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How Founder Role-Identity Affects
Entrepreneurial Transitions and
Persistence in Founding**

Ha HOANG
Javier GIMENO
2007/46/EFE/ST

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By
Ha Hong*
and
Javier Gimeno**

June 25, 2007

This paper benefited from comments by Phil Anderson, Steve Barley, Roxana Barbulescu, Matthew Bidwell, Elizabeth Florent, Herminia Ibarra, Anne Miner, Violina Rindova, Filipe Santos, Bala Vissa, and participants of the INSEAD Entrepreneurship Seminar.

* Associate Professor of Entrepreneurship at INSEAD, Boulevard de Constance, 77305 Fontainebleau Cedex, France, Tel: +33(0)1 6072 4319, ha.hoang@insead.edu

** Professor of Strategy at INSEAD, Boulevard de Constance, 77305 Fontainebleau Cedex, France, Tel: + 33 (0)1 6072 4513, javier.gimeno@insead.edu

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Abstract

By viewing organizational founding as involving a role transition, we highlight the challenges that potential founders face: 1) adjusting to the novel skills and social networks that underpin the new role, and 2) incorporating the new role into an overall self-concept that may consist of contradictory or competing identities. We develop the concept of founder role identity and delineate how two aspects, centrality and complexity, affect potential founders' ability to exit a current work role in order to undertake founding activities, an indicator of successful role transition. Founder centrality denotes the subjective importance of the founder role to an individual's self-concept, while complexity captures diversity and richness in the person's conceptions of the role. After a role transition occurs, we delineate how distinctive configurations of founder role identities influence the extent and type of persistence observed in the face of negative feedback so prevalent during the founding process. By explicitly considering persistence, we are able to link founder role identity to longer-term outcomes, including the overlooked condition of dormancy wherein a role transition has occurred but successful founding has not. Our theorizing seeks to redress an imbalance in theories explaining entrepreneurial activity by developing a more dynamic understanding of the founder's role in determining organizational founding.

Key words: Founder role identity, entrepreneurial transition, persistence, organizational founding

The study of organizational founding has long been a research area divided by scholars' emphasis on either founding context or on founders as the dominant locus for entrepreneurial activity. In work focused on founders, scholars seek to find stable individual-level traits, cognitions, or characteristics, such as need for achievement (McClelland 1961) and risk-taking propensity (Brockhaus 1980) that lead to entrepreneurial activity. In contrast, work on context seeks to identify the multiple social, economic, or organizational factors that shape the opportunities and resources available for founding (see Thornton 1999 for a review).

A growing body of longitudinal research from both perspectives has made clear that static theorizing is no longer adequate to explain the complexities of founding activity. Founder-focused research, for example, has noted that founding creates challenges such as extreme resource deprivation (Baum and Locke 2004), negative feedback (Gatewood, Shaver, and Gartner 1995), and lack of social relationships (Lee and Tsang 2001). In addition, an ebb and flow of entrepreneurial activity is often observed for the same individual across different periods of their career. This would suggest that more dynamic theories of founders are needed in order to explain entry and exit from entrepreneurship (Carroll and Mosakowski 1987). As understanding of the founding process grows, both research streams have gained momentum, or stalled, as researchers attempt to explain more fine-grained variations. Because context-focused theorizing and methods are typically more dynamic, research in this stream has gained momentum, outpacing research on the impact of founders. Context-focused perspectives, however, pay little theoretical attention to individual action and the role of individual agency vis-à-vis founders in influencing founding conditions (Thornton 1999). This leads to an imbalance, in

our view, in the analyses of the factors that lead to organizational founding and undermines a comprehensive understanding of entrepreneurial activity.

To address this imbalance, founder-focused research must keep pace by taking dynamics into greater account: research on founders must not only explain variation in *who* becomes founders, but must also provide insight into *how* and *when* entrepreneurial activity occurs. For example, by positing that founders must undertake concrete activities and achieve specific milestones, some scholars have sought to build a more situated understanding of founders (Delmar and Shane 2003). In addition, research that is attentive to organizational context reveals that the roles that individuals occupy within an organization lead to differential exposure to business opportunities that affects their likelihood of leaving to engage in entrepreneurial activity (Dobrev and Barnett 2005).

To revitalize founder-focused research, a more dynamic understanding of founders should also go hand in hand with theorizing that delineates how a particular view of founders uniquely contributes to our understanding of the founding process and its outcomes. Such theorizing encourages the study of novel constructs and causal relationships that would otherwise be ignored by context-focused research. Currently, the study of founders is based largely on delineating how individuals' knowledge, skills, and abilities, typically proxied by education level and prior entrepreneurial and work experience, help facilitate founding by increasing an individual's access to opportunities and improving his or her ability to mobilize resources. Such a perspective is closely aligned with the view of founding context as a repository of resources and opportunities, and thus avoids the problem of static theorizing. However, by assuming away any processes internal to the individual that may mediate founding activities, these models yield an over-simplified understanding of founders.

Consistent with the concerns for developing dynamic and distinctive theory, we seek to reinvigorate founder research by recasting the founding process as role transition and introducing the concept of founder role identity. Exploring the interaction between role transition processes and founder role identity allows us to build a novel view of the founder in determining organizational founding. Our theorizing begins with the assumption that founding typically requires individuals to transition to a new work role – that of founder – and abandon a current work role. This assumption builds on prior work which argues founders should be examined in a larger career context in which individuals' careers are demarcated by a sequence of work roles that may include becoming a founder (Carroll and Mosakowski 1987).

In pursuing this line of inquiry, we turn to the career and work role transition literature to identify the facets of the process that are likely to be critical in entrepreneurial transitions. Given our novel focus on explaining behaviors and outcomes that are specific to this context, we eschewed broad psychological dispositions such as need for achievement (McClelland 1961), locus of control (Sexton and Bowman 1986), and risk-taking propensity (Brockhaus 1980) emphasized in early work on founders. Instead, we link founder role identity to key aspects of the role transition process and build new theory on how individuals evaluate and proceed through the founding process that is notable for its exceptionally high levels of ambiguity and uncertainty. Understanding how potential founders complete or abandon an entrepreneurial transition in turn may help to explain empirical patterns in organizational founding activity. For example, they may shed light on Welter and Bergmann's (2002) findings that as many as 17% of the German population considered entrepreneurship a professional possibility, 6% had detailed ideas, but only about 2% were actively trying to start a business.

We leverage role identity theory and research on possible selves to build the concept of founder role identity. Founder role identity is a vital concept for understanding successful transition completion or abandonment because identity helps individuals orient themselves to the founding context, gives meaning to their experience, and, as suggested by research on possible selves, influences behavior even before individuals come to occupy the role. After a successful role transition, the concept of founder role identity also helps to explain how individuals proceed with founding. By considering the typical case in which potential founders receive some level of negative environmental feedback about their efforts, we are also able to develop more fine-grained insights about how founder role-identity determines the founder's timing, process, and ability to persist in his or her broader efforts to build a new organization.

Because of the challenges that entrepreneurial situations pose, persistence is an important but understudied phenomenon in organizational founding. Biographies of entrepreneurs can attest to substantial persistence despite negative environmental feedback: for example, Howard Schultz, the founder of Starbucks, was famously turned down by 217 investors before obtaining funding (Schultz and Yang, 1999). Building on our conceptual development, we predict that specific configurations of founder role-identities will produce different kinds of persistence. We detail the context in which subsequent actions in response to negative feedback will involve extensive role experimentation or role confirmation. We then link persistence to longer-term outcomes of successful founding, abandonment, or dormancy. We explore how our model extends current thinking about the role of the founder after the organization is founded, and its implications for career research. Based on the implications of our model, we also identify several areas where further work is needed.

