach. Still, all topics were covered in every interview, and similar wording was used. (Bell et al. 2019). The interviewees were told that the interviews regarded shared leadership, the emergence of shared leadership and the impact of using shared leadership on the team and the venture. However, it was not presented that the aim was to understand the negative consequences of shared leadership, in order to minimize the risk of adding bias on the interviewee.

The interviewees were also presented with how the data would be collected and stored. They were told that they could withdraw from participation at any time before, during or after the interview, until the thesis was submitted. Furthermore, it was explained how the results would be used and that they will be kept anonymous. When the topic of shared leadership was introduced,

the interviewee was presented with the definition of shared leadership that this thesis is built on. This way, the interviewees could direct their thoughts to the right topic (Lantz, 2013). The first questions were designed to understand the role of the individual within the venture. Questions such as "Could you briefly describe your role and how long you have been with this venture?" were asked. The target of these questions were to understand important background information regarding the venture and the interviewee (Lantz, 2013).

The interview was structured in a way that would be logical to the interviewee (Lantz, 2013). The questions were based on the theoretical framework in chapter two, to find answers to relevant topics. The interview started with broader questions, eventually becoming more targeted toward more specific topics, where the potential negative consequences were being examined.

3.4.1 Triangulation

In order to better understand the phenomenon, data was collected from multiple cases. This allows for triangulation, cross-checking the data (Bell et al. 2019). We used data triangulation, by interviewing eleven co-founders, within five ventures, across multiple industries. Additionally, being two authors who first individually analysed the data, allowed us to reduce bias, a form of investigator triangulation (Easterby-Smith et al. 2021). Using multiple cases allowed us to see phenomena from multiple perspectives.

Validity, the ability to examine what we actually want to examine (Alvehus, 2019), is divided into two concepts by Bell et al. (2019). Internal validity is the question about whether the match between what we as authors see and the theoretical ideas we develop is good. As we are two authors, we gain different perspectives on the collected data in the analysis, strengthening the internal validity. External validity is the question about whether it is possible to generalize the findings across different settings (Bell et al. 2019). LeCompte & Goetz (1982 cited in Bell et al. 2019), argue that case studies and small samples can lead to lower external validity. This was handled by finding ventures in different industries with different numbers of co-founders. However, we are aware that five cases limits the generalizability of our findings.

External reliability is the question about whether the study can be replicated (Bell et al. 2019). This is hard to achieve in qualitative research, as social settings change over time. There are however measures to handle this issue. One is for the future researcher to try and replicate the role of the original one. (LeCompte & Goetz, 1982 cited in Bell et al. 2019). To strengthen our external validity, we will present all the steps taken in this chapter, as well as present the interview guide in Appendix 3. Internal validity, the question about whether the ones conducting the study agree regarding what they see and hear (Bell et al. 2019), is handled by the two of us participating in every step of the work. All interviews have been done with the two of us present. The data analysis was done separately first, then together. This strengthens the internal reliability of this study.

3.5 Data analysis

As explained in section 3.4, semi-structured interviews were used to collect empirical data. After the data was collected, it was transcribed. We applied thematic analysis techniques to analyse the data, allowing us to be flexible (Bell et al. 2019). The six phases described by Braun & Clarke (2006) were used, but still left room for interpretation from ourselves. When using a thematic analysis, researchers are looking for, among other things: repetitions, metaphors and analogies, transitions, similarities and differences, words such as "because" or "since" or missing data. (Ryan & Bernard, 2013 in Bell et al. 2019). Using this strategy allowed us to code the data based on existing literature as well as new themes that emerged during our interviews.

Braun & Clarke (2006) describe thematic analysis as a method used to withdraw and identify patterns or themes from data. They differentiate between inductive analysis and theoretical thematic analysis. In the first one, themes are identified in the data. In theoretical thematic analysis, patterns are driven by the theoretical interests of the researchers. In these cases, certain parts of the data are deemed as more important, while some data is less important. As we are conducting an abductive study, some parts of the data are regarded as more important (connected to the emergence and the negative consequences of shared leadership), whereas some parts, more connected to the avoidance of negative consequences, without us basing these parts on existing theories.

The analysis was conducted in six steps. First, we familiarized ourselves with the data. This meant transcribing interviews, re-listening to them after having conducted them and noting preliminary ideas. Next, we started to generate initial codes by finding relevant and interesting aspects with connection to the two theories or our research questions. The third step was to look for themes. We gathered and grouped codes into possible themes. Next, we reviewed the themes to see that they were relevant in regards to the coded extracts and the complete collected data. This way, we could generate a thematic map of the analysis. The fifth step was to define and name the different themes. Here, the themes were made more specific, the story the data told us became more clear, and could be defined and named. The final step was to extract examples, such as quotes or descriptions, and the analysis was performed.

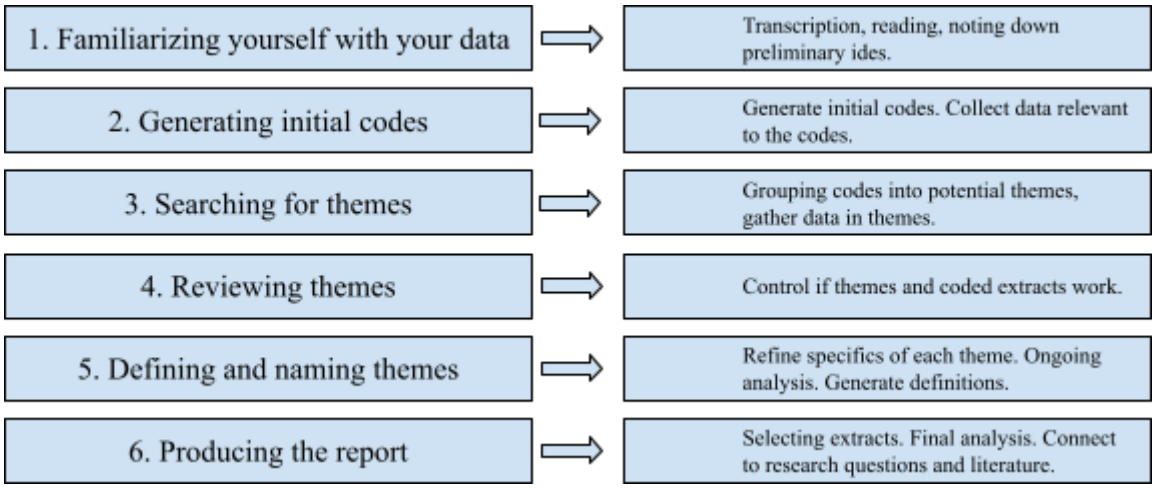


Figure 2. An overview of the steps in a thematic analysis according to Braun & Clarke (2006).

3.6 Limitations

In the following paragraphs, we present a discussion regarding the limitations of our methodology when it comes to the research design, data collection and data analysis.

3.6.1 Research design

We have presented our reasons to conduct the study with a qualitative approach. However, there are downsides to this approach. Bell et al. (2019) argue that qualitative research can become too subjective. Two risks are becoming too close to the people you are examining or that one focuses

on phenomena that they find relevant, while dismissing those that do not seem relevant. To mitigate these risks, we only interviewed participants with no previous personal relationship to us. Furthermore, the data was analysed individually first, and then together, to avoid being biased. Nevertheless, we stay humble to the fact that we only are human, as discussed in section 3.1.

