Moving on: Narrative Identity Reconstruction after Entrepreneurial Failure

Corresponding author: Itziar Castelló, Reader in Sustainability and Digital Economy, Bayes Business School, City University of London

Tel: +44 (0) 7380380708
Email: Itziar.Castello-Molina@city.ac.uk

David Barberá-Tomás, Associate professor in INGENIO (CSIC-UPV), Universitat Politécnica de Valencia
Tel: +34686938102
Email: jobarto@ingenio.upv.es

Eero Vaara, Professor in Organisations and Impact
Tel: +44 7541952289
Email: eero.vaara@sbs.ox.ac.uk

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Corresponding author	Itziar CASTELLO
First author	Itziar CASTELLO
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ABSTRACT

Despite increasing interest in the narratives of entrepreneurial failure, understanding of how entrepreneurs reconstruct their identity as they advance from experiences of failure to new ventures remains partial. Our narrative analysis of 49 Silicon Valley entrepreneurs leads to an inductively-derived typology of three narrative used by entrepreneurs when moving on: shielding, transformation, and authenticity. We highlight how the discursive practices used

provide different means for dealing with central dimensions of identity reconstruction: construction of responsibility, identity transition, and identity validation. Thus, our analysis elucidates the narrative underpinnings when dealing with failure and deepens our understanding of entrepreneurial identity construction in the context of moving on.

Keywords: Entrepreneurship, Failure, Narratives, Identity construction

Executive Summary

Despite the ubiquity of entrepreneurial failure, many entrepreneurs do in fact move on and re-enter entrepreneurship after a failure experience. To do so, entrepreneurs need to redefine what they have been and also what they want to be in the future. However, little is known about how entrepreneurs who have encountered failure reconstruct their identities when moving on. There is a paucity of knowledge about how these entrepreneurs use narratives in their identity reconstruction and what such work entails. To deal with this issue, we studied the narratives of 49 entrepreneurs who had moved on from failure experiences to new ventures in Silicon Valley. In particular, we identify and elaborate on three distinct types of narrative used by entrepreneurs: 1) shielding, which helps entrepreneurs divert their identity from failure and normalize it as part of the entrepreneurship process; 2) transformation, in which entrepreneurs accept failure and present themselves as new and more learned entrepreneurs; and 3) authenticity, in which entrepreneurs use failure to reinforce their identity as unique entrepreneurs.

Our findings extend the literature on entrepreneurship in three ways. First, we complement prior research on narratives of failure in entrepreneurship. We argue that entrepreneurs' explanations for previous venture failures link their experiences with the identity transition they are about to make and the social validation they need to develop their new ventures. Furthermore, our typology of the three narrative highlights three distinctively different ways this transformation can be accomplished. Thus, we offer a nuanced

understanding of how entrepreneurs deal with failure when moving on. Second, our research specifically contributes to research on entrepreneurial identity construction by proposing three dimensions of identity reconstruction: construction of responsibility, identity transition, and identity validation. Third, we complement the literature of re-entry by focusing on how entrepreneurs work on their identity reconstruction in the specific context of moving on.

1. Introduction

How to move on from failure is a crucial question for entrepreneurs who have to deal with their past experiences if they are to continue as entrepreneurs (Ashforth, Harrison, & Corley, 2008; Maitlis & Christianson, 2014). This is challenging because it requires them to look back on past actions and events associated with failure, and deal with the complex and distressing emotions linked with this (Singh, Corner, & Pavlovich, 2015). At the same time, to move on, entrepreneurs need to make sense of what they want to be in the future, which may be in stark contrast with the past (Radu-Lefebvre, Lefebvre, Crosina, & Hytti, 2021). At the heart of all this is identity reconstruction, which involves nothing more nor less than the reconstruction of what the entrepreneur has been, is, and wants to be in the future.

The different ways of constructing meaning around identity (i.e., addressing the question of "who am I?") have received considerable attention in entrepreneurship research (Fauchart & Gruber, 2020; Leitch & Richard, 2016; Mmbaga, Mathias, Williams, & Cardon, 2020; Radu-Lefebvre et al., 2021). Despite a proliferation of research on entrepreneurial identity construction (e.g., O'Neil, Ucbasaran, & York, 2020; Phillips, Tracey, & Karra, 2013; Shepherd & Williams, 2018; Watson, 2009), we lack in-depth understanding of how entrepreneurs reconstruct their identity after failure so they can move on to new ventures. As pointed out by Radu-Lefevbre et al. (2021:16) in their review of this literature, "we still know little about how entrepreneurial identity relates to failure … or how it connects to the intention of starting a new venture after exit."

Thus, we apply a narrative perspective to identity construction (Brown, 2015; Ibarra & Barbulescu, 2010; Sveningsson & Alvesson, 2003), delving into how entrepreneurs deal with the key challenges of failure. We see narratives as "temporal, discursive constructions that provide a means for individual, social, and organizational sensemaking and sensegiving"

(Vaara, Sonenshein, & Boje, 2016: 496). Narratives give meaning to the practice and can be worked upon or "managed" in and through discursive practices (Vaara et al., 2016). Narrative identity construction is the arrangement of self-narratives that are both expressive and constitutive of identity (McAdams, 1996), aimed at linking the past and present to the desired future and thus providing direction (Ibarra & Barbulescu, 2010; McAdams, 1996). In the entrepreneurial journey, narrative identity construction has been analyzed in nascent entrepreneurs (Marlow & McAdam, 2015), experienced entrepreneurs (Phillips et al., 2013; Rotefoss & Kolvereid, 2005), and retired entrepreneurs after decades of business success (Hamilton, 2006). However, we lack similar analysis in the context of moving on after failure. This might be because narrating one's own failure is often painful (Singh et al., 2015) and difficult for researchers to capture (Cope, 2011; Smith & Osborn, 2008), especially when it is linked to the potential discredit of the entrepreneur's identity; this is inextricably intertwined with their own self as the central subject of the narration (Cardon, Zietsma, Saparito, Matherne, & Davis, 2005).