LITERATURE REVIEW

Because careers can encompass a broad range and number of work role changes, transitions represent a significant and increasingly frequent experience in people's working lives (Arthur and Rousseau, 1996). For scholars, career transitions have long been a useful analytical tool: rich insights have been drawn from the study of transitions from both a macro and micro perspective (Barley 1989). The former analyzes and seeks to explain patterns in the flow of people across roles (Gunz 1989; Baron, Davis-Blake, and Bielby 1986), while the latter explores individuals' subjective experience of their role changes including sense-making during the transition process (Hughes 1958; Nicholson 1984; Louis 1980). From the micro perspective emerges a key insight: assuming a new work or professional role requires that individuals actively construct a stable sense of who they are in the role from social interactions with new role partners, conceptions of what is possible and desirable, and from prior conceptions of themselves that are carried forward (Hill 1992; Ibarra 1999; Beyer and Hannah 2002).

A role transition involves potentially dramatic changes in behaviors around the set of activities that make up the role as well as the content and pattern of relationships with others necessary for role enactment. Moreover, to display the "appropriate mannerisms, attitudes, and social rituals," required for effective role execution, individuals must also go through a deeper change, typically adopting the perspective, attributes, orientation to time, and norms appropriate to the role (Van Mannen and Schein 1979). Because social interactions during role enactment leave room for experimentation (Strauss 1959), there is also some latitude for individuals to develop behaviors and adopt attitudes that are more idiosyncratic. Transitions thus involve assuming a new role-identity: the term explicitly encompasses both the socially defined elements

of meaning that underlie a role and an individual's own subsequent construction, enactment, and internalization of that role (McCall and Simmons, 1966).

While it is widely recognized that movement from one role to another role is neither linear nor necessarily upward as the traditional career ladder image implies, most research in this area examines transitions within and between organizations. For example, the heterogeneity in organizational socialization processes has been usefully distilled into stage models and typologies (Van Mannen and Schein 1979) allowing for the empirical study of the impact of socialization systems on individuals' transition experiences and outcomes (Saks and Ashforth, 1997 for a review). In contrast, studies involving transitions into entrepreneurship are fewer in number; hence, understanding of the transition context and process is limited. Researchers have focused on a limited set of individual-level factors that explain the decision to enter or exit the founder role. Scholars, for example, have modeled transitions to self-employment or small business ownership as a function of individuals' human capital, having self-employed parents, and having work experience in a family enterprise (Gimeno et al. 1997; Evans and Leighton 1989, Carroll and Mosakowski 1987).

That there is little theoretical and empirical work is surprising since insights from the broader research on transitions could usefully inform our understanding of transitions to the founder role. Much of this work begins with the premise that transition experiences are shaped by a variety of individual, situational, and role characteristics (Ashford and Taylor 1990). Integrative theoretical models in turn have resulted in empirical tests that encompass these multiple influences. For example, researchers are careful to capture a variety of factors when explaining adjustment to a new role, such as the extent of discretion and novelty of a role, and characteristics of the individual such as their desire for feedback (Ashforth and Saks 1995).

Variation in how individuals assume their new work role has been shown to have a large impact on important transition outcomes including satisfaction in the new role, and more distal outcomes such as turnover (Pinder and Schroeder 1987; Dawis and Lofquist 1984).

While there is a dearth of research on transitions into an entrepreneurial role, further work in this area is clearly merited as a number of qualitative studies find that founders grapple with the challenges of disengaging from an old role and developing a viable new identity. As a result, self-assessment and self-targeted reflection are found to be important activities in the early stages of founding. Carter and her colleagues (2003) found in a US study of potential founders that goals related to self-realization captured in statements such as a “desire to challenge myself” and “grow and learn as a person” are as important as financial success. But while some aspects of the transition process can prove to be highly satisfying, other aspects can prove to be more challenging. Warren (2004) reported that the women in her study, when reflecting back on their decision to become entrepreneurs, grappled with the meaning of ‘entrepreneur’ and its implications for other important roles they held. Cohen and Musson (2000) found that, for many of their interviewees, the role’s stereotypical connotations were rejected because they were perceived as negative or inappropriate, requiring more personalized conceptions. In an in-depth study of career changers, Ibarra (2003) observed that among those contemplating entrepreneurship few do a systematic analysis of their alternatives, weigh pros and cons, and then proceed to exit their current role after identifying the best available option. Instead, they were actively engaged in developing new conceptions of themselves – a precursor to assuming a new role identity – by taking concrete steps to explore their options and other possible self-definitions. For these individuals, a key facet of the process involved building new social relationships that encouraged, provided guidance, and legitimated a role transition.

More broadly, researchers studying a wide range of role transitions have noted that the difficulty of a transition can affect whether individuals proceed with it or abandon it, and can affect their subsequent adjustment to the new role. A transition may be abandoned if the individual has difficulties in executing the new role, or in adopting the underlying perspective consistent with the new role, or both. From many factors that are likely to affect the ease or difficulty of a transition, we focused on two factors that form a baseline model of founder role transition and served as a basis for subsequent theorizing.¹ As discussed below, role novelty and role conflict capture important differences in individuals' experiences during a transition, and act to decrease individuals' chances of successfully completing a role transition.

Role Novelty. The extent of change associated with a transition is directly related to differences in the knowledge, skills, and abilities required to execute the new role as compared to the old role. In addition, the social relationships required to learn about the demands of the role and engage in founding activities may be different from the contacts that are organized around the current role. In the face of role novelty, disengaging from one role and engaging in a new role may be perceived as negative and distressing, with consequences for adjustment and success in the new role. In empirical work, the magnitude of a transition has been linked to the perceived challenge of adjustment to a role change (Bruce and Scott 1994), time to proficiency in a new role (Pinder and Schroeder 1987), and degree of reported personal change, e.g. in attitudes or values, as a result of the transition (West, Nicholson, and Rees 1984). The concept of role novelty is particularly applicable to the study of entrepreneurial transitions because the opportunities that individuals choose to pursue can vary in the level of their difficulty: some

¹ For example, Ashford and Taylor (1990) note seven different transition and situational characteristics which can affect the extent of adaptation to a role transition. However factors such as whether the transition is gradual or sudden and extent of insider information available may be more appropriate to organizational contexts. In addition, factors such as the degree of ambiguity and complexity of the job are likely to be uniformly high in entrepreneurial contexts and hence less predictive of outcomes.

founders build new firms based largely on skills and relationships that they already have, while others identify opportunities that require the development of new skills and social ties.

Role conflict. Transitions may also be difficult due to the challenges associated with assuming a new role while holding other, potentially competing role identities that a person views as self-defining (Sieber 1974). When an individual assumes a new role, new role-set members make demands that cannot be met without reducing time spent with established interaction partners. Role conflict may also arise due to an incompatibility of identities. This conflict is made manifest when the behaviors implied by a founder role contradict those that are implied by another role identity (e.g. family, professional, and community role identities such as mother, engineer, or church member). For example, a founder's role may entail being opportunistic and thus require making quick judgments which may contradict a broader view of oneself as a methodical and thorough person. Such a view of role conflict underscores that divergent role demands may be placed on an individual simultaneously, resulting in inter-role conflict in addition to role overload (Hall, 1972).

Role conflict recognizes that the broader self-concept, defined as “the totality of an individual's thoughts and feelings having reference to oneself as an object”, is implicated in a role transition (Rosenberg, 1979:7). In addition to conflict with role identities, people also hold personal and social identities which may conflict with a founder role (Rizzo, House, and Lirtzman 1970). Personal identities refer to self-definitions based on characteristics, experiences, attributes, and values that distinguish oneself from others (Deux 1991; Hitlin 2003). Social identities are self-definitions based on collective membership such as organizational affiliation or on social categories such as ethnicity and gender (Thoits and Virshup 1997). If aspects of the founder role identity are seen as contradicting other personal or social identities,

individuals will experience stress associated with attempting to reconcile or integrate the demands of a new role (Hall 1972; Goode 1960).