Qualitative research is also criticized for being difficult to replicate, poor generalizability and the risk of lack of transparency (Bell et al. 2019). Replicability is discussed in section 3.4.1. We handle the problems with generalisation by presenting the companies interviewed and their geographical areas. There are limitations to how transparent one can be when conducting a qualitative study. We have promised the interviewees anonymity, providing us with limitations of how transparent we can be. However, our target has been to be as transparent as possible in terms of what we have done and how we have landed in our conclusions.

Furthermore, it can be argued that using a single-case approach allows for more in-depth analysis. However, studying multiple cases improves the validity and reliability of the research.

3.6.2 Data collection

The use of interviews as our approach to collecting data come with disadvantages. One of them being that the interviewees might provide the interviewer with over-rationalised responses (Bell et al. 2019). Our approach to this was to not explain the aim of the thesis beforehand. We explained that we were examining shared leadership, the emergence of it and its outcomes. However, that the main focus was potential negative consequences was not mentioned.

During interviews, the interviewer and the interviewee may influence each other. This interplay between the two parties must be kept in mind, in order to understand and manage this mutual impact and make sure that the collected data is reliable (Lantz, 2013). We managed this by staying as neutral as possible during interviews, in order to not influence the interviewees. Another limitation of using interviews is that we had to rely on what the interviewees said, and that we could not ensure what actually happened. We could have used an observation technique

to collect data. However, this was deemed as more time consuming, resulting in fewer ventures being included in the study.

3.6.3 Data analysis

Braun & Clarke (2006) presents critique by others towards qualitative research, such as it being too unclear, and claim that this criticism can be pointed at thematic analysis as well. They claim that this can be countered by being clear and explicit about your procedures, as this method is flexible. In line with this, we have strived to be transparent, helped by the table in chapter 4.4 as well as in appendix 1.

3.7 Ethical considerations

As the interviewees put themselves in a position where they spoke about the operations of the company and the relationship between them and their co-founder(s), ethical considerations had to be taken into account. In order to make sure that the interviewees in no way were or will be harmed by participating in the study (Bell et al. 2019), the data collected was kept from others than the authors and the supervisor of this thesis. When presented, all data was anonymised, and information from one co-founder was not used in the interviews of the next in order to avoid inputs from one co-founder to affect the input of another. The interviewees were asked for permission to record the interview. During the start of each interview, the interviewees were presented with the frames of the interview, how the information would be used, that it would be anonymous and that they could withdraw from participation in the study at any time until the hand-in of the thesis (see section 3.4 for more information). The participants were also asked to fill out a written consent form (see Appendix 2). The target of these measures were to fulfill the requirements of informed consent and inform the interviewees regarding their right to privacy (Bell et al. 2019).

4. Findings

This chapter presents the empirical findings, beginning with a description of each venture's use of shared leadership. Next we present the collected data connected to the main areas of the study: the emergence of shared leadership and the (potential) negative consequences of using shared leadership. The topics are a result of the thematic analysis explained in chapter 3.5. They are presented in line with the two theoretical frameworks that this thesis builds on, regarding the emergence of shared leadership and dark sides of implementing shared leadership.

With regards to the anonymity that was promised to the interviewees, the findings will be presented without tying it to any specific company. This means that the table in chapter 3.3.1 can not be directly translated into this section. For that reason, ventures will here be presented as Venture 1, 2, 3 etc. instead of A, B and C etc, as in chapter 3. Venture 1 is not necessarily venture A, as the two tables are independent from each other. To further increase anonymity, the findings are structured thematically rather than by individual case. Since negative consequences might be a sensitive topic, the interviewees have been assigned random numbers (1-11), preventing co-founders from cross-identifying specific remarks.

Venture 1 has a clear division of responsibilities, with some overlapping areas. The original founder searched for a technically skilled person, and they became two co-founders. They take leading roles in their own areas, and act more as followers in the other ones, always trying to help each other and do what is best for the venture. Titles exist, but are mainly for investors. In the strategic work, they both own it and make decisions together, but one is more driving in the planning of the future. They both value freedom and transparency, and know what they are working towards thanks to shared common goals in all areas.

Venture 2 utilizes a flat hierarchical structure where leadership is distributed according to functional domains. The co-founders met during university studies. While the founders maintain formal C-level titles (CEO, CPO/CTO and CSO) to provide clarity for external stakeholders. Internal operations are characterized by high levels of fluidity. The co-founders frequently switch between leading and following roles depending on the task. Strategic leadership of the ventures’

long term vision is approached as a "co-created" process. While one facilitates the discussion, the final vision is developed through common ground and collective input from all three co-founders.

Venture 3 does not have formal titles, but has a division of tasks. They met during university studies. No one is the CEO, but internally they call themselves tech and design lead. They often work together and ask each other for input. Shifts between taking a leading or following role happens naturally and is based on knowledge or daily energy levels. Decisions are made collectively. Long term strategic decisions are made together, but they describe that one of them is the "visionary" and the other one is more "rational".

Venture 4 operates with a flat leadership process where the founders take turns leading based on specific tasks or projects. Two original founders were approached by a third one, with the intent of adding new competencies to the team. They maintain formal titles, CEO, CTO, and CCO/COO, but these are secondary to internal expertise and are often described as being "for show" to external stakeholders. The venture prioritizes a consensus-based culture. While founders drive individual initiatives and make day-to-day decisions independently, they continuously inform each other to ensure collective alignment before finalizing big decisions. To maintain stability, the founders utilize a majority rule for major decisions, expecting the dissenting founder to stand behind the group's decision.

Venture 5 utilizes clear roles: commercial, operations and technical. Operations and commercial work closely together and do everything they can to maximize the technical co-founder’s focus on product development. The founders are long term friends and/or related to each other. The commercial lead is mainly driving in day-to-day operations, the operations lead has a three year perspective and the one with technical expertise is responsible for the long term vision. Despite this general division, roles are more fluid in reality. They take the lead in the areas where they believe that they can add the most value. Discussions about the long term vision happen regularly, and they all have a say, but the one who develops the product (the technical lead) has the final word if they can not agree.

4.1 Emergence of Shared Leadership

4.1.1 Cognitive-Relational Trust

Knowledge about each other's strengths and weaknesses looked a bit differently among the ventures. Some had it since before thanks to prior relationships or familial ties. One of the co-founders from venture 2 explained that *"We already had the knowledge about who's good at doing what"* when talking about the co-founders' time at university. For others it came less naturally, as they lacked previous knowledge of each other. Co-founder 4 explained that *"We actually had some sort of questionnaire that we went through together ... It was to help us align and understand what (the) other person is like"*.

Trust in each other's intentions were seen for example by people taking personal risks. Co-founder 7: *"(My co-founder) decided to stay and work here (on the venture) ... I moved back home to my parents (in order to afford working without a salary)"*. Co-founder 6 on the same topic: *"(My co-founder) and I quit our jobs and decided to go for it"*. Trust in each other's competencies was built with time, as well as in advance. Co-founder 3 on discussing previous achievements: *"I got up my portfolio and we scrolled through together"*. Co-founder 6 about the long time relationship with one of the co-founders: *"On a professional level, I feel a very strong trust towards (co-founder)"*, also mentioning trust getting stronger with time *"(My co-founder) has, in all aspects, gone from clarity to clarity"*. Co-founder 5 similarly stated that: *"I think since we knew each other and we knew what we were good at and our capabilities it was easier ... trust has grown a lot in these years"*. Sometimes trust was a conscious decision. Co-founder 2: *"Of course in the beginning that is something that you decide to do"*, and co-founder 7: "*I just decided to trust (co-founder) in this situation"*.