As such, a narrative lens has been applied to entrepreneurial failure, and it is this body of work that we both draw on and intend to extend. Scholars have studied grief recovery through attribution (Cardon, Stevens, & Potter, 2011; Mandl, Berger, & Kuckertz, 2016; Mantere, Aula, Schildt, & Vaara, 2013; Singh, Corner, & Pavlovich, 2007) and self-enhancement motives such as the promise of learning (Cope, 2011; Dahlin, Chuang, & Roulet, 2018; Josefy, Harrison, Sirmon, & Carnes, 2017; Shepherd, 2003; Yamakawa & Cardon, 2015) in entrepreneurial failure narratives. Recent studies have also shown how these narratives are also motivated by impression management (Kibler, Mandl, Farng, & Salmivaara, 2021; Kibler, Mandl, Kautonen, & Berger, 2017). In terms of the narratives of entrepreneurial re-entry, studies have focused on the cognitive and emotional processes that help entrepreneurs make sense of failure (Byrne & Shepherd, 2015; Shepherd, Williams,

Wolfe, & Patzelt, 2016; Wolfe & Shepherd, 2015) including learning (Shepherd et al., 2016) and stigma management (Shepherd & Haynie, 2011; Singh et al., 2015). What we aim to add to these studies is a more comprehensive understanding of identity reconstruction that not only deals with failure attribution but also links it to other forms of identity reconstruction essential to moving on. Our research question therefore is: *Which type of narratives and discursive practices do entrepreneurs use in identity reconstruction when moving on after failure?*

Our analysis is based on an in-depth study of 49 entrepreneurs in Silicon Valley, California. We identify three types of narrative used by entrepreneurs who are going through three dimensions of identity reconstruction: shielding, transformation, and authenticity. We highlight how the discursive practices used provide entrepreneurs with different means for dealing with the central dimensions of identity reconstruction: construction of responsibility, identity transition, and identity validation. In the identity shielding narrative, entrepreneurs distance their identity from failure, presenting themselves as victims but also valuable entrepreneurs, denying their responsibility for failure while normalizing it as part of the entrepreneurial process. In the transformation narrative, entrepreneurs accept their responsibility for failure while calling attention to the learning experience that will help them to become new, more learned entrepreneurs. In the authenticity narrative, entrepreneurs use failure to highlight their identity as unique entrepreneurs. They embrace failure but also question it in an attempt to validate their own authenticity.

Our paper makes three contributions. First, we provide a comprehensive typology of the narrative types and the discursive practices used to deal with and move on from failure. We thereby complement prior research that has mostly looked at how entrepreneurs have dealt with failure though attribution and grief recovery (Cardon et al., 2011; Mandl et al., 2016; Mantere et al., 2013), learning (Dahlin et al., 2018; Josefy et al., 2017; Shepherd,

2003; Yamakawa & Cardon, 2015), and impression management (Kibler et al., 2017, 2021). Second, our research has wider implications for research on entrepreneurial identity construction (Radu-Lefebvre et al., 2021; Shepherd & Haynie, 2009; Shepherd & Williams, 2018) by elucidating the discursive underpinnings in moments of transition, such as moving on. Most interestingly, we show how entrepreneurs are able to skillfully deal with failure stigma, reproducing and at times transforming the prevailing understandings of entrepreneurship. Third, by focusing on the specific context of moving on, our analysis adds to the research on re-entry (Mandl et al., 2016; Williams, Thorgren, & Lindh, 2019; Yamakawa & Cardon, 2015), showing how entrepreneurs work toward transcending failure through the reconstruction of their own identity.

2. Theoretical framework

2.1. Narratives of identity reconstruction

Identity construction and reconstruction "is the process through which actors come to define who they are" (Ashforth & Schinoff, 2016: 113). Identity construction is sometimes used synonymously with identity work, defined as "forming, repairing, maintaining, strengthening or revising the constructions that are productive of a precarious sense of coherence and distinctiveness" (Alvesson & Willmott, 2002). Such identity construction and reconstruction involves accounts that constitute an agentic, reflexive process of sustaining continuously-revised biographical discourses that integrate the events that occur in the external world into an ongoing story or narrative (Snow & Anderson, 1987).

Narratives of identity reconstruction are therefore self-narratives that are both expressive and constitutive of identity (McAdams, 1996), aimed at linking the past and present to a desired future, and thus providing direction (Ibarra & Barbulescu, 2010; McAdams, 1996). The narratives are agentic and reflective provisions of the identity direction so created, which can be worked upon or "managed" in and through discursive

practices. Using different discursive practices, entrepreneurs are able to negotiate, shift, or create specific purposes (Down & Warren, 2008; Phillips et al., 2013) or motives (Ashforth & Schinoff, 2016). Narratives and the identities they constitute are not universal (Morrison and Milliken, 2000) but are heterogenous, overlapping, complementary, and sometimes even contradictory (Shepherd and Haynie, 2009).