Research has found that institutionalized socialization processes and symbolic management help to reduce the potential impact of role conflict in organizational contexts (Saks and Ashforth 1997; Jones 1986; Ashforth and Johnson 2001). For example, being situated within a work group allows for the transmission of ideologies and social comparison techniques that contributes to newcomers' ability to reconcile their views of themselves with the conflicting work role. Because transitions to the founder role occur outside such systems and their supporting mechanisms, however, the impact of the founder role on the multiple identities that an individual holds is likely to have a large impact on transition outcomes in entrepreneurial contexts.

--- Insert Figure 1 about here ---

We developed above two essential features of the transition context that affect the transition to a founder role identity. As summarized in Figure 1, the concept of role novelty emphasizes the challenge of overcoming the behavioral gap between a current work role and a founder role. Recognizing that individuals' self-concepts are composites of social, personal, and role identities, role conflict emphasizes the complementary challenge of integrating a new role. To the extent that role novelty and role conflict is low (high), then one would expect a transition to a founder role would be more likely to be successful (abandoned).

--- Insert Figure 2 about here ---

As illustrated in Figure 2, we conceive of the transition process detailed above as distinct from the founding process and as an important but overlooked aspect of organizational founding. Reflecting its distinctiveness, the figure underscores that the beginning and end points of entrepreneurial transitions are conceptually distinct from those associated with organizational founding. In particular, research on role exits suggests that significant doubts and dissatisfaction about a current work role may initiate the transition process, and that exit from a current work role is a strong indicator of a successfully completed transition (Ebaugh 1988).² Because it engenders greater commitment to organizational founding, a role transition is an important component of the overall process. Scholars consider that the founding process commences when actions are undertaken toward the goal of founding. We build on Katz and Gartner (1988) who note that successful organizational founding is indicated by the achievement of important milestones, including maintaining stable relationships with resource providers and customers. By leveraging the role transition literature to inform our baseline model of founder role transitions, we can now begin to develop new theory that helps explain how founder role identity affects the transition process and how it contributes to successful founding.

FOUNDER ROLE-IDENTITY AND TRANSITION PROCESSES

In this section, we explicitly conceive of potential founders as those engaged in a role transition. We build on the concept of role identity to explore how two aspects of individuals'

² Scholars have developed integrative models that link key individual and contextual-level factors to the decision to engage in a transition. Mihal, Sorce, and Comte (1984) focused on a broad range of criteria including the potential conflict between work and nonwork roles that would likely to lead to satisfaction or dissatisfaction with a current role. Rhodes and Doering (1983) leveraged a large literature on job satisfaction to highlight the relevant factors that contribute to career satisfaction or dissatisfaction.

founder role identity, centrality and complexity, influence this key outcome. Recognizing that organizational founding efforts do not end when a successful role transition occurs, we also link these core dimensions of founder role identity to broader efforts to establish a new organization, including medium-term outcomes such as persistence, and longer-term outcomes of success, abandonment, and dormancy. By doing so, we develop a more dynamic theory about the role of the founder in organizational founding.

Orientation to and Conception of Founder Role Identities

Role identity captures the notion that individuals inhabit roles which are associated with a set of behavioral expectations held by society but that are internalized by role occupants in different ways. Much of the literature on role identities focuses on how identity orients individuals to their social context and provides guidelines for action. Recently, scholars have highlighted that people hold possible role identities, and that they have similar properties to actual role identities. The possible identities can guide and motivate goal-oriented behavior, often to the extent that a possible role becomes an actual one (Markus and Nurius 1986; Ibarra 1999). Founder role identity, encompassing perceived prescriptions for behavior and thoughts and feelings about oneself in a future founder role, represents a key concept that with further elaboration can link potential founders with actions to complete a transition.

With the aim of identifying individual-level differences that are likely to be predictive of behaviors and outcomes, we explore two dimensions of founder role identity because they can significantly influence how founders interpret and respond to the transition context. The first dimension, identity centrality, describes individuals' strength of attachment to the founder role which in turn suggests differences in individuals' motivation to undertake and persist in

challenging transitions. The second dimension, identity complexity, captures diversity and richness in individuals' definition of the founder role which can in turn explain patterns in how and when persistence occurs. While our primary focus is on delineating their impact on the transition process, we address how differences in these dimensions might emerge across individuals.

Identity centrality. Just as individuals may identify with a current work role to varying degrees, individuals are likely to differ widely in their orientation to the founder role. At one extreme are those for whom the founder role represents a significant part of their self-definition. Such a self-conception can be powerfully motivating, as typified by the following reflection:

“I am an entrepreneur. I have always been entrepreneurial. I’ve always made things and sold them. I’ve always made my own money. I’ve never wanted to work for anybody else” (Mallon and Cohen 2001).

At the other extreme, the subjective importance of a founder identity may be low such that there is little motivation to assume the entrepreneurial role despite having skills and experiences that would allow one to execute the role very competently. Our first characteristic thus emphasizes the subjective importance of the founder role identity within an individual's self-concept (hereafter referred to as identity centrality). To anticipate our later arguments, we expect that identity centrality facilitates the role transition by contributing to the attractiveness of a founder role and reducing the associated anxiety and stress, and the subsequent challenges of role conflict.

Across a broad range of role identities studied, centrality has been linked to individuals' actions – voluntarily undertaken rather than dictated by the situation – that serve to reinforce a role identity. Burke and Reitzes (1981), for example, show that the subjective importance of a

religious identity led individuals to spend more of their free time in that role. Individuals who viewed themselves as creative people engaged in more creative behavior at work (Farmer, Tierney, Kung-Mcintyre 2003), while those who strongly defined themselves as volunteers tended to be psychologically (Reich 2000) and behaviorally more committed to activities such as blood donation (Charng, Pilliavin, and Callero 1988, Callero 1985).

Two perspectives provide insight into the source of individual-level differences in identity centrality. The first suggests that people vary with respect to their degree of identification with a social group: in this case, other entrepreneurial people. Social identification captures feelings of oneness with a social group and the sense of sharing in its successes and failures (Ashforth and Mael 1989). Positive (or negative) evaluations that the individual holds about entrepreneurs as a group, informed by regard for the entrepreneurial role by the society at large, may influence psychological identification (Ashforth and Kreiner 1999; Hogg and Abrams 1988).

Symbolic interaction theory, in contrast, emphasizes that new identities begin as claims that must be socially legitimated through interactions with role set members (Goffman 1959; Strauss 1959). Assuming a new role requires that others react to the new role performance as if the person has the identity appropriate to that role performance (Goffman, 1959). Hence, identity centrality may vary among individuals due to differences in the number and perceived importance of social ties that can be linked to a particular role identity (Stryker and Serpe 1982). This implies that the more extensive the social support available to validate a particular role identity, the more likely a role transition will be completed and the role will be enacted.

While the above discussion would seem to suggest that differences in identity centrality emerge either externally, from relations to role partners, or internally, from differences in self-

categorization, in reality it is likely that psychological processes and social validation interact (Deux and Martin, 2003; Ashforth, 2001; Thoits and Virshup, 1997). For example, changes in self-categorization (e.g. “I am an entrepreneur”) can serve as a source of motivation to create new social relationships and seek access to new communities that increase the likelihood that the role will enacted.