4.1.2 Expertise-Driven Role Emergence

In the early stages, the ventures divided areas of responsibility to take the lead in based on prior knowledge, areas of expertise, previous education or job roles, personality traits and areas of interest. Co-founder 1: "*It is about what you feel senior within*". Co-founder 3 similarly stated that "*we know from each other which skills we're good a*t". Interviewee 9, with a different

background than their co-founders, explained that the initial division of tasks was clear thanks to their previous experience or education as well as personality traits and areas of interest:

> "*It came pretty naturally. (co-founder) is an engineer, (co-founder) is an engineer (with technical interest) so it was obvious that (co-founder) would take the technical role, and I am more out and about*".

Interviewee 8 on the same topic: "*...(co-founder) had experience with sales ... and out of us I'm the one with the most technical experience, so it became natural*", going on to describe that role division also aligns with their personalities: "*(co-founder) is the brake, (co-founder) is the accelerator and I'm the clutch*".

Often when someone stepped forward and took the lead in a task, the other(s) accepted it. For example, co-founder 11: *"(My co-founder) knows much more than me in this area ... I choose to trust them"*. At times two people tried to take lead in the same area, explained by co-founder 1, noting that early on, they *"went in too much the same direction"* and both sat in meetings with customers, which they eventually realized *"felt like a waste of time"* leading to a restructure of their responsibilities to increase efficiency. This was however not a common problem among the ventures.

At times no one claimed the leadership. Co-founder 4: *"(It) happens all of the time there's a bunch of topics that nobody likes to do ... and they (are) left up hanging in the air"*. Some of them solved this by hiring *"we had both no expertise and no desire to do it so we hired an external guy to do it for us"* Co-founder 9 stated: *"It's not very common, but it happens that boring tasks are a bit unclear (who does them) ... But I have now become better at saying that someone needs to do this"*, describing that they now share less exciting tasks among themselves. No one claiming the leadership could also be due to lack of knowledge. Co-founder 3: *"Just talking to investors that we both have no clue how to properly do it. ... we definitely do it together"*.

4.1.3 Boundary Dissolution and Role Fluidity

Over time, the task division happened in a less structured way. Lines between areas of responsibility became less clear, sometimes due to operational demands, explained by co-founder 1: "*You put on the hat that is needed that particular day*". Co-founder 2 likewise explained that: *"What I also think in a startup is it doesn't matter. We just do the things that are needed at any given time".* Sometimes, this was driven by new tools being introduced. Co-founder 4:

> "*We have a very good division of responsibilities within the company ... but it could happen that ... (co-founder) needs help with customers that are having some problems with our software so of course I'm gonna jump and help them out. From (co-founders') side, with all of these AI tools, (co-founder) was never a developer but now (co-founder) is doing the development. So we do evolve over time because initially ... I take the tech, (co-founder) takes all of the business areas but now it's kind of like getting a bit closer together like one small organism so we're doing everything. We still have divisions, our expertise areas, but we do touch all of the different aspects of the company".*

At times, leadership was granted based on momentum, workload or energy levels. Co-founder 7: *"I believe that it can be spontaneous that someone takes the lead (in one area). It can even be that you sense that the other one is a bit tired".* Furthermore, the co-founder stated that "*At different times different ones take the lead, you do take turns*". Co-founder 2 on the topic of taking on new tasks: "*Now it is everyday changes. You have got to adapt at all times*". Helping each other when one has too many tasks occurred as well. *"If I need help with anything, I'll ask (co-founder) and (co-founder) asks me if it's the opposite"* - Co-founder 6. This can be seen as a sign of trust between co-founders. Trust was also seen when it came to switching roles and jumping between areas of responsibility. For example, co-founder 1: "*There is lots of trust between us when it comes to doing what one deem as most important right now.*".

Titles were mentioned as something that was mainly used for people outside of the venture. Co-founder 11: *"Title is very much outwards. ... It's not titles at all I would say, but more where we feel the knowledge lies in the group."* on weather titles dictate who does what. Co-founder 2

on titles: *"This is mainly for investors. I think it's necessary to have clear responsibilities. What I also think in a startup is it doesn't matter. We just do the things that is needed at any given time."*

4.2 Negative Consequences of Using Shared Leadership

4.2.1 The Consensus Sacrifice and Alignment Friction

Co-founders stated that the decision-making process became slower, but that it was worth it from either a perspective of aligning on matters, or using the knowledge of others. "*If you have to talk something through then of course it's going to take longer but that's a sacrifice worth making, absolutely.*" - Co-founder 3.

> "*I think there's more pros than cons with sharing your leadership, because of course sometimes it was easier and it was a little faster when you didn't have to agree with three people. But you also miss out the knowledge from other people and ... it's nice to have someone to to discuss things with and I think also you get better results but the biggest issue could be time when you have a lot of time pressure and you need to to develop fast*" - Co-founder 5.

On the question if reduced decision making speed has occurred, co-founder 9 stated that "*Yes, very much. It is one of our biggest issues. That we aren't as efficient as I would have wanted*".

When asked about possible fragmentation in the views of the long term vision of their companies, there were examples of this happening. A visualisation of this according to co-founder 8:

> *"Yes, a lot of times. We are very different ... One wants it boxed and wants to know what they are doing. One is visionary. I tend to be visionary. It can be a hassle in product development, because we want to keep on moving and ... (accept that) it is good enough".*

Co-founder 6 explained that *"If you were to ask the three of us where we are in five years and what that means, you probably would have gotten three different answers*". Co-founder 3 explained that their vision can get fragmented due to different interpretations of inputs from others (such as investors), *"One person will potentially interpret it more as like "this is how we should be doing it, while the other one is not (seeing it that way)",* but also mentioned that they always make sure to align on what inputs to take with them from these situations. A clash between the day-to-day operations and the long term vision was described by co-founder 10:

> *"Sometimes (my co-founder) and I would clash because I tend to like structure and maybe is a bit more operational and then sometimes if you have someone who is more on the high level, like strategies, then it can be difficult for the two parts to match".*

4.2.2 Distributing the Psychological Load

When asked about potential negative consequences of implementing shared leadership, interviewees, to a large extent, did not agree. The opposite was more true according to co-founder 3, stating that *"If we weren't two people… then that would be way worse because then you just have to deal with it yourself. I wouldn't be here at this point if not for (co-founder)"*. Co-founder 2 similarly stated "*I have experienced (starting a new venture) as a solo founder as well and I would definitely prefer sharing that burden with a co-founder any day.*". Being more than one was described as a safety net, reducing stress.

Switching to a passive role was seen as a positive thing, reducing the psychological burden. Co-founder 2:

> "*I'm happy that I don't have to have responsibility of everything. I'm very happy that I can tell (co-founder), I know we need to make this decision on architecture and the software. You decide and I'll follow*" and *"I very much lean into it. I'm happy that I don't have to have responsibility of everything."*

Rather than a burden, shared leadership functioned as a safety net explained by co-founder 8: "*If we throw back to when we started I wanted to do everything myself ... that could be more stressful ... I feel like it's actually less stressful to be able to switch*".