Research on narratives of identity construction and reconstruction shows how identity construction is determined by two "provisional selves" (Ibarra, 1999: 152) located in the past and in the future, intertwined with an uncertain future fate. Central to identity reconstruction is the notion that the narratives are coherent and distinctive storylines that can account for transitions between these two states of provisional selves (Alvesson & Willmott, 2002; Ibarra & Barbulescu, 2010). Narrative "coherence refers to the extent to which a story makes sense on its own terms ... A good story hangs together coherently from one episode to the next so that the turns of events are plausibly accounted for and the protagonist acts consistently" (Ibarra & Barbulescu, 2010: 141), and it is often linked to the description of the continuity or discontinuity of one's identity. Often, coherence is achieved by a focus on continuity, where the narrative turning point allows the before and after identities to stay the same, link, or remain stable (Chreim, 2005; Ibarra & Barbulescu, 2010). For example, a person's biographical narrative can emphasize the continuity of values that motivate a choice that would otherwise be difficult to explain. However, narratives of identity construction during transitions might sometimes concentrate on identity discontinuity because the narratives have to deal with breaking with a past that encumbers the present. In these cases, identity breaks are sometimes presented to show personal hardship or doubt, or they may represent a significant element in a personal odyssey. Furthermore, in certain cases, people may invoke external forces as an explanation for identity change (Ibarra & Barbulescu, 2010). This type of involuntary transition could also be transformed into an epiphany,

through which the entrepreneur experienced a sudden or unanticipated transformation, as in a “loss of innocence,” a “fall from grace,” or a “lucky break” (McAdams, 1996).

A stream of research on narrative identity construction and reconstruction in entrepreneurship has looked at the nascent entrepreneur at the very beginning of the business start-up process (Rotefoss & Kolvereid, 2005). For example, Lewis et al. (2016) related the startup transition to identity changes in entrepreneurs with opportunity-seeking behaviors. Mathias and Williams (2018) associated identity changes with business growth, and Lundqvist, Williams-Middleton, and Nowell (2015) relate changes in identity to changes in role expectations.

Nevertheless, entrepreneurial identity research has not considered the transition from failure to re-entry (Radu-Lefevbre et al., 2021), which is unfortunate because the general literature on narratives of identity construction emphasizes the importance of transitions and relates them to “significant events or turning points” that offer the possibility of eliminating certain elements of the individual's identity of the past and introducing new elements (Ibarra and Barbulescu, 2010:148).

The emphasis given by the transitions research to the narrative relevance of turning points resonates with accounts of the intensity of the impact of failure on the entrepreneurial journey (Cope, 2011; Ucbasaran, Shepherd, Lockett, & Lyon, 2013). However, the context of moving on in entrepreneurship is different from other radical transitions (Ibarra & Barbulescu, 2010; Shepherd & Williams, 2018). This is because, first, failure creates complex identity demands that are arguably contradictory or even paradoxical (Ucbasaran & Shepherd, 2003). For example, while failure may generate a potentially valuable learning opportunity (McGrath, 1999), it may also be an emotional and traumatic experience (Fang He, Sirén, Singh, Solomon, & Von Krogh, 2018; Farny, Kibler, Hai, & Landoni, 2019; Shepherd, 2003) that obstructs learning (Ucbasaran & Shepherd, 2003). Second, venture

failure is a public and visible episode, which makes it difficult to hide in autobiographical narrations. Third, failure is a socially undesirable event, to which stigma may be attached (Singh et al., 2015; Sutton & Callahan, 1987).

2.1. Narratives on entrepreneurial failure

The research on narratives of entrepreneurial failure (Rogoff, Lee, & Suh, 2004; Yamakawa & Cardon, 2015; Zacharakis, Meyer, & DeCastro, 1999) mainly draws on attribution theory, the origins of which lie in social psychology (Kelley & Michela, 1980; Weiner, 1986), to understand how "people search for understanding, seeking to discover why an event occurred" (Weiner, 1986: 292). Attribution theory, with its emphasis on the locus of causality, allows an actor to acknowledge the "causal pacing" of events and human actions in narratives of failure (Abbott, 1990: 141). In attribution theory, the locus of causality is typically situated in factors that are internal or external to the individual (Walsh & Cunningham, 2017; Yamakawa & Cardon, 2015). For example, Kilber et al. (2017:151) generated a typology of attributions of entrepreneurial failure, operationalizing internal attributions with the phrase "I was personally involved" and external attributions with "it was related to external circumstances."

Beyond internal and external attributions, studies of narratives of entrepreneurial failure have pointed at the causality for failure (Cardon et al., 2011; Shepherd and Hayne, 2011; Mantere et al., 2013; Kibler et al., 2017; Kibler et al., 2021). This is not surprising if we consider that narratives must have an element that serves as a causal interpretation of the story (Vaara et al., 2016). Causality consists here in "relating an event to a human project" (Czarniawska, 2004: 8) that provides the "key narrative thread … for the story" (Ibarra & Barbulescu, 2010:141). The narration of causality helps entrepreneurs to situate the failure in relation to the story of their project.

In addition, the research on narratives of failure takes into account social context (Cardon et al., 2011; Mantere et al., 2013) since narratives are the "lynchpin between the psychological processing of failure and its social construction" (Mantere et al., 2013:461). For example, Mantere et al. (2013) studied how internal or external attribution narratives varied according to the social position of the various stakeholders of the entrepreneurial firm (hired executives, staff, or the entrepreneurs) and how narratives differ in these social positions. For Cardon et al. (2011), the social construction of causal attribution was not located in the actors' social positions but in the entrepreneurial culture in which they were embedded. These authors showed that narrative attributions vary according to the local "cultural sensemaking" about business failure in the geographical area where the failure occurred. Kibler et al. (2021) not only account for the social context but also argue for the importance of looking at narratives of failure as impression management strategies. In their study, narratives are geared toward the emotional and psychological recovery of the entrepreneur after failure, but also to "foster a favorable impression of failure ... to maintain and/or repair their professional reputation for future career actions" (Kibler et al., 2021: 286). Shepherd and Hayne (2011) found evidence of extended impression management strategies in that entrepreneurs' attribution narratives after failure became group narratives that encompassed not only the entrepreneur but also every member of his or her management team. Finally, Kibler et al. (2017) employed an experimental methodology to understand the legitimacy judgments made by external audiences about entrepreneurs' failure attribution narratives. They found that the most effective strategy to acquire legitimacy post-failure was to attribute failure to external factors and unlikely circumstances that are not under the entrepreneurs' control.