Identity complexity. Unlike prototypical organizational roles which are narrowly defined and have strong interdependencies with other roles, founder role identities can potentially be very broad in scope, loosely coupled to other roles, and idiosyncratic in content. This is due in part to the charismatic basis of authority underpinning the founder role (Weber 1968), as well as the weak normative constraints imposed by complementary roles in a new venture’s formative stage (Burton and Beckman, 2006). While the prototypical entrepreneur is viewed as a business founder, focused on profit and growth (Carland et al. 1984), numerous typologies of entrepreneurship developed by scholars underscore that the role definition can vary widely. Lafuente and Salas (1989), for example, characterized entrepreneurs by their work-role preferences: for example, some entrepreneurs tended to focus on the work itself (such as bringing a new product to market) while some emphasized the need to improvise and lead others. In noting the founder’s organization-building function, other scholars suggest the role entails characteristics and activities similar to the managerial role, involving skills in marketing, management, and financial control activities (Chen, Greene, and Crick 1998).

Because founders’ role definitions can vary widely, a key dimension that can facilitate analysis is the complexity of individuals’ conceptualization of themselves in the founder role. Individuals may define the role as a composite of multiple dimensions, as suggested by one entrepreneur:

“I consciously go from the entrepreneur role with the ideas that are creative and having a vision [,] and make a conscious switch to being the doer and the implementer. I can put on my administrative hat when I need to and put on my financial hat when I need to. I can put on my systematize and organizational structure hat but that is not where I want to stay.” (Moore and Buttner, 1997).

In addition to a functional dimension, a multi-faceted view of the role identity may include behaviors, traits, attitudes, and values that viewed as appropriate to the role. Figure 3 represents a simple illustration of low and high founder role identity complexity. Low role identity complexity is characterized by defining the founder role along a few, similar dimensions, for example, by the related attributes of a founder as an ‘innovator’, ‘visionary’, and someone who is ‘autonomous’. In contrast, high identity complexity is a multi-dimensional view of the role in which the dimensions are richly conceived and often do not overlap in semantic meaning.

--- *Insert Figure 3 about here* ---

Although more work on the antecedents of founder role conceptions is needed, it is likely that differences in individuals’ role conceptions are based on differential access to founders, who can act as role models, and differential exposure to role set members. More broadly, having social networks that comprise diverse actors can provide multiple perspectives on the attributes and activities that constitute the founder role identity (Higgins and Kram, 2001). The presence of structural holes or bridging ties that span dense clusters of ties may be critical to providing greater exposure to diverse information and resources thereby increasing the potential for diverse role identity concepts. Because they limit the ability of interaction partners to agree on

appropriate role behaviors and enforce personal consistency, such network configurations may also facilitate flexibility and role experimentation (Gargiulo and Benassi 2000).

Founders' conceptions of the founder role may also be derived from their own career experience and functional background (Boeker 1988). In a detailed study of one healthcare firm whose managerial ranks provided many executives in the early days of the biotechnology industry, the work of Higgins (2005) suggests that career movement across varied roles and early exposure to highly uncertain business challenges could help enrich a person's conceptions of the founder role.

In addition to its implications for subsequent enactment of the role, more complex conceptions of the founder role can have an important impact on how individuals respond to uncertain or negative environments. Research on self-complexity indicates that holding diverse self views can have important psychological buffering effects for an individual facing stress and negative life events (Rafaeli-Mor and Steinberg 2002; Linville 1987; Linville 1985; Gergen 1971). These effects are attributed to the lower likelihood that negative feedback on one self-facet would spill over to other identities, thereby helping the individual to maintain overall self-esteem. Consistent with this argument, studies have found that the accumulation of multiple roles has beneficial consequences for psychological and physical well-being (Thoits, 1991; Thoits, 1983). The buffering benefits of complexity are also not limited to present conceptions of the self. In a series of carefully crafted studies, Nidenthal, Setterlund, and Wherry (1992) show that reactions among pre-medical and art students to experimentally-manipulated feedback about their professional prospects was explained by the complexity of their possible self-concept. Those with complex constructions of their future selves reported less change in mood and self-evaluations than those with simpler self constructions after receiving feedback to tests which

were said to predict their likelihood of success or failure in the role toward which they were working. We thus build on this broader research stream on self-complexity to delineate the potential benefits of identity complexity.

Linking Founder Role Identity and Transition Characteristics

In this section, we consider how individuals' role identity conceptions affect the transition to a founder role. When transition characteristics of role novelty and role conflict threaten to limit individuals' ability to complete a transition to a founder role, we argue that founder role identity centrality and complexity act to moderate their effects. Our arguments are summarized in Figure 4.

Founder role identity moderates role novelty. Recall that a comparison between the core and peripheral features of a new and old role, including the skills and abilities required to execute the role, captures the potential novelty of a new role. Absent prior entrepreneurial experience, gaining competency in the set of skills necessary for successful enactment will be more challenging when role novelty is high. Identity centrality can enhance individuals' motivations to overcome role novelty. Those who view the founder role as important to their self-definition will view the transition as an affirmation of a valued part of their self-concept. In this situation, acquisition of the necessary skills or social ties underpinning the founder role will be driven by a powerful perception of congruence rather than seen solely as an accommodation to external demands (Ibarra 1999).

For those with high identity centrality, perception of fit with the role may also influence information processing in the direction of sustaining rather than questioning

strongly held self-beliefs (Fiske & Taylor 1991). The confirmation bias is particularly evident when people with a strong self-view are presented with discrepant evidence held by others: they tend to take action to rectify others' discrepant views or ignore the evidence (Swann 1997, Swann and Hill 1982). These factors imply that a potential founder will also experience lower anxiety and stress around a difficult transition as interactions with skeptical role set members are interpreted in ways that reinforce the founder's strong identity commitments.

--- Insert Figure 4 about here ---

When faced with the challenge of overcoming role novelty, those who conceive of the founder role in complex ways will be better able to identify the new behaviors and role set members necessary to enact a founder role. Complexity in one's definition of the entrepreneurial role also implies holding a fuller conception of the behavioral repertoires necessary to be successful (Denison, Hooijberg, and Quinn 1995). Without a sufficiently detailed framework for organizing how one may behave as an occupant of the founder role, interactions with role set members may be based solely on more time-consuming trial and error. Trial and error can be costly as errors in role execution may lead role set members to deny resources and de-legitimate a potential transition. With simple conceptions of the founder role, errors also resonate as poor performance on one aspect of the role is more likely to be construed as an inability to execute other aspects of the role. Thus, criticisms of a business plan will have a more discouraging effect when effective planning is seen as the only dimension of a founder role than when it is one of several, diverse dimensions. As the literature on self-complexity suggests (Linville 1987; Linville 1985; Nidenthal, Setterlund, and Wherry 1992), role complexity may serve as an

important buffer against the psychological doubt and dissatisfaction that accompanies a difficult role transition.

Founder Role Identity Moderates Role Conflict. Transitions are difficult when assuming a new role affects existing commitments to other role identities. Similar to its effect on role novelty, founder role identity centrality can dampen the negative impact of role conflict. A central role identity reduces the need to validate other identities in social interactions, decreasing the potential for inter-role conflict (Burke 2003). Because of its subjective importance, holding a strong founder role identity has motivational force and can thus facilitate the changes in one's social network and patterns of interaction to legitimate the identity and possibly reduce reliance on other role identities. Over time, a central role identity is also likely to facilitate re-interpretation of other identities in ways that enhance compatibility with a founder role identity (Burke 2003).

While identity centrality may lead individuals to reorient to other roles in ways that support a founder role, identity complexity enhances individuals' ability to execute the founder role despite competing and conflicting identities. When an aspect of the role is in conflict with other identities, those with complex conceptions of the role can avoid placing a disproportionate emphasis on dimensions that are in conflict. Rather than emphasizing behaviors, traits, or values that lead to greater conflict, they can stress other aspects of the role in their interactions which are likely to be more complementary to established identities. This line of argument emphasizes that complexity or multiple aspects of a role represent multiple opportunities for an individual to derive value and meaning from the focal role (Koch and Sheppard 2004). In addition to the buffering benefits discussed earlier, complexity may contribute to psychological resilience and self-esteem by offering more possibilities for generating positive views of oneself when

assuming the founder role (Steele 1988). Referring to our example illustrated in Figure 2, while attributes such as recklessness may be discouraged by role set members, an individual with a complex view of the founder role may still establish positive self-esteem by emphasizing other characteristics such as being dependable.