Not blaming each other for the outcome of decisions was another pattern. Co-founder 11:

> *"There is a major security (among us) when it comes to making decisions ... If I said that "We should do this" and it became bad ... we carry it together. If it becomes good, then it was we who did it ... there is no blame game going on".*

Co-founder 3 discussed the importance of mutual honesty when critiquing each other's decisions: "*We definitely do it together like 100 percent ... Then we talk about it and then the next time we together have decided, okay it's better done this way*".

Trust emerged as a theme in sharing the psychological load. Co-founder 3 said that "*Because there's mutual trust, I'm not worried*" when speaking about letting go of control in some tasks. Co-founder 11 similarly expressed: *"I know that I do not have control, but I am completely okay with that as I know that (my co-founders) will manage that in the best way possible."*.

4.3 Venture-First Unity

A common theme as to why the ventures thought they were successful in avoiding a majority of the negative consequences was a lack of ego, having a shared goal and putting the venture first. Co-founder 1 explained that "*We have a mutual goal that we are working towards and the internal prestige does not exist*". The same pattern could be seen from co-founder 2 "*Our driver here is not improving our own career*" and that they *"focus on the output more than the process or the titles*". A painting description of the situation of having a common goal was used

> "*It's like you're playing in a band. We don't need to discuss if you're playing the guitar or I'm playing the drums. That's what we do and you know I have some chords for the guitar and you have some input for the drums but ultimately it's*

about creating a good song " and *"Right now we have no prestige in between us, and then it works really well"*. - Co-founder 11

When talking about the common goal to build a successful venture. Co-founder 7 stated:

"*Who has the lead isn't relevant, it's what will be best, what will increase our chances of succeeding. Whether that is one person taking the lead in one part or the other person in the other part then that is completely fine*" and "*I would say we don't really have an ego*".

Another sign of putting their egos aside was to trust the majority vote when they could not agree. Co-founder 1 stated that "*If we are two against one, the third one usually gives in*", with Co-founder 9 saying that *"The third person often feel that if it is two against one ... then you have to give in".* Co-founder 8 described that they handled it a bit differently "*Usually it is but it's not like then we just decide (it) ... We also believe everyone needs to be motivated and if there is someone just taking a decision for you, it's a lot less motivating compared to if you made the decision yourself so we tend to not overrule anything but try to find a common goa*l".

4.4 Numerical overview of negative consequences

Negative Consequence	**Level of Effect**	**Frequency (n=11)**	**Quote from interview**
Low Decision-Making Efficiency	High (Reframed as an investment)	8/11	*"Yes, very much. This is sort of our biggest problem. That we're not that efficient and we don't move forward at the speed that I would have wanted." - Co-founder 9*

Team Responsibility Dispersion	Low (Mostly happened around less important tasks)	3/11	*"Not big cases or big topics ... we will have these small cracks where something is falling in between two chairs" - Co-founder 5*
Role Stress (Ambiguity, Conflict, Overload)	Low (Situational)	3/11	*"When you have a really tight schedule ... you do tend to forget things (when switching between roles)" - Co-founder 8*
Leadership Motivation Decline & Territorial Loss	Low (Initial Adjustment)	2/11	*"If you are used to like having the final say and now you don't have the final say anymore then there was sometimes in the beginning where I felt a little... not that motivated." - Co-founder 5*
Power Struggles	None	0/11	*"Who the fuck cares who sort of (decides)... be open to change, be open to the fact that someone might know better than you... then it works really well." - Co-founder 7*
Knowledge Hiding	Very Low	2/11	*"It has often been if it is not the time to have a certain discussion. Then I'll sit on this information right now. It is not in order to gain an advantage ... We have more important things to to" - Co-founder 11*

5. Analysis and Discussion

In the fifth chapter, the empirical findings will be analysed from the perspective of the theoretical framework in chapter two.

5.1 The Emergence of Shared Leadership

5.1.1 Cognitive-Relational Trust

Goldstein (1999) characterised emergence as something new forming without anyone being in charge. This phenomenon could be seen in our interviews, as none of the ventures had someone in charge of the process of establishing a leadership. They mostly describe that it happened organically. However, the factors that Lyndon and Pandey (2021) presented, trust and shared interpersonal cognition, were present in the emergence of leadership within the ventures.

Lyndon and Pandey (2021) explained that shared interpersonal cognition is an important part of the process when leadership emerges. As the group members get to know each other, they also learn about each other's strengths and weaknesses. This has been seen in the cases that we have studied. Trust is also an important factor in the emergence of leadership. Trust in each other's intentions and competencies (Lyndon & Pandey, 2021). The trust in each other's intention was something that was seen by for example making personal sacrifices or taking risks, as mentioned by co-founder 7, moving from another country to Sweden, and co-founder 6, quitting their jobs to fully focus on the venture. These types of actions can be connected to trust in each other's intentions, as explained by Lyndon & Pandey (2021). However, it can also be argued that showing commitment is a type of assurance towards other co-founders that they believe in the venture and are willing to commit to make it work. Trust in competencies was built by for example showing each other what you have done in the past (Co-founder 3). At times, the trust in capabilities had to be there, as someone without technical knowledge joined a team of two technically skilled people, as was the case for venture 4.

Some of the co-founders had previous relationships in terms of friendship, familial ties or knowing each other from university. In a majority of the ventures, trust was established before

the founding of the venture and high from start. In the cases where the co-founders did not know each other, they had different approaches to getting to know each other and to build trust among each other. Co-founder 4 explained they had an active approach of getting to know each other, with the use of certain "tools" that helped them learn more about each other, trust was built over time. Co-founder 7 expressed that they at one point made a conscious decision to fully trust their co-founder and that this was a necessary decision in order to be able to continue the venture.

Almost all of our interviewees stated the trust was high from the beginning, but that it still had become stronger with time. This was seen by co-founders delivering what they had promised. Co-founder 6 stated that one of the co-founders had "*gone from clarity to clarity",* indicating that the trust grew stronger with time, the same sentiment was backed up by co-founder 5 stating that "*... trust has grown a lot in these years"*. Trust, in both good intentions and work related competencies, was mentioned by Lyndon and Pandey (2021) as having large influence in the emergence of leadership, as well as in the process of granting and claiming leadership. Our interviews clearly show that this is the case, and that trust can both be a conscious decision and something that grows with time.

5.1.2 Expertise-Driven Role Emergence

The interviews showed that all the ventures had a founding team with different backgrounds, areas of expertise or areas of interest. Two ventures had one original founder that was searching for a co-founder with a specific set of competencies or skills. For example venture 1 where the founder set out to find a co-founder with technical skills. Another similar case, but where the co-founders were approached by someone from the outside who wanted to join the team was venture 4. What these ventures have in common is that they built co-founding teams consisting of people with a different set of skills, backgrounds or areas of expertise. This aligns with Nguyen & Hunter’s (2023) description of functional shared leadership, where the leadership is divided baden on the people’s competencies. Having complementary skills, such as different areas of expertise, areas of interest, educational backgrounds, professional backgrounds or hard skills has made it easier for the ventures to divide areas of responsibility.