In sum, narratives of failure have been found to help entrepreneurs articulate internal and external attributions, and assign causation; they are also used strategically as impression

management tools. Yet the studies of the narratives of failure fall short at combining these elements and relating them to the process of identity reconstruction. In this research we therefore explore how entrepreneurs reconstruct their identities in their narratives when they are moving on after a failure experience. In particular, we focus on the various narrative types and discursive practices used.

3. Research design, data and methods

We have adopted an in-depth qualitative research approach, as recommended for studying narrative identity reconstruction and the specific problems of coping with failure (Byrne & Shepherd, 2015; Cacciotti, Hayton, Mitchell, & Giazitzoglu, 2016). We gathered rich and contextualized data through interviews, which we complemented with observational data and documentary material for 49 entrepreneurs working in Silicon Valley. To develop theory, we followed a logic of discovery (Van Maanen, Sørensen, & Mitchell, 2007) to analyze the data through a rigorous, systematic exploration of patterns in the participants' narrative accounts (Gioia, Corley, & Hamilton, 2013).

3.1. Research setting

Our research design is based on the opportunity to study entrepreneurs who had recently encountered failure but were readying themselves to move on and undertake new ventures. We were able to examine their narratives in a naturalistic setting by participating in two business accelerators in Silicon Valley, where we had intensive contact with the entrepreneurs selected for this study. Since business accelerators are organizations that coach entrepreneurs on how to launch new ventures, they provided us with the ideal setting for observing how identities are reconstructed as new ventures are launched. Both business accelerators had a strict process of selection by an expert committee. As participants in the acceleration programs, most entrepreneurs were in the early stage of development of a new venture and were therefore experiencing the identity tensions that can trigger identity-driven

reflexivity (Conger, McMullen, Bergman Jr, & York, 2018). In both accelerators, we had the opportunity to spend time with the entrepreneurs, discuss their projects, and attend presentations with venture capitalists and other stakeholders. These various interactions also created the level of confidence between entrepreneurs and researchers that is necessary for observing stigmatized topics (Cope, 2011; Smith & Osborn, 2008).

Silicon Valley is characterized by a fast growing, open, and casual culture (Brown & Duguid, 2000; Saxenian, 1994) where narratives of failure are often shared. We had three steps for selecting the sample of entrepreneurs to study: First, an initial screening was conducted by the accelerators to ensure the quality and level of development of the proposed new project. Second, we selected entrepreneurs who had encountered a recent failure in their ventures. The timing of the failure experiences in most cases varied from a few months to 5 years. Third, we took into consideration variations in firm size, industry, gender, and age to minimize the peculiarities related to any industry-specific agendas (for example, the new culture of fail fast in the technological industry). Our final group consisted of 49 entrepreneurs. Basic descriptive demographics show good variation: Gender: 54% female, 46% male; Age: 18% under 34 years of age, 64% between 35 and 45, and 18% above 46; Industry: food and beverage production (8% of the sample), food distribution (6%), internet services (8%), music industry (6%), professional services (18%), food services (8%), visual arts (32%), and publishing (14%). Ventures varied from supermarket chains with more than 100 employees to small entrepreneurship ventures with 2 partners.

3.2. Empirical Material

Our data collection focused on developing in-depth understanding of the moving-on narratives of each entrepreneur and capturing the nuances of his or her case. To that end, although our main source of data was the interviews, we also gathered extensive empirical material, including observations and documentary material that allowed us first to

contextualize each of the cases, and second to create a sense of expertise and familiarity with the entrepreneurs that facilitated their self-reflexivity. Table 1 summarizes the data sources and their use in the analysis.

---- Insert Table 1 about here ----

3.2.1. *In-depth Interviews.* We conducted in-depth open-ended interviews with each entrepreneur. The interview outline (available from the first author) was reviewed by three experts in the field. It consisted of open questions that motivated the entrepreneurs to narrate their process of moving on after failure. In the interviews, entrepreneurs were asked to describe the projects they were developing in the accelerator program so we could capture the sense of moving on. Then they were asked to talk about a project that they considered to be a major failure. Failure was not pre-defined by the researchers. Entrepreneurs were asked to choose the experience of failure that they considered most relevant to their career. They were encouraged to narrate a recent failure and relate it to their current projects to capture the sense of moving on. The aim of our open approach was to capture the entrepreneurs' own definitions of and relationship with failure without imposing a predefined narrative. This open approach helped the free flow of storytelling (Czarniawska, 2004) and the emergence of various types of narratives. The interviews ranged from 40 minutes to 3 hours in length. All the interviews were recorded and transcribed verbatim.

3.2.2. *Observation.* Being hosted by the accelerators afforded us privileged access to the entrepreneurs' projects and thoughts, and also allowed us to observe them in a variety of situations with multiple stakeholders. Furthermore, it typically enabled us to have several interactions with the entrepreneurs before the interviews, which increased how well we got to know them, enabling the creation of a more intimate setting and allowing the expression of self-reflexivity (Quinn Patton, 2002). Our observation data consisted of 1 page of notes on each entrepreneur (on average) plus ethnographic notes taken in 14 meetings organized

by the accelerators for venture capitalists, investors, and the entrepreneurs, numerous formal and informal project presentations, and talks about projects over dinner and at various social gatherings. We used our ethnographic notes to understand the approaches of entrepreneurs to key stakeholders, to contextualize the interviews, and to develop the interview outline.

3.2.3. *Documentary Material.* We complemented the information from each interview with data from the mass media, web, and social media. We created a record card for each entrepreneur (available from the first author). The record card helped us to define chronologies, the entrepreneur's current and past projects, and, if available, any external critique or comment made in the context of assessing stakeholder acceptance. We also documented key information gleaned from observations of the meetings with key stakeholders, their formal presentations of work, and any informal conversations in which we were participants. This unique set of data allowed us to capture the nuances of identity reconstruction for moving on from failure.