In summary, our perspective suggests that challenging transitions can be facilitated by individuals' complex conceptions and the strong subjective importance they give to the founder role. To focus our theorizing, we explore a testable implication of these arguments by linking identity characteristics to an indicator of a successful transition. In order to facilitate comparisons across individuals, we emphasize an objective indicator: individuals negotiate a transition successfully when they exit a current work role in order to more fully pursue founding activities. Ebaugh (1988) found that disengaging from an existing role in order to facilitate a role transition is commonly observed in many kinds of transitions, including occupational transitions.³ Integrating this important milestone, our arguments yield the following propositions:

Proposition 1. Identity centrality reduces the negative effect of role novelty and role conflict on the likelihood of exiting a current work role to pursue founding activities.

Proposition 2. Identity complexity reduces the negative effect of role novelty and role conflict on the likelihood of exiting a current work role to pursue founding activities.

³ Our focus on role exit is also supported by Gimeno et al. (1997) who noted that only 14% of new founders who belonged to the National Federation of Independent Businesses reported holding a parallel part-time or full-time job during the first three years of the new venture.

The above propositions imply that an important boundary condition for our theory is the extent of difficulty faced by individuals in exiting a current work role. Our theory holds when the transition is difficult, as when individuals pursue business opportunities that do not build directly on their skills and abilities. The boundary conditions of our theorizing also suggest a potentially important source of variation across founders. To the extent that a given business opportunity draws individuals who overcome transitions of varying difficulty, we would expect a heterogeneous mix of founder profiles with respect to their centrality and complexity.

Impact of Founder Identity on Persistence and Adaptation after Negative Feedback

Thus far, we have argued that founder role identity can help explain successful transitions to the founder role. While a role transition is necessary for organizational founding, it is not sufficient. To develop more fine-grained predictions and a more dynamic view of the role of the founder in founding processes, we thus consider how founder role complexity and centrality influence subsequent founding activities. Although no one event signals the end of the founding stage (Carter, Gartner, and Reynolds 2004), it is widely agreed that the founding period ends when distinctive organizational boundaries are created (e.g. through legal incorporation), the organization has stable relationships with suppliers and customers, and generates revenue (Katz and Gartner 1988). Because these outcomes are difficult to achieve and rarely occur at the same time, founders are likely to encounter uncertainty and some level of negative feedback about the actions taken and their impact on enhancing the venture's future prospects. In this context, continuing to undertake actions to move closer to the goal of creating an organization is nontrivial and hence an important proximate outcome to be explained.

In the psychological literature, persistence has often been conceived as a simple re-doubling of effort and thus factors that lead to over-commitment have been the focus of much work (Staw and Ross 1987). But such an emphasis would leave a range of potential beneficial responses to feedback unexplained. In light of the uncertainty and ambiguity associated with entrepreneurial contexts, negative feedback can sharpen founders' representation of the external environment and result in useful adjustments to founding activities. We thus explore how a fuller understanding of founder role identities can yield predictions about how individuals will persist in different ways by considering both their willingness and ability to pursue new behavioral avenues in response to negative feedback.

Adjustments to negative feedback: Search. Our theory suggests that the motivation to persist in founding activities is rooted partly in the subjective importance of the role identity or its centrality to the self-concept. Negative feedback threatens valued self-perceptions and social relationships that validate the identity (Whyte, Saks, and Hook 1997). High identity centrality precludes role-identity abandonment as one possible response to negative feedback (Burke 1991). On the other hand, the persistence that centrality engenders may not result in effective responses to feedback. Because it threatens a valued aspect of the self-concept, negative feedback is not neutral and may only result in escalation wherein additional effort or resources are committed to bolster prior lines of action (Staw and Ross 1987; Brockner et al. 1986). If broader search and adjustment can lead to better outcomes, then research on self-complexity suggests that holding a multi-faceted view of the founder role may also be an important consideration.

Research on the self-concept has shown that the complexity of one's self-concept allows one to respond more effectively to changes in role demands (Hoelter 1985; Gergen 1971).

Similarly, because multiple alternatives are available for defining a role's core and peripheral features, a complex role conception may allow for greater ease in emphasizing or de-emphasizing different facets of the role in response to negative feedback (Gergen, 1971; Bartunek, Gordon, and Weathersby 1983; Denison, Hooijberg, and Quinn 1995). Those with complex conceptions of the role may also be better prepared to undertake dramatically different behaviors. We leverage these insights to argue that role complexity implies greater potential for adaptability: a broader set of behavioral repertoires underpinning a complex role identity provides a larger pool from which to draw new solutions.

To integrate these insights with the earlier discussion on motivation to persist, consider the joint interaction of identity centrality and complexity under conditions of negative feedback. As depicted in Figure 5, by crossing high and low levels of identity centrality and complexity, we construct four broad role identity profiles that capture differences in the capacity for adaptation and the motivation to search for solutions. These profiles in turn suggest different modes of persistence during the founding process.

Individuals with high identity centrality and high role complexity would be expected to persist in ways that emphasize role experimentation. Because negative feedback signals the possibility that a strongly held future identity will not be fully realized, individuals with a strong founder self-definition would likely react vigorously to negative feedback in order to counter this threat to their self-concept. At the same time, individuals with this profile will have a source of behavioral variation inherent in a complex conception of the role that may prevent such threats from leading to a single, rigid response that would be inappropriate given the cues from the environment (Staw, Sandelands, and Dutton 1981). The buffering effects of complex conceptions of the role against discouragement and frustration, which would otherwise loom

large if individuals had few behavioral repertoires from which to draw, could also facilitate an experimentation orientation. As a result of greater search and more adaptive persistence in response to negative feedback, we would expect that individuals with this profile in the longer-term would be most likely to succeed in founding a new organization.

--- Insert Figure 5 about here ---

In direct contrast to the case outlined above, individuals with low centrality and low complexity are less resistant to negative feedback, have low motivation to persist in their search for solutions, and have little potential to experiment and adapt. Because of their susceptibility to negative feedback, we would expect that, over the medium-term, individuals in this group would respond in ways that lead them to reject the founder role rather than ignore or respond to the feedback. For example, someone who simply equates founders with inventing new products may have fewer solutions to poor market feedback than an individual who views salesmanship and marketing skills as additional facets of the role. Moreover, low subjective importance of the role might lead them to assess this feedback as evidence against proceeding rather than engaging in further effort to investigate its implications for the venture's viability and adjust accordingly. Over the long term, individuals with this profile would be most likely to abandon their efforts when faced with negative feedback.

Among individuals with high complexity and low identity centrality, we expect a greater capacity to adapt to negative feedback. At issue is whether such individuals will engage in the effort to explore potential alternatives. On the one hand, high role complexity offers buffering benefits, but its beneficial effects may be undermined when individuals are only weakly

committed to the founder role (Keough and Markus 1998). Moreover, there is little motivation to engage in experimentation in response to negative feedback: hence their ability to sustain experimentation efforts would be expected to be weaker than those with a high centrality-high complexity profile. If their actions only yield ambiguous feedback at best, our prediction is that negative feedback – unfiltered by strong commitment to the founder role – would ultimately lead in the long-term to abandonment of founding efforts.