A positive spiral (Lyndon & Pandey, 2021) was the most regular outcome among the ventures. As co-founder 11 stated: *"(My co-founder) knows much more than me in this area ... I choose to trust them"*. Situations where multiple people tried to claim leadership rarely occurred. It did, however, happen in some cases. For example, co-founder 1 explained that they found themselves in a situation where two co-founders attended the same meetings, despite that being superfluous. These two co-founders had similar backgrounds and areas of interest, in line with Lyndon & Pandey's (2021) explanation that this most often occurs when many group members have knowledge in the same areas. That it was not more common seem to have two reasons. The first one, is once again trust in each other's intentions and putting the ego aside. The other one is that the ventures have so many different tasks and are working so hard that they all have enough to do anyway. This proves what Wassenaar, Pearce & Lorinkova (2025) stated about prioritizing the realization of collective goals and decision-making driven by the "greater good" of the company.

More common were situations where no one tried to claim leadership and ambiguity arose (Lyndon & Pandey, 2021). Almost exclusively, this happened at times where none of the co-founders felt confident or motivated to handle new tasks. For example, co-founder 3 stated that they did not know how to talk to investors, but that they "*definitely do it together"*. When it was due to boring tasks, they found someone responsible for dividing the responsibilities among them, as co-founder 9 said: "*But I have now become better at saying that someone needs to do this"*. At times, these situations were handled by taking in external help, in line with Lyndon and Pandey's (2021) explanation, as co-founder 4 explained: *"we had both no expertise and no desire to do it so we hired an external guy to do it for us"*. Interestingly, the way the ventures handled these situations sometimes differed from Lyndon and Pandey's (2021) description. The interviewees did not to a big extent take help from mentors, friends or investors. Instead, the problems were described as solving themselves with time or by helping each other, as explained by co-founder 9 above, when explaining how they have gotten better at dividing these tasks as well.

5.1.3 Boundary Dissolution and Role Fluidity

Leadership emerges when group members either claim or grant leadership to one another according to Lyndon & Pandey (2021). They explain it as an active process where someone steps

forward and others accept this person's ambition to take on the leadership within a specific area or task. During our interviews, this process seemed less active or conscious, and more natural. Firstly, most of the ventures had specific roles, titles or areas of responsibility in the day-to-day work. This means that most tasks naturally fell into the scope of this person's area of responsibility. Even though it can be argued that leadership must not be taken for every task that comes through, a few of the ventures have divided tasks outside of their main areas of expertise in almost a random way. At times, the granting seems to have been based more on who had time or energy, rather than who would handle the area best. Co-founder 7 for example stated that: *"I believe that it can be spontaneous that someone takes the lead (in one area). It can even be that you sense that the other one is a bit tired."*. This is a sign that new ventures are not always acting in an environment where the strengths and weaknesses the co-founders possess is what decides who bears the responsibility in a certain area. Sometimes it is just a matter of using the available resources in the best way possible. This echoes Levie and Lichtenstein's (2010) suggestion to accept the venture creation process as fluid and dynamic.

Despite the discussion regarding specific roles, titles or areas of responsibility and its impact on the day-to-day work, the titles were generally there to please investors or other stakeholders. Co-founder 2: *"What I also think in a startup is it doesn't matter. We just do the things that is needed at any given time."*. The titles generally did not have an impact on the division of tasks or who took the lead within a certain area. This was especially true in areas where no one was the expert. Titles guide the general area of responsibilities, but the division of responsibilities within the company are in reality far more abstract and loose. Co-founder 4 explained that they had even reached a phase where the CEO started to code with the help of AI tools, despite having specifically looked for a co-founding CTO. What many deemed as important was not what one individual wanted to do, but what would be most beneficial for the venture. It was expressed by many that they put their ego aside and focused on what the venture needed, and that their co-founders did the same.

Another aspect of having a more fluid organisational structure can be that people step forward in areas where they otherwise would be more passive. When co-founder 4 said "*...with all of these AI tools, (co-founder) was never a developer but now (co-founder) is doing the development."*.

This goes hand in hand with Bass' (1985) claims that followers being integrated in problem-solving processes can lead to a deeper commitment, as the co-founder to co-founder 4 in this case took responsibility in areas outside of their normal scope. The fluidity also conforms with organisations being "a living, dynamic system of interconnected relationships and networks of influence" (Fletcher & Käufer in Pearce & Conger, 2003, p. 21).

5.2. Negative Consequences of Using Shared Leadership

In Chen & Zhang's literature review (2023) they categorize the negative effects of shared leadership in three separate domains: the individual, the founder, and the team level. This way of categorizing negative consequences works great in more established companies but when looking at early stage startups the same accuracy of these divisions do not apply. This is because the founders within these 2-3 man teams work so incredibly close together that any lines that would separate them into individual, founder and team blur. It is for this reason that we will present our findings using themes from our own thematic analysis to better describe and categorise the negative consequences in the context of new ventures.

5.2.1 The Consensus Sacrifice and Alignment Friction

5.2.1.1 The Consensus Sacrifice

In our attempt to study how previously documented negative consequences of shared leadership translate to startups and new ventures we've managed to identify that one of the main drawbacks is that it leads to prolonged decision making speeds. Findings from our interviews echo Zhu et al. (2018) and Chen & Zhang (2023) as they all three describe how shared leadership can negatively impact decision making speed. When asked if the need for consensus ever leads to a decrease in decision making speeds co-founder 9 states: "*Yes, very much. It is one of our biggest issues. That we aren't as efficient as I would have wanted*".

Interestingly though, even if 8 out of 11 founders suggested that shared leadership and the need for constant consensus prolonged decision making processes the majority also considered it a worthwhile investment that made the resulting decisions better. Co-founder 3 describes that "*If*

you have to talk something through then of course it's going to take longer but that's a sacrifice worth making, absolutely.". Co-founder 5 elaborates on the same subject stating:

> "*…sometimes it was easier and it was a little faster when you didn't have to agree with three people. But you also miss out the knowledge from other people and … it's nice to have someone to discuss things with and I think also you get better results…"*

This shows that the co-founders found that it was a sacrifice worth making in order to make decisions on common ground and to be aligned.

5.2.1.2 Alignment Friction

The second most frequently mentioned negative consequence attributed to shared leadership was fragmentation and misalignment when it came to the long-term vision of the company. Co-founder 6 explains that *"If you were to ask the three of us where we are in five years and what that means, you probably would have gotten three different answers*". Co-founder 10 adds to this by stating that they experience misalignment between the daily operations on long term vision is a recurring issue within their venture: *"Sometimes (my co-founder) and I would clash because I tend to like structure and maybe is a bit more operational and then sometimes if you have someone who is more on the high level, like strategies, then it can be difficult for the two parts to match".*

While this friction creates immediate operational discomfort for the co-founders, contemporary literature by Zhu et al. (2018; Chen & Zhang, 2023) and Kaur (2013 cited in Chen & Zhang, 2023) suggests that a lack of absolute alignment may offer latent structural advantages. They both point out that an overabundance of cohesion and excessive group thinking in organisations where shared leadership is used can cause a decrease in team creativity, arguing that excessive communication among team leaders leads to team members getting a more similar view on different matters. Therefore, the alignment friction observed in our research should not be viewed purely as a negative. Cognitive clashes and divergent visions between co-founders

effectively protect the new venture from excessive group thinking, forcing teams to continuously negotiate and stress-test their strategic assumptions.