3.3. Analysis

We went back and forth from the data to the theory, following a series of steps to bring clarity and rigor (Gioia et al., 2013). We departed from the understanding of meaning-making as derived from a narrative perspective and looked for analytical categories to build theory around the problem of moving on. Although narratives in, say, literary studies are usually understood to be fully-fledged, self-contained stories characterized by a beginning, middle, and end, this is rarely the case in personal accounts; these more often consist of fragments in which only some of these structural elements are explicit (Boje, 2008). Thus, we focused on the strategic use of these narratives, that is, the discursive practices.

Step 1: Categorization in first order codes. We analyzed each interview with a focus on the failure experience and its relation to moving on. One early surprise in the interview process was that the entrepreneurs often went beyond narratives of attribution to make

identity claims that motivated the narratives of moving on, as in the following example: “If you didn't make the sale, it's your fault ... That's the most important thing to me ... being a grown-up.” The numerous instances of identity reconstruction, such as “being a grown-up” made us orient toward theories of identity construction. To identify instances of identity construction, we focused on narratives around events related to a particular instance of failure. From a narrative perspective, we looked at the failure events as nuclear episodes. Nuclear episodes are reconstructed scenes that typically affirm self-perceived continuity or a change over time (McAdams, 1996). In a life story, they stand out in bold print as narrative high points, low points, and turning points, explaining how the person has remained the same or changed over time. Narratives around a nuclear episode represent “not so much what actually happened in the past but what the memory of the key event symbolizes today in the context of the overall life narrative” (McAdams, 1996: 308). Typically, a narrative is constructed around a nuclear episode with an introduction, a conflict around the nuclear episode, and a resolution.

This new focus on the discursive practices of identity construction prompted us to return to the data and peruse it in more detail in an effort to identify instances of identity construction. The first and second authors engaged in an intense process of reading and categorizing the data into first-order concepts. Armed with these, the same authors selected a sample of 10 interviews in which they re-analyzed the data and discussed differences in the concepts until agreement was reached.

Step 2: *Aggregation of concepts.* To move on from first-order concepts to second order themes, we went back to the literature to obtain additional analytical insights. We connected the data to key concepts in the identity literature. For example, we initially clustered codes about attribution, but by following our refreshed understanding of the data and the literature of identity construction, we realized that these claims of attribution were

in fact claims about accepting or disclaiming responsibility for failure. We then observed the emergence from the narratives of three elements of identity construction: construction of responsibility, identity transition, and identity validation, By reference to these, we consolidated the first order concepts into nine second order themes. We saw that the construction of responsibility was used to provide an identity direction (e.g., who I have been and who I am in relation to failure). This differs from the locus of causality identified in previous research in that it links to the personal story and the values of responsibilities. Through identity transition, entrepreneurs were explaining how they were changing from being associated with failure so they could reach the next stage of moving on. Finally, we observe how entrepreneurs were also seeking social and personal validation in their narratives of failure.

Step 3. Typology of composite narratives. We clustered our second-order themes into aggregate dimensions that would help us to answer the question of what narratives entrepreneurs use when discursively reconstructing their identities for moving on. We observed that narratives responded to a certain logic; for example, a willingness to shield or distance themselves from failure, or a reinforcement of their authenticity as entrepreneurs. In line with these findings, we decided to use a composite narrative approach to build our typology of narrative types. Composite narratives are narratives in which a number of interviews are combined and presented as a story told by a single ideal individual (Willis, 2019). The unification is done with the "reflexive understandings of the researcher … [which] affords the reader the ability to explore the 'felt-sense' of the informants' experiences" (Wertz, Nosek, McNiesh, & Marlow, 2011: 8). Composite narrative techniques have been previously used in social psychology studies (Orbach, 2000; Wertz et al., 2011) as they are useful for preserving the anonymity of the interviewee while providing a theoretically sound pattern of narrative types. We present the data structure in Figure 1. A

summary of the composite narratives or narrative types that serve as model of our findings is presented in Table 2 (see Section 4: Findings). Tables 3, 4, and 5 offer examples of each narrative type (also to be found in the Findings section).

---- Insert Figure 1 about here ----

4. Findings

As a result of our analysis, we identified three narrative types that the entrepreneurs used to reconstruct their identities when moving on after a failure experience: shielding, transformative, and authenticity narratives. In particular, these narratives reflect distinctly different ways of dealing with our key dimensions of identity construction: responsibility, identity transition, and social validation. Table 2 offers an overview of the three narrative types across three identity dimensions and the key discursive practices associated with them.

---- Insert Table 2 about here ----

4.1. Shielding narrative and discursive practices

In the shielding narratives, entrepreneurs aim at reducing the burden of failure by shielding their identity from the failure stigma. Entrepreneurs present failure as something that happens to every entrepreneur, which in the past has included themselves. This enables them to divert their identity from failure responsibility. They relate failure to a misfortune or mistake, and normalize it as part of the entrepreneurship process. In the shielding narrative, entrepreneurs distance their identity from failure, presenting themselves as victims who are nevertheless positively valued by objective standards and social values, such as school degrees or years of experience. As valued entrepreneurs, they draw attention to their personal qualities before and after failure, which they claim to be fairly stable and coherent with their entrepreneurial activity. We now analytically present the shielding narrative by reference to three key components that complement each other in the reconstruction of the entrepreneurs' identity: denial of responsibility, overcoming victimhood relativizing failure,

and seeking social validation in established discourses of quality such as experience or accreditations. Table 3 offers more example of these components.