Finally, individuals with high identity centrality and with an undifferentiated view of the founder role would likely engage in limited search activities. That is, while individuals with this profile may have strong motivation to overcome negative feedback, their narrow conceptions of the founder role would inhibit experimentation. In the medium-term, potential founders would tend to escalate by increasing effort and committing more time rather than re-evaluating the overall approach or searching more broadly for solutions. In this sense, a tendency to confirm existing beliefs, skills, and strategies would dominate these individuals' efforts in response to negative feedback. However, because of strong identification with the founder role, the long-term implications of continued negative feedback for this group are distinctive from those with weaker identity centrality.

Adjustments to negative feedback: Dormancy. Negative feedback is particularly challenging for those with high identity centrality who also lack a broad behavioral repertoire to respond to that feedback. Constant evaluation of negative feedback is psychologically distressing and calls into question valued self-perceptions (Steele 1988). Our model suggests that founders who are predisposed to confirm the definition of themselves as a founder may persist under such conditions but then eventually go dormant; that is, while they may become inactive, they continue to hold an expectation of returning to entrepreneurial activity in the

future. Dormancy may be adaptive since putting the execution of a business plan on the “back burner” minimizes further negative feedback, allows for continued identification with the role, and sustains the identity claim in social interactions. Dormancy may also explain the empirical finding of long founding periods: recent evidence shows that 38 percent of US potential founders listed their first activity to start a new business as occurring more than five years before (Gartner, Carter, and Reynolds, 2004).

When dormant, individuals may only completely abandon their claim to the founder role identity when facilitated by an external event such as a major illness, observing the success or failure of others’ entrepreneurial transitions, or a relocation that may provide impetus for reconsidering commitment to a lingering entrepreneurial identity. These ‘jolts’ can also initiate new social relationships that further weaken the centrality of the entrepreneurial role (Roberts et al. 2005).

In summary, founding efforts are shaped to a significant degree by the centrality and complexity of founders’ role identity. We argue that their impact extends beyond facilitating a role transition to influence the extent and type of persistence exhibited in response to negative environmental feedback. When founder role identity centrality and complexity are considered, we posit the following:

Proposition 3a. Individuals with high centrality are less likely to abandon their efforts in response to negative environmental feedback than those with low centrality.

Proposition 3b. Among individuals with high centrality, those with high complexity will exhibit a more diverse repertoire of behaviors than those with low complexity. As a consequence, those with high complexity will be more adaptive and more likely to achieve founding under conditions of negative feedback. Those with low complexity will exhibit a narrower range of behaviors when responding to negative feedback, and tend to go dormant in their founding activities.

Measurement and Testing

Empirical testing of the model outlined in this paper would examine the impact of founder role identity on the process and outcomes of the transition to entrepreneurship. Studying the transition process requires a longitudinal or panel data research design in order to examine the dynamics of role transitions and venture formation. Our conception of the founder role identity construct is new to the literature, and has not yet been measured or validated. Drawing broadly from the identity literature, we propose some possible measures for the construct based on primary (survey) data. However, since primary data collection may be infeasible in some situations, we also discuss proxies for entrepreneurial identity which may be obtained from secondary data sources.

Because the construct of founder role identity is new, the measurement and validation of the construct is perhaps the most critical step in advancing empirical research. Measurement is not a well developed area within the identity literature in general, although advances have been made (Gecas, 1982). To measure identity centrality, we propose an elaboration of the index developed by Jackson (1981) to assess respondents' differential commitment to a variety of identities. Jackson's index includes multiple items about the impact of the role identity on

behaviors and activities (e.g., “when people are discussing the topic of [role], I probably will listen and/or join the conversation”), as well as subjective evaluations of the importance of the identity (e.g., “I am strongly committed to being [role]”). Identity centrality would be measured as the attachment to an entrepreneurial role relative to other possible work roles (e.g., manager, employee).

Existing techniques to capture self-complexity can also be modified to measure complexity of entrepreneurial role identity. Current approaches to measure self-complexity (Rafaeli-Mor and Steinberg 2002) ask individuals to sort a wide variety of descriptive attributes into broader dimensions, and create an index based on the number of dimensions identified and the shared attributes across dimensions (Linville, 1987). A key challenge in extending the measure to the entrepreneurial context, which would require extensive pre-testing, is to characterize the entrepreneurial role in sufficient breadth to capture the variety of role conceptions in a given population of potential founders (Lafuente and Salas, 1989; Verheul, Uhlaner and Thurik, 2005).

The difficulty of the role transition can be captured by the role novelty and role conflict constructs. Following Latack’s (1984) work on career transitions, role novelty could be measured by the number and intensity of the changes involved in the transition. For example, an entrepreneurial transition that would involve changes in industry focus, geography, and professional activity from a previous occupation would be considered more novel than one that involved changes in only one area. Role conflict relates to the potential for conflict between the new role and other role commitments (inter-role conflict). It can be measured in terms of the number of other personal, family, and professional roles that an individual occupies and that could compete with the founder role for limited time and resources.

Our model proposes that founder identity characteristics would affect the outcome of exiting a current work role to engage in founding activities. A primary data sample could be gathered from a cohort of individuals, such as members of organizations with similar exposure to good entrepreneurial opportunities, who thus have similar opportunities for career transition. The founder role identity characteristics of these individuals could be obtained at the beginning of the study, together with other control variables such as organizational characteristics, individuals' skills and prior experience, social network characteristics, and relevant psychological variables such as entrepreneurial self-efficacy (Chen, Greene and Crick, 1998) and causal attribution style (Gatewood, Shaver, and Gartner 1995). The latter are distinctive constructs that nevertheless could affect outcome transitions, and if not included, be confounded with the effects of founder role identity. Beliefs about one's ability to execute specific tasks related to the role may prompt individuals to undertake and sustain an entrepreneurial transition. Similarly, tendencies to ascribe success in the actions that one undertakes to one's own abilities rather than due to luck or external factors may also enable individuals to persist in founding.

With respect to outcome measures, it may be interesting to capture earlier evidence of commitment to the new role in addition to examining whether and when individuals leave their current work role. Other objective indicators of successful role transition are the extent of time and resources committed to founding, as measured by number of hours or amount of money devoted to founding efforts. Commitment could also be assessed by capturing "side bets" (Becker, 1960). Clear side bets do not represent significant advances in organizing and thus cannot be misinterpreted as evidence of positive feedback, and yet they are self-initiated, visible to others, and have negative consequences if the role transition does not occur. Actions such as

renting workspace rather than working at home or printing business cards that identify oneself as a founder mark progress toward a role transition.

To assess the different outcomes in our venture founding model, information should be obtained on individuals' entrepreneurial intentions (Zhao, Siebert, and Hills 2005), whether they sustain their efforts in venture founding activities, and milestones achieved (Delmar and Shane, 2003). Collecting information about entrepreneurial intentions and level and type of founding activities would allow distinctions to be made between abandonment (low intentions, low activity), dormancy (high intentions, low activity) and persistence (high intentions, high activity). Collecting information on the type of activities initiated would also tap the flexibility and diversity of individuals' behavioral repertoires that we argue is related to founder role identity complexity. One can classify the process of venture founding as completed when the following three conditions are met: the venture has established clear organizational boundaries, it has generated its first revenues, and it has stable relationships with buyers and suppliers (Katz and Gartner 1988).

While primary data sources may facilitate the development of instruments, secondary data sources may present better longitudinal coverage across a variety of contexts thereby increasing the generalizability of findings. Therefore, it would be important to develop and validate empirical proxies for identity characteristics that could be obtained from secondary data sources. Such variables could be constructed based on observable characteristics of the potential entrepreneur's prior experience, background and organizational affiliations. For example, examination of an individual's past actions, decisions, and affiliations may indicate the strength of a founder role identity. The way that information is presented may also signal information about the subject's identity; for example, how people present and sort information within their

CV provides information about which dimensions of their past experience may serve to identify them better, and which social categories they particularly value. A subject's history within organizations may also yield proxies for identity centrality and complexity. This may be tapped by examining prior work role activities, professional memberships, and involvement in entrepreneurial communities.