5.2.2 Distributing the Psychological Load

Contrary to the existing literature on the negative consequences of shared leadership (Wang & Peng, 2022; Chen & Zhang, 2023) we found that startup founders using shared leadership do not think it adds confusion or leads to role stress, overload or ambiguity. Instead our research suggests that the sharing of authority leads to a mental "safety net". Having a co-founder to help share the burden of potential setbacks or to alleviate stress by distributing responsibilities seems to, according to our interviewees, lead to less negative psychological load. In our interview with Co-founder 3 they describe exactly this sentiment "*If we weren't two people… then that would be way worse because then you just have to deal with it yourself. I wouldn't be here at this point if not for (my co-founder)".*

Chen & Zhang (2023) describe that the act of stepping back to a more passive role and letting someone else take the lead can cause a whole host of negative consequences, psychological territorial loss and leadership motivation decline are two examples. Our findings tell a different story. Temporarily switching to a more passive role is described by our interviewees as a positive. Co-founder 2 described it like this: "*I'm very happy that I can tell (my co-founder), "I know we need to make this decision on architecture and the software. You decide and I'll follow"* later continuing to elaborate stating *"I very much lean into it. I'm happy that I don't have to have responsibility of everything."*. This is in stark contrast to the current understanding of the ramifications of shared leadership. Albrecht (2024) describes in his article "Shared Leadership" how giving up control by delegating tasks is "the most difficult task for executives" (2024, p. 239). This was however not the case for the startup co-founders in our study. Co-founder 11 explains the opposite by stating:*"I know that I do not have control, but I am completely okay with that as I know that (my co-founders) will manage that in the best way possible."*.

Many of our interviewed co-founders attribute this positive attitude towards the sharing of leadership to a strong foundation built on high levels of trust. When discussing the act of letting go and leaving control up to others, co-founder 3 stated: "*Because there's mutual trust, I'm not*

worried". This trust stems from previous relationships, getting to know each other with time and seeing sacrifices or positive results from work, a topic which we already covered in chapter 5.1.1.

5.2.3 A surprising lack of negative consequences

Interestingly we found that the majority of the supposed negative effects described by Wang & Peng (2022), Albrecht (2024) and Chen & Zhang (2023) such as role stress, knowledge hiding, low decision-making efficiency, power struggles and motivation decline to name a few are largely unrepresented in our findings. During our 10+ hours of interviews with co-founders utilizing shared leadership it has become abundantly clear that the negative consequences of shared leadership mentioned in corporate literature are far from the reality in the world of new ventures. But why is this? We suspect that it is the result of a multitude of factors.

5.2.3.1 Shared leadership requires a shared goal

Many of the potential negative consequences that Chen & Zhang (2023) found in their systematic literature review on negative consequences attributed to shared leadership center around self interests colliding with the collective interest of the company. This misalignment of what is best for the self and what is best for the company is what gives rise to consequences such as power struggles, role stress, knowledge hiding and many more. What we discovered in these early stage startups is that this gap and misalignment between the co-founders personal self interests and the collective best interests of the company was next to non-existent. In all of our 11 interviews, 10 described, in different ways, how they were prepared to take a personal hit to their ego if it meant the betterment of the company. Perhaps this is because they truly care about creating an impactful and meaningful product or service to share with the world, or it could be because they have a prolonged personal financial incentive, due to their high ownership stakes within their company, to make sure that the company succeeds long term regardless of the potential setbacks, personal or otherwise, in the short term. Regardless of the reason as to why, this widespread separation from personal self-interests seems to largely mitigate the potential negative consequences of shared leadership.

5.2.1.2 Underlying biases?

When we were conducting interviews for this paper it became clear early on that the results of implementing shared leadership were significantly skewed towards the positive. How come we're only interviewing success stories? The startups are going from one win to another and in many cases attributing them to their shared leadership. Such a significant asymmetry in our results prompted us to question whether our experimental criteria were flawed in some way. Having finished all interviews, it is clear that the positive consensus remains the common denominator across all interviewees. It is also abundantly clear that shared leadership seems to work very well in the context of new ventures. We would however like to highlight a few facts that could have contributed to the very one-sided results.

Firstly, is the factor of entrepreneurial overconfidence. The fact that entrepreneurs have a tendency to overexaggerate the positives and to downplay the negatives is well documented in entrepreneurship literature (Forbes, 2005). This bias could extend to our research by the fact that our interviewed founders subconsciously highlight the benefits of shared leadership and dismiss the negative aspects since that is how they operate and function at a more fundamental level.

Secondly, and probably the most significant factor to the significant skew towards the positive attitude towards shared leadership, is the phenomenon of survivorship bias. Building a startup is a difficult task and the road to success is riddled with a lot of hurdles. Starr & MacMillan (1990) describes the inherent volatility, high risk of failure and uncertainty that a new venture faces. These factors are combined into what Starr & MacMillan (1990) describes as the "Liability of newness". This liability increases the risk that a new venture will cease to exist, for one reason or another, which then by extension makes it exponentially more difficult for us to interview them.

Thriving startups that are doing well financially and that have the time to be interviewed for a master thesis are probably more likely to have healthy co-founder relations and a positive view of their shared leadership. It is just as probable that the startups that are facing hardships and co-worker tensions will have a more negative experience with shared leadership due to the added strain and tension. These discrepancies could have had an effect on our empirical findings by skewing the data and overall perception more towards a more positive outcome.

6. Conclusion

In this chapter we present our final conclusions, relating to the aim of the thesis and the research questions. Implications for the scientific community, practitioners and recommendations for future research are also presented.

6.1 Aim of the thesis and main research findings

The aim of the thesis was to examine the potential negative consequences of shared leadership in new ventures. Potential negative consequences were examined, as well as why co-founders believe that they are successful at avoiding them when comparing with more established organisations.

6.1.1 How does shared leadership emerge and function in new ventures, and what are the potential negative consequences?

Emergence often happens in a natural, almost organic way, based on prior experience, knowledge, areas of interest or expertise. Complementary skills are an advantage when starting a new venture, as it makes the emergence of leadership more natural. Trust and shared interpersonal cognition are relevant elements, but sometimes co-funders choose to trust each other, rather than knowing that they can. In the emergence, positive spirals were common, negative were uncommon and ambiguity appeared at times but was handled or worked out with time.

Roles or titles are decided, but are used more for external stakeholders than internal. Internally, the leadership is mainly taken based on knowledge, but at times workload or motivation are more deciding factors. Titles can reflect the main area of expertise but are not always driving when deciding who leads certain tasks. With time, roles seem to have become more fluid due to different needs or new tools being introduced.

A key takeaway from our study is that the negative consequences that are associated with shared leadership do not appear in the same manner nor extent when applied to the context of new

ventures. Alignment friction is one of the few negative consequences that do arise, however the actual real world negative implications of this are unclear. One negative consequence that does separate itself from the rest by being mentioned and/or confirmed by 8 out of our 11 interviewees is shared leadership's negative impact on decision making speeds. Having to discuss decisions, big or small, within a group will unsurprisingly result in decision making becoming a more time consuming process. Co-founder 9 states the reduction of decision making speeds as the main drawback of their shared leadership approach: "*It is one of our biggest issues. That we aren't as efficient as I would have wanted*" pointing out their consensus based culture where everyone feels the need to be looped in no matter the size or significance of the decision or issue at hand as a particularly annoying pain point. It is however noted by most ventures that the cost and sacrifice of taking the additional time to make sure everyone agrees is reimbursed either by the added quality of the decision or just by the fact that it allows all co-founders to be aligned.