---- Insert Table 3 about here ----

4.1.1. Denial of responsibility for failure

In the shielding narratives, entrepreneurs follow a traditional strategy in explaining why failure happened or pinpointing whom they think was responsible for the failure. They distance themselves from failure by offering external attributions or justifications for it. Entrepreneurs present the failure as an event that was either external to themselves (i.e., a misfortune) or somehow associated with an unforeseeable mistake. They can thus shield their own selves against the identity of the failed entrepreneur by attributing the cause of failure to other actors or to something that was expected to be done in such circumstances (e.g., "the spirit of the age"). By doing so, they construct themselves as the victims of unfortunate circumstances, justifying their failure with an external attribution and therefore reducing the ambiguity about their qualities as entrepreneur. This can thus be seen as self-affirmation, in that entrepreneurs affirm their victimhood. However, they do so in order to move on and put the burden of the past failure behind them.

By denying responsibility, entrepreneurs identify themselves as victims of uncontrollable misfortune, for example "the spirit of the age." In the following example, John narrates the launch and later failure of his now defunct organic shop:

> *"I started an organic coffee house. It was the first one… It was too early. Nobody was really ready for organic coffee. They didn't appreciate organic coffee. So, it was an organic coffee and an organic juice bar. And the time, all the vegetables and the fruits for the organic juice bars were very expensive because the supply wasn't there yet. And so, the prices of juices were high… So, there were other places where people could get coffee ... and we had a value system of understanding that, you know, by buying organic coffee you're helping farmers supporting a more sustainable process ..."* (John_RES_48, food distribution)

By presenting himself as the first entrepreneur opening an organic shop, John links the narration of his failed venture to his own identity as pioneer entrepreneur (*I started…I was*

first… we had a value system) such that despite the initial failure, he is back in business working on the launch of another organic shop. John argues that at the time he opened the shop, people did not appreciate organic coffee. This allows him to justify the failure with external factors and to present himself as a victim of the circumstances (*years ago, nobody appreciated organic food)*. By positioning himself as a pioneer entrepreneur who was subjected to a misfortune, he works at reducing the ambiguity about his identity as pioneer entrepreneur.

When shielding themselves from failure, entrepreneurs attribute their failure to a mistake that is expected to be understandable and even acceptable when presented in relation to good faith or/and values. In the following vignette, Tim narrates how he founded a winery in San Jose, California with one of his best friends. He explains how they had to close 18 months later, a circumstance he explains as follows:

> *"I had a really bad partnership with that business ... we were friends for a really long time, and thought that we could start a business together, because we're such good friends ... We operated that for about a year, year and a half. And during that year and a half it became apparent mainly that he and I were not compatible… Taking a risk, stepping out into unknown territory with a plan hoping that things will go a certain way, and there are so many factors that are beyond a person's control, that were beyond my control."* (Tim_RES_32, food & beverage production)

In Tim's narrative of his failed venture, he presents himself as a loyal person, and justifies the failure by appealing to the incompatibility with his partner. He made a mistake in choosing his partner based on friendship. He shields his identity from the failure by presenting himself as a victim of his own naïveté. In Tim's narrative, failure is justified as an involuntary transition (even though he tried hard for about a year) and something he was unable to anticipate (as they were good friends for a long time). By stressing the involuntary nature of his own mistake and his lack of ability to foresee the problem, he works on reducing the ambiguity about himself by appealing for sympathy for mistakes made in good faith.

In similar vein, Anthony, a cookie maker, implicitly presents himself as a novel entrepreneur who makes mistakes. His narrative focus is on the justification of failure, in which he lists the mistakes he made as a newcomer entrepreneur, presenting them as familiar to anybody in his situation, being part and parcel of entrepreneurship life and of his own attributes as a novel entrepreneur:

> *"Yeah. We did that once and we proved it that we would fail because our name wasn't known enough. We were not able to support it with employees to do the demo there and you know, we just weren't big enough … you can start you know, picking distributors that you know, that you don't have experience enough."* (Anthony_RES_42, food & beverage production)

4.1.2. Identity shielding by normalizing failure

In the shielding narrative, entrepreneurs break with the past, presenting themselves as a victim of misfortunes and mistakes. Yet, because failure is pervasive, entrepreneurs also normalize failure as an intrinsic element of entrepreneurship. Normalization helps them to justify the failure as something that is beyond their responsibility. For example, Marc, a publisher in San Francisco, California, compares his current venture, an online publishing portal, with a paper publishing company he launched several years ago. Marc argues that the publishing company was initially quite successful, but that the internet changed the industry to the extent that Marc ended up closing his business:

> *"So, I think, [it] is also measured in terms of time frame … Let's say you look at some companies that are – you know, that are dead now. And, you know, when the company was first built, the first couple years, they're big. You know, maybe 5 years they can be extremely successful. But, 20 years down the line they're obsolete. They're dead. So, at that point you call that company a failure. But, at year 5 or year 10, it is a success."* (Marc_RES_20, internet services).

By saying "*it is measured in terms of time,*" Marc challenges the possibility of attributing the success or failure of his venture to himself or his personal identity. Instead, he describes the venture and its failure as part of the process of being an entrepreneur. He presents himself, indirectly, as a "business historian", deeming failure to be part of the history of any venture, which shields him from the stigma of failure.

In the following vignette, Tim, the wine entrepreneur living in Saratoga, California, argues about the variability of failure and how things are "beyond my control":

> *Taking a risk, stepping out into unknown territory with a plan hoping that things will go a certain way, and there are so many factors that are beyond a person's control, that were beyond my control* (Tim_RES_32, food & beverage production).

Tim presents himself as a risk taker in an unknown territory. He shields his identity from the past failure by arguing that failure is pervasive and beyond his control. He implies that due to the complexity of entrepreneurship, failure may happen to everyone, which shields his identity from the stigma of failure.