DISCUSSION

This paper develops new theory about organizational founding by noting that potential founders must complete a role transition to pursue founding activities. Our model delineates how two dimensions of founder role identity, centrality and complexity, affects transition success. We argue that the subjective importance and complexity of role conceptions lower the negative impact that role novelty and role conflict have on successful role transition. After the transition occurs, we delineate how complexity and centrality together influence the founding process. In particular, they yield distinctive configurations of founder role identities which influence the extent and type of persistence that founders are likely to exhibit under the typical entrepreneurial condition of negative feedback. Because persistence informs whether and how founders move toward the goal of building a new organization, we are able to shed light on the founder's role in determining organizational founding.

In building a general model of transitions to an entrepreneurial role, we provide a lens through which to understand a variety of transitions that would appear to differ widely. Scholars for example have been increasingly interested in explaining entrepreneurial activity by professionals such as engineers and academics, hobbyists or users, and by managers who leave

established organizations to start their own ventures. While they vary in their institutional structures and strength of normative expectations, our framework can usefully integrate these diverse entrepreneurial transitions by emphasizing the common role transition processes that underpin all of them.

Our perspective can be seen as a mid-level theory that seeks to develop a more dynamic understanding of founders and their role in determining organizational founding. In light of the critiques of prior work focused on founders, our approach may have greater explanatory power in predicting outcomes because it focuses on dynamic characteristics of individuals that are situationally relevant (House, Shane, and Herold 1996). Our work may also complement other perspectives on founders. For example, perspectives emphasizing founders' human, social, and cultural capital cite them as important factors that ensure better access to the kind of resources required to get a new venture off the ground. Our perspective suggests that they may also affect access to role models and coaches that facilitate transition into the founder role. Similarly, organizational contexts may shape the centrality and complexity of individuals' role identity conceptions, in addition to their demonstrated impact on individuals' exposure to business opportunities (Dobrev and Barnett 2005). We would encourage developing linkages between different perspectives on founders as a means of further elaborating on the basic model outlined in this paper.

After the venture is founded, our model sheds light on sources of variation in how founders may influence the organization that is founded. We highlight that variation is due to founders' initial role conceptions, feedback processes during the founding process, and founders' adaptiveness. We believe that our approach extends scholarly focus on how organizations are imprinted by their founders at the time of founding (Shane and Kharuna 2003; Shane and Stuart

2002). In particular, work experience and functional background of the founder have been linked to organizational level structure (Boeker 1989a) and strategy (Boeker 1989b). In addition to linking outcomes to what individuals know how to do or have done in the past, a focus on role identity complexity highlights the possibility of role experimentation which suggests a more dynamic view of imprinting. Because role conceptions provide guides for actions, a focus on identity can also inform our understanding of whether and how founder imprints can be a source of organizational-level heterogeneity. For example, the anti-establishment, maverick strategy of Virgin and the technological innovation focus of Hewlett Packard reflect the founders' different definitions of the entrepreneurial role. Selection, retention, and incentive policies at the organization level can serve to amplify their view of entrepreneurship.

An intriguing implication of this perspective is that particular identity configurations may explain an organization's performance during the early years of its life cycle (Beckman, Burton, and O'Reilly 2007; Baron, Hannan, and Burton 1999). For example, it may be that founder's identity characteristics imprint decision processes that have implications for its subsequent performance (Boeker, 1988). Given that a founder is likely to dominate the decision-making process during the firm's early years, it would be fruitful to examine empirically how founder identity influences their firms' subsequent perception and response to more complex patterns of feedback from the environment, and explore its implications for the adaptability of the venture. Recent work on the "hot stove effect" suggests that actors responding to feedback tend to respond to initially negative outcomes by avoiding taking risky actions that can prove to be superior over time (Denrell and March 2001). In situations of ambiguous or negative feedback, founders' with a central entrepreneurial identity may be more committed to their role, and avoid over-reacting to initially negative feedback. This imprinting of persistence may have long-term

value for the firm when initial performance feedback is ambiguous and weakly correlated to future performance (Gimeno et al. 1997). Under such conditions, committed founders with a more nuanced and complex representation of the entrepreneurial role may also be better able to develop an understanding of the context in which they operate. More empirical work is needed to fully delineate the linkages between founder role conceptions and the extent and kind of environmental adaptation exhibited at the firm-level.

We believe our work has implications beyond the study of founder role transitions to broader research on careers, and in particular on the consequences of recent corporate demands that increase the frequency of career transitions and place greater burden on individuals to adjust and manage these changes. Our work contributes to a growing literature that explores how possible role identities help to structure and facilitate a wide range of career transitions (Ibarra 2003). More specifically, identity centrality and complexity of possible role conceptions may be a source of individuals' ability to manage and adapt to other work role transitions. To the extent that entry into a new role is not supported well by mentoring and socialization processes, and there is latitude in how the role is enacted, centrality and complexity of role conceptions may be usefully studied in certain organizational role transitions, for example, into boundary-spanning roles.

Our work also highlights that transition processes may result in outcomes beyond clear success or failure; they sometimes result in dormant identities. When scholars have theorized on the role transition process, they have neatly categorized role identities in past, present, or future form (Thoits and Virshup 1997). However, a dormant identity blurs the distinction between past and possible role identities and, when shaped by prior exposure to negative feedback, may have important implications for subsequent behavior (Markus and Nurius 1986). Because a possible

role identity changes to accommodate prior experiences, the period of dormancy may be an important but overlooked time for facilitating learning. Those re-entering a founder role transition from dormancy may undertake certain actions as much to avoid aspects of the founder role that were once seen as possible—but proved detrimental—as to realize their current conceptions of themselves in the new role. Understanding the implications of holding dormant work identities from a broader career perspective in which multiple transitions are likely is largely unstudied and may be another interesting avenue to pursue in future research.

In summary, we have developed a novel role identity-based perspective on founders that explains how potential founders differ in their orientation to and conceptualization of this important economic position. By assuming that the founding process entails disengaging from an old role and developing a viable role identity, we developed a number of propositions linking founder role identity to transition outcomes. We also shed light on its impact on organizational founding by linking founder role identity to persistence and successful founding, and suggest that a founder's identity can have imprinting effects on the organization. From this starting point, we encourage continuing development of the concept of founder role identity through empirical tests and further theorizing of its role in new venture growth and performance.

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Figure 1. Components of Transition Process to Founder Role