The fact that the benefits outweigh the negatives, in regard to shared leadership, is a consensus that echoes loudly across all our interviews. It seems as if the supposed negative consequences of shared leadership, as described by Chen & Zhang (2023) and Albrecht (2024), are largely inapplicable to the context of new ventures.

6.1.2 How do co-founders mitigate the potential negative consequences of shared leadership?

A central conclusion of this thesis is that the most common cause for any potential negative consequence seems to be the misalignment between what is best for the self and what is best for the collective. When expectations of the individual's future and the future of the venture don't align negative consequences such as power struggles, role stress, knowledge hiding arise. The most efficient strategy to mitigate any misalignments and by extension potential negative consequences of shared leadership seems to be uniting behind a common cause or goal, and adopting a "venture-first unity". This of course sounds a lot easier said than done, however our research suggests that the unique conditions facing new ventures makes it an excellent environment for cultivating these low-ego and prestigeless relationships that are at the core of venture-first unity.

6.2 Implications for the scientific community

The findings of this thesis contribute to the literature on the "dark sides" of shared leadership by showing that negative consequences identified in larger, established organisations are not directly transferable to early-stage ventures.

While corporate literature suggests that shared leadership often leads to power struggles, role conflict, and knowledge hiding, our study demonstrates that the uncertain nature and high volatility of startups creates a unique environment for co-founders. The extreme risk of startup failure forces a "venture-first unity" where individual egos are suppressed for collective survival. Furthermore, traditional frameworks assume clear boundaries between individuals, leaders, and teams. In startups, these boundaries blur, as co-founders interchangeably switch between or embody the individual, the leader, and the team all at once. Therefore, the scientific community must find new frameworks that better align with the reality of new ventures when modeling shared leadership in entrepreneurship.

6.3 Implications for practitioners

For entrepreneurs and practitioners navigating early-stage business creation, this study provides several actionable insights on how to manage a shared leadership model effectively.

Co-founders should deliberately structure their teams around non-overlapping areas of expertise. Having different skillsets creates a natural reliance on one another, allowing leadership to switch organically based on competence rather than formal titles. This acts as a structural safeguard against power struggles and boundary disputes.

Co-founding teams must engage in rigorous goal-setting early in the venture's lifecycle and continue to do so on a weekly or monthly basis as the venture develops. Establishing deeply shared long-term milestones ensures that the team remains unified and prevents differing strategic motivations when the venture encounters high-pressure situations.

Most importantly, facilitating anything that manages to reduce egos and enable high levels of trust among co-founders will naturally mitigate the negative consequences of shared leadership.

By building a foundation of high trust, co-founders can actively establish a "venture-first" mindset where individual status is suppressed for collective survival. Furthermore, a low-ego environment allows founders to comfortably share the psychological load, seamlessly switching between active and passive leadership roles to reduce overall stress.

6.4 Recommendations for future research

While this study offers insights into the negative consequences of shared leadership in early-stage ventures, it also reveals the need for further research on the topic.

Future studies should utilize a larger dataset to enhance generalizability across a broader range of industries and regions. Within this expanded sample, researchers should also specifically target larger co-founding teams of four or more members. This would test whether the informal "venture-first unity" observed in smaller teams breaks down, giving rise to interpersonal friction and cliquing as team sizes scale.

While our findings indicate that complementary skillsets help prevent power struggles, future research should explore co-founding teams with highly similar backgrounds, expertise, or areas of interest. Investigating these homogeneous teams would reveal whether shared leadership remains viable when co-founders are forced to compete for the same strategic and operational domains.

Researchers should also investigate other negative consequences that may have eluded this study because they do not appear in established organisations. Our research largely probed for negative consequences that had already been documented within larger organisations. Startups that are operating under extreme resource scarcity and volatility might experience unique, localized consequences of shared leadership.

Finally our most critical recommendation for further research would be to counteract the survivorship bias inherent in studying active, thriving startups. Future research must incorporate failing or completely dissolved ventures. Interviewing former co-founders to discuss why their ventures failed will help isolate whether severe financial and operational stress activates destructive leadership dynamics that otherwise remain dormant in successful companies.

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Appendices

1. Thematic analysis chart

Theme	Initial codes	Empirical meaning	Representative cases
Cognitive-Relational Trust	Strength/weakness awareness; Intentional trust; Earned reliability; Competence-based trust;	Shared leadership is predicated on shared interpersonal cognition, a deep, mutual understanding of collective skills and individual limitations. This knowledge, paired with trust in both competence and intent, acts as a foundation in the granting and claiming process of leadership.	Co-founders: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11.
Expertise-Driven Role Emergence	Prior knowledge; Functional expertise; Educational alignment; Natural fit; Previous job roles.	Leadership responsibilities initially are divided by professional identities and academic specializations from the time before the venture, creating a natural division of labor based on seniority in specific domains.	Co-founders: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11.
Boundary Dissolution and Role Fluidity	Blurred lines; Swapping hats; One organism; Technological drivers (AI);	Over time, rigid boundaries dissolve in favor of fluidity. Roles adapt based on project needs, energy levels, or the	Co-founders: 2, 3, 4, 5, 7, 8, 9, 10, 11.

	Momentum-based leading.	adoption of tools (like AI) that lower the barrier to cross-domain work.	
The Consensus Sacrifice and Alignment Friction	Slower consensus; Tedious shaping process; Fragmented vision; Interpretation gaps.	The primary costs identified are the "consensus sacrifice", naturally slower decision-making, and the discovery of divergent long-term goals during alignment discussions.	Co-founders: 1, 3, 4, 5, 6, 8, 9, 10.
Distributing the Psychological Load	No confusion; Less stressful; Mutual respect; Pragmatic; No power struggles.	Sharing authority is often perceived as a safety net. The ability to switch to a passive role reduces the psychological burden of accountability compared to solo leadership.	Co-founders: 1, 2, 4, 5, 6, 8, 9, 10, 11.
Venture-First Unity	Low ego; Venture-first; Shared boat; United front; 2-against-1 rule.	Potential toxic dynamics are avoided by a prioritization of the venture’s survival over individual status. Teams utilize majority rules for finality but maintain a unified front externally.	Co-founders: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11

2. Consent form for interviewees

Informed consent to participate in study at the Lund University School of Economics and Management
Subject: Shared leadership.
Authors: Martin Kullander & Viktor Åberg

By signing below, I am providing my voluntary informed consent to participate in an interview, where information will be collected and used for the thesis of Martin Kullander and Viktor Åberg (Name of thesis TBA). In the thesis, the information collected will only be presented in a way where you will not be identifiable. This consent form will be stored in a locked room at the School of Economics and Management at Lund University.

Your consent can be recalled at any time and any information collected from you will be deleted and not be used in any yet to be performed analysis. To recall your consent, contact Martin Kullander or Viktor Åberg via e-mail: ma3482ku-s@student.lu.se or vi2532ab-s@student.lu.se or via phone: +46 730 696 167 or +46 702 836 987. If your consent is recalled via email, please state "Recall of consent" in the subject line.