4.1.3. Seeking validation in established discourses of quality and values

Since failure is something entrepreneurs distance themselves from, they need to validate their occupational or professional identities both before and after failure. This happens by, for example, highlighting their competences or their professionally-accepted standards or values. For instance, Sonia, a visual arts entrepreneur, reflects about the identity she is building and what she thinks is important to her profession: "*like I say, 12 years of working professionally and professional editing, it's all about that."* (Sonia_RES_8, visual arts). Sonia reinforces her value by saying that overall, no matter what she has gone through, what is most important is that she is a very experienced editor. Along the same lines, Katherine, the founder of a restaurant in Costa Rica, works on linking her identity to reputed standards or institutions, which in her case derives from having a Master's degree in Business Administration (MBA) from a prestigious school:

> *"I tell it [the failure] to the Angels… I tell it to everybody I talk to. And, I think that it engages them… The fact that I have degrees from well-known schools… I have external validation that I must be like, at least reasonably intelligent."* (Katherine_RES_21, professional services)

Katherine explicitly shows she is seeking external validation by pointing to her degree.

Similarly, Wayne, a publisher and freelance journalist, works on validating his identity as a reputed journalist by creating a narrative of being associated with success despite a past failure, from which he has moved on:

> *"And I had a contract with Harper-Collins in New York City, which is one of the top, top, top publishers. And really, you know, fabulous people to work with… It was reviewed all over the place, the "Wall Street Journal" and all the big places, and, you know, really, really well reviewed… level of that, but good enough to get to the next stage. (Wayne_15_publishing)"*

Wayne seeks validation by pointing to the facts that he was contracted to the best publishers and he was reviewed in top American newspapers, thus showing special competence and excellence as entrepreneur.

4.2. Transformation narrative and discursive practices

In the transformation narrative, entrepreneurs accept their responsibility for the failure, while turning it into something that contributes to building their identity as more capable and responsible entrepreneurs. Accepting failure is an exercise of self-reflection and therefore an opportunity to re-craft their identity as a better entrepreneur. Instead of letting themselves be burdened by failure, they turn failure into a positive learning experience, which helps them to work on their identity validation as entrepreneurs who are responsible and therefore add value to their profession and society as a whole. We analytically present the transformative narrative with three key components that complement each other in the reconstruction of the entrepreneurs' identity: accepting one's own responsibility for failure; presenting failure as an opportunity to re-craft one's identity (as identity transition discursive practice); and seeking social validation in values related to responsibility acceptance. Table 4 below provides more examples.

---- Insert Table 4 about here ----

4.2.1. Accepting one's own responsibility for failure

In the accepting responsibility discursive practice, entrepreneurs explicitly justify the failure by internal attributes related to themselves. They work on the continuity of their identity, presenting a consistent identity before and after failure. Unlike the shielding narrative, failure does not present a rupture with their past. On the contrary, entrepreneurs work on presenting a coherent narrative; they use their acknowledgment of responsibility for failure to further validate themselves socially. In the transformation narratives, entrepreneurs anchor their identity in positive values such as honesty and responsibility. By taking responsibility, they reinforce their personal identity as responsible entrepreneurs. In the following vignette, Michael, the owner of a small law firm specializing in the food and agriculture industry, tells of his experience as an entrepreneur and recalls the period when he had to close his firm:

> *"I'm very self-critical ... and that's important, that's very, very important. If you didn't make the sale, it's your fault, it's not because the price it wasn't right ... It's your fault and you need to ... make a better legal product ... That's the most important thing to me ... is not being – you know, being a grown-up. Just being able to take a lump or two to keep moving and keep forging ahead."* (Michael_RES_38, professional services)

Michael's narrative emphasizes personal identity construction around the values of being self-critical, grown up, and therefore responsible. Instead of justifying his failures with external elements, as in the shielding narratives, he accepts failure; this helps him to create continuity between pre-failure and post-failure based on the construction of himself as self-critical and responsible.

In the same manner, David, the manager of a company creating and installing art, narrates how he accepted failure:

> *"It's a failure. It's a failure in my practice and it feels like a failure for me as a human. I wasn't able to somehow avoid the necessity and the situation."* (David, RES_47 visual arts)

In the above example, David presents himself as vulnerable human instead of a super-hero entrepreneur. He narratively works on accepting failure and therefore his vulnerability, through which he gives a coherent image of himself.

4.2.2. Presenting failure as an opportunity to re-craft one's entrepreneurial identity

In this discursive practice, entrepreneurs deal with the transition imposed by failure by presenting a change between their pre-failure and post-failure identity. In the narration of their past experiences, they often assign their past incompetence to their old, "unlearned" self, and depict themselves as more capable entrepreneurs after failure. Thus, the failure becomes integral to a positive journey through which they have grown as a person. Entrepreneurs describe themselves as more learned, often including in the narration the experience of failure and how it transformed them into a better person—one who can handle extreme situations and is generally wiser. Typically, entrepreneurs show that failure helped them to become a better entrepreneur, increasing their knowledge about the venture or the profession.

Through the narrative of failure as an opportunity to re-craft their own identity, entrepreneurs present failure as a turning point that helped them to become more competent or wiser. In the following vignette, Tom narrates the closing of his business:

> *"It was a failure in that, like, I just couldn't get it organized, you know. I couldn't figure out a way to make it even a little bit profitable … it was a good learning experience, but, like, it just didn't work, you know, in the end. It could've worked, but didn't work for me … I learned a lot about the business, kind of, of wild food, which was really interesting. And I kind of changed my perspective. I guess the failure just pushed me to a different road. You know, like, it pushed me in a different direction. Like, I realized that it wasn't going to work and started something else that would. I don't know. I think it's like anything you do. It's like, if you can learn from it, it's positive."* (Tom_RES_51, food & beverage production)

Tom depicts the closing of his business as a break with the past. He was pushed in a different direction, but he was able to become a better entrepreneur. This transition is described as something that helped him to get new knowledge (e.g., get organized) and develop as a

person. Despite his failure in previous ventures, he presents himself as somebody able to return to business with more knowledge and the resolve to do better. Tom argues that in the past, he *"couldn't figure out a way,"* thereby attributing responsibility for the failure to his past self. He thus presents his identity as being in transition.