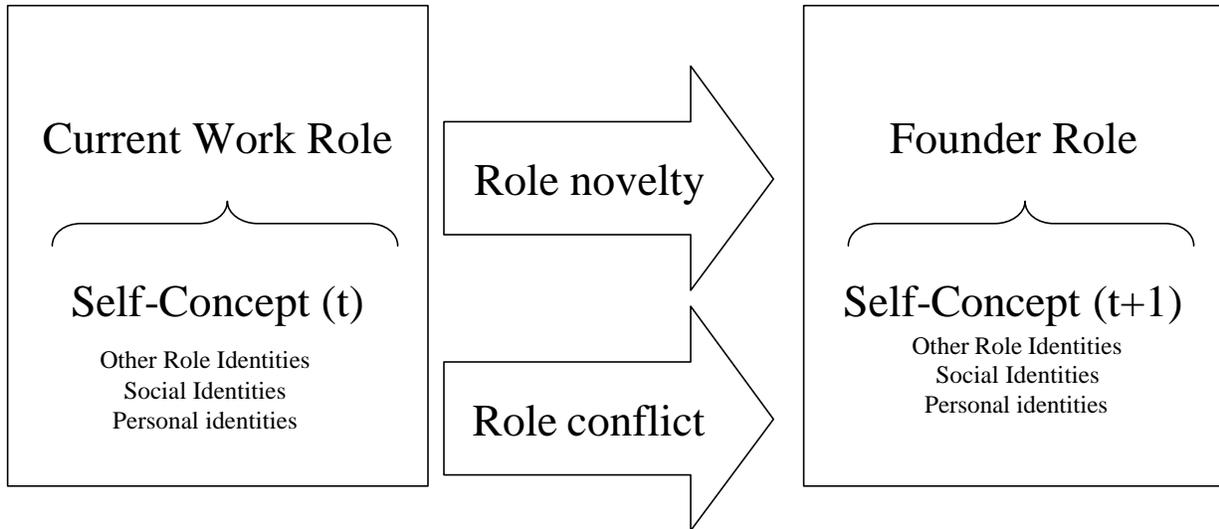


Figure 2. Founder Role Transition Process in Relation to Founding Process

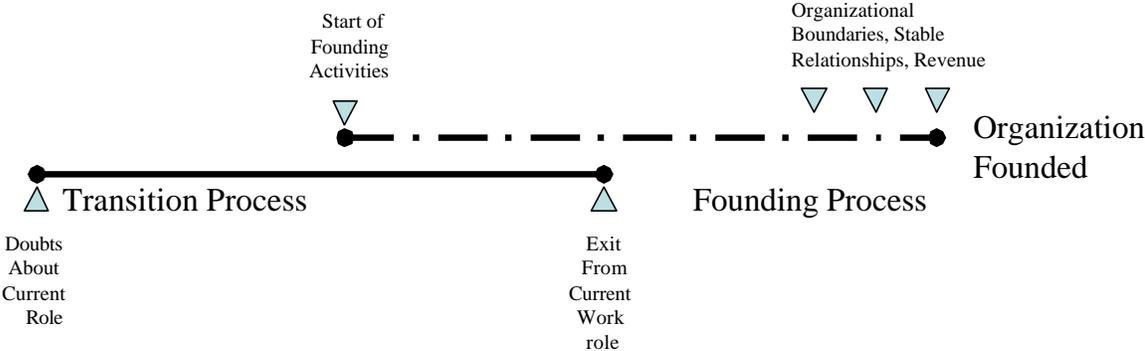
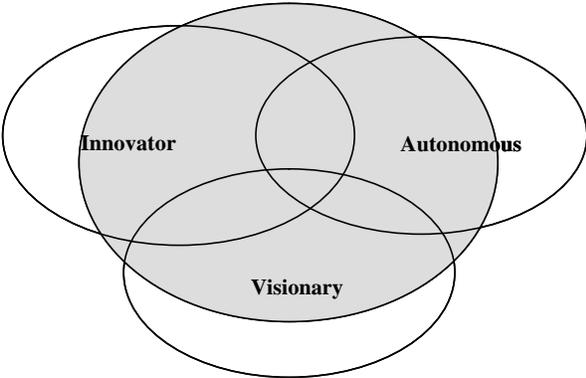
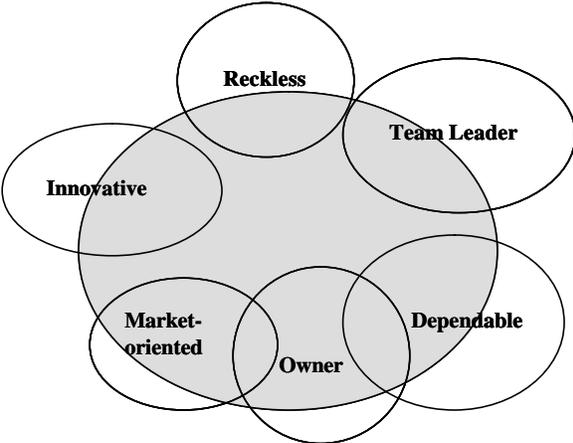


Figure 3. Example of Variation in Founder Role Identity Complexity



Few dimensions and undifferentiated



Many dimensions and differentiated

Figure 4. Effects of Founder Role Identity Centrality and Complexity on Transition Characteristics

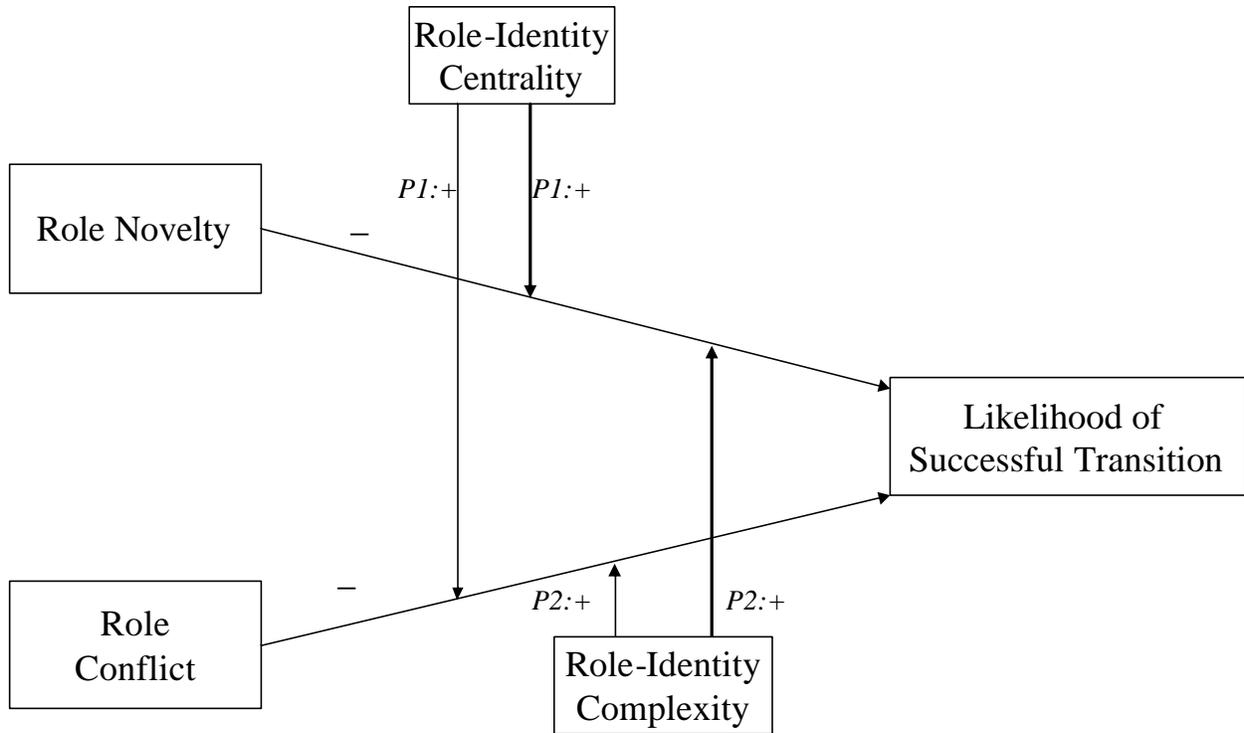


Figure 5. Effects of Founder Role Identity on Gestation Outcomes Under Conditions of Negative Feedback

		Identity Centrality	
		High	Low
Identity Complexity	High	Medium-term: Experimentation- oriented Persistence Long-Term: Completion	Medium-term: Weak Experimentation- oriented persistence Long-term: Abandon
	Low	Medium-term: Confirmation- oriented Persistence Long-term: Dormancy	Medium-Term: Strong Rejection- oriented Persistence Long-term: Abandon

Europe Campus

Boulevard de Constance,
77305 Fontainebleau Cedex, France

Tel: +33 (0)1 6072 40 00

Fax: +33 (0)1 60 74 00/01

Asia Campus

1 Ayer Rajah Avenue, Singapore 138676

Tel: +65 67 99 53 88

Fax: +65 67 99 53 99

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