Name:…….

Emailaddress:……

Phone number: ……

Signature: …….

Information concerning the handling of personal data in student theses

Purpose: The handling of personal data is necessary to obtain the results needed to write the thesis and to achieve the learning outcomes required for the thesis course. For the course in question, the following learning outcomes are relevant:

- Demonstrate knowledge and understanding of the different steps included in conducting an academic study.
- Demonstrate knowledge and understanding of the considerations involved in developing an appropriate research method
- Demonstrate the ability to select relevant theories and appropriate methodology to address the research problem and purpose identified in the study.
- Ability to make assessments of research within the entrepreneurship field, informed by relevant disciplinary, social and ethical issues and also to demonstrate awareness of ethical aspects of research and development work

Legal basis: According to GDPR, the handling of personal data is only permitted if there exists a valid legal basis. Concerning students' theses, the position of Lund University is that the handling of personal data rests on the legal basis "general interest" ("allmänt intresse").

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3. Interview Guide

Part 1: Introduction and Framing (5 mins)

- **Welcome & Consent:**
    - Thank the participant for joining.
    - Confirm confidentiality, and ask for permission to record.
        - We will record the interview and use AI tools recommended by Lund University to transcribe it. We will go through the transcription and make sure that it is correct.
        - The results will be used in our thesis, however, all data will be anonymised, so we will not mention your or the company's name. We will explain what industry your startup is in and how many cofounders you are, but not more. Quotes might be presented.
        - Once the thesis is done, and we have passed, the data will be deleted. Hopefully in June 2026.
        - People that might access the raw data are Viktor, Martin and possibly our supervisor/examinor.
        - You will be able to access the thesis once it is published.
        - You are able to withdraw from participation at any time before, during or after the interview (until the thesis is submitted from our side in May).
        - We ask you to only speak for yourself, and not as a part of your company. It is your experience that we are interested in.
    - Explain the structure / expected duration of the interview.
        - We are going to ask you questions in a number of domains, you can reply as freely as you want. The interview is semi structured, meaning that we are able to dive deeper on selected topics if relevant.
        - The duration of the interview will be around 45-60 minutes.
        - We are looking into the dynamics of shared leadership in startups. We are interested in the emergence of shared leadership, how it works in practice and the results of using it.
    - We define shared leadership as the process in which a team has a less vertical or hierarchical approach to leadership, and the leadership is shared among team members or co-founders depending on the task/project. However, even if there is

for example a CEO and a CTO, and the day-to-day operations are divided, the leadership can be shared in the long term, strategic work/planning.

Part 2: Background & Context (5-10 mins)

- How old are you?
- Could you briefly describe your role and how long you have been with this venture?
- When was your venture created? What industry would you say that you're in?
- How many people are currently on the team?
- How did you meet the co-founder(s)?
- How would you describe the overall culture of your founding team?

Part 3: Establishing the Leadership Dynamics (10 mins)

- In practice, how fluid are the leadership roles? Do people frequently switch between being the "leader" on one task and the "follower" on another?
- Do you have formal titles (e.g., CEO, CTO)? If so, how much do those titles dictate who actually drives decisions day-to-day?
- How did your team decide who handles which leadership responsibilities? Was it a conscious decision or did it happen organically?
- Is there a difference in how the daily operations are run and the long term strategy is set?
- Could you describe how leadership roles are typically negotiated in your team? Specifically, I'd love to hear about examples where:
    - One person distinctly took the lead, instances,
    - Where multiple people vied for leadership at the same time,
    - Or scenarios where a leadership vacuum occurred and no one stepped up.
        - Follow-up on all: How did you handle this (2 and 3)?

Part 3.1: Leadership development as the venture progresses

- **The Early Phase (Formation):** In the very beginning, when you were just starting out, how did you figure out who was good at what?
    - How did you get to know about each other's strengths and weaknesses? Did you fully trust each other at this point?
- **The Mid Phase (Execution & Growth):** As the company started gaining traction, did the way you share leadership change? Did it become more intense/fluid, or did you start creating stricter boundaries?
    - How did this impact your trust towards each other
- **The Later/Current Phase (Scaling):** Compared to day one, is leadership today *more* shared across the team, or have you shifted toward a more traditional, top-down structure as the company has grown? Why do you think that is?
    - Do you trust each other more than ever? or has prior events caused you to be a bit more apprehensive.

Part 4: Exploring the Potential Negative Effects (20-25 mins)

A. **Individual Level Effects** (Stress, Ambiguity, Conflict)

- **Role Stress:** Sometimes shared leadership entails a team member acting as leaders and a follower at different times, have you ever experienced confusion about what is expected of you (role ambiguity)?

- **Role Overload/Conflict:** Does switching between taking charge and stepping back create extra pressure or psychological conflict for you?
    - If yes, how?
    - If no, why not, how have you avoided this?

- **Power Struggles:** The literature suggests that fluid leadership can sometimes lead to competition for status. Have you noticed any power struggles, unspoken competition, or cliquing within the team?
    - If yes, how?

- **Knowledge Hiding:** Have you ever noticed situations where team members hold back unique information or ideas to maintain an edge or influence within the group?

B. **Formal Leader / Founder Level Effects**

- **Psychological Territorial Loss:** As a founder/formal leader, how does it feel when you have to step back and follow the lead of other team members/co-founders? Do you ever

feel a loss of influence or control?

- **Motivation:** Does sharing the power make you feel any less motivated to take on traditional leadership burdens, since the rewards and authority are dispersed?

- **The Dualistic Paradox:** How difficult is it to balance being the "boss" (or the one formally responsible to investors) while also trying to be an equal member of the group?

C. Team Level Effects

- **Decision-Making Efficiency:** When everyone has a say and leadership is shared, how does this impact the speed of your decision-making? Can you give an example of a time when sharing leadership slowed things down?

- **Responsibility Dispersion:** With leadership spread across the team, is it ever unclear who is ultimately accountable?
    - Have you experienced situations where tasks fall through the cracks because everyone assumes someone else is handling it (social loafing/free-riding)?

- **Vision and Cohesion:** Do you feel that sharing leadership has ever led to a fragmented vision for the company, or caused the team to lose focus during highly complex tasks?

Part 5: Closing and Reflections (5 mins)

- Overall, do the benefits of sharing leadership in your startup outweigh these challenges we've discussed?

- If you could go back to day one of founding this venture, would you structure the leadership dynamics differently?

- Is there anything else regarding the challenges of your team's leadership structure that we haven't covered?

- **Follow up question examples:**
    - Can you walk me through a specific time when that happened?
    - How did the team resolve that specific conflict?

4. AI-tool use disclaimer

Tools Used: Google Gemini, NotebookLM, Sunet Scribe.

Degree of Use: Google Gemini and NotebookLM was utilized strictly as an assistant during the final drafting phase. The tool was used exclusively to edit content for conciseness, to condense word counts, and improve the overall flow and English language of the text. It was strictly prohibited from participating in idea generation, research design, data analysis, or the formulation of empirical findings. All core intellectual contributions, qualitative analyses, and theoretical propositions remain the entirely original work of the authors. Lastly interview transcripts were created with Sunet Scribe, per the recommendations of Lund university.