In the narrative of failure as an opportunity to re-craft one's own identity, entrepreneurs explain how failure transforms them, making them better people or better entrepreneurs. For example, David narrates his experience as the owner of a company that created complex artistic installations for corporate buildings. In a very important project, he and his team could not deliver the work on time due to coordination problems with their Chinese suppliers. This issue forced David to bankruptcy and he had to close his business for a period of time:

> *"It was unrealistic to give such a short time.... for such a large and complex and technological work ... I was getting into trouble. I have been involved in very extreme situations, but that experience was my limit ... It felt like "earth swallow me." It was a feeling of "I cannot do this." Literally, "I cannot stand this situation", and this has traumatized me ... But it's learning from failure. Because, yes, I have learned from many failures, I have had many failures of all kinds and I have learned a lot from them."* (David_RES_47, visual arts)

David stresses the unrealistic targets and complexity of the situation as part of his personal odyssey. He describes the experiences of "*not meeting the clients' requirements*" and having to close his business as major setbacks that were psychologically traumatic. David uses this shock as a turning point in his identity narrative. This strategy allows him to frame the discontinuity as a transformative experience. He further constructs his identity by aligning his new self with that of a more experienced entrepreneur. Repetition of the words *"I have learned"* becomes almost a religious mantra, evidencing his aim to reconstruct his own identity, separating it from his past self.

In a second example, Kuhn explains how failure becomes a transformative experience: *"Yeah, I learned a lot. I sort of—one of the things I actually—I sort of jettisoned*

a lot of things that I felt were problems... It took a couple of years but afterwards, I was just like no, that's not where I want to go." (Kuhn_RES_11, music industry)

In this case, Kuhn refers to the fundamental nature of the learning experience that led him to move to a different area with a new professional orientation. Failure is transformative for Kuhn because before it, he saw problems; after failure, those problems were not important anymore. He re-crafts his identity by arguing that failure made him become something different.

4.2.3. Seeking social validation in values related to responsibility acceptance

As part of the transformation narrative, entrepreneurs typically work on the validation of their identity after failure by appealing to basic social motivations that shape their own values and behaviors. For example, Victor, founder of a food distribution system that operated via subscription box recipes, reflects about his identity position after failure, arguing that his aim to "*build something*" is a general reflection of himself as a person who contributes to society and creates things: *"So you know, I think it comes down to, like, what you want to do. So for me, it might be building something ... there's that's being done, accomplished, achieved and is slightly more outcome-oriented…"* (Victor_RES_13, food distribution)

In a second example, Jenny, a visual arts entrepreneur living in Los Angeles argues:

"So perhaps it [accepting failure] has made some things about my own comfort levels in terms of dealing with the world myself. I think I'm left in a bit of a dilemma because to be comfortable means to now expose myself to new challenges. [For me what is important is] to be excited, to be then discovering and to have the possibility of doing the thing ... [and] to work with other people." (Jenny_RES_10, visual arts)

In this example, Jenny works on social validation by appealing to basic social motivations such as excitement, discovery, and working with people.

4.3. Authenticity narrative and discursive practices

In the authenticity narrative, entrepreneurs embrace failure as part of their identity and even use failure to reinforce their identity as authentic entrepreneurs. As well as embracing the failure event, they question the conventional views of failure in an attempt to further authenticate their identity. Questioning basic assumptions, such as the very existence of failure, helps them to orient the narrative attention to themselves and their own values, which they then reinforce as a form of self-verification. We analytically present the authenticity narrative with three key components that complement each other in the reconstruction of the entrepreneurs' identity: first, embracing failure to highlight their own authenticity; second, identity reinforcement by questioning failure; third, seeking validation through self-verification. Table 5 offers more examples.

---- Insert Table 5 about here ----

4.3.1. Embracing failure to highlight their own authenticity

Through the authenticity narrative, entrepreneurs do not reinforce values such as responsibility; rather, they embrace failure, through which they construct their identity around the importance of being true to themselves while failing. Authenticity here is the "enactment of important values and identities" (Conger et al., 2018) or "the unobstructed operation of one's true—or core—self in one's daily enterprise" (Kernis & Goldman, 2006: 294). Authenticity narratives are used by an entrepreneur to show stakeholders that their business is run to reflect "who I really am" (O'Neil, Ucbasaran, & York, 2020: 4). In the following vignette, Peter, the owner of a publishing company, narrates how he had to close his venture after publishing only four books:

> *"That venture failed miserably … But success is like following the path, to be a parvenu, to shake hands with the ones you have to … and that gives you much mediocrity… Failure gives you a lot of freedom to do what you please and care about, I think genius is a product of failure … Success is conceived to meet certain social standards, a certain code of what success is. Failure is more diverse, success is to follow a path that leads to what society considers a successful person … (that means) to deny your own identity, your own principles."* (Peter_RES_4, publishing)

Peter embraces failure and stresses the continuity in his identity before and after failure. Failure is not so much transforming him as giving him the freedom he needs to be himself. The narration of failure offers him the opportunity to display what he presents as his "real" self: an entrepreneur willing to escape from mediocrity. He then presents being a "genius" as his aspiring identity. Peter reconstructs his identity, attributing his failure to a self-embarked heroic quest of being a genius entrepreneur. In a second example, Susanne narrates her failure as something that reinforces her identity, making her work more emblematic and therefore true to herself: "*But I think that was one of the few times that I recognized that this kind of failure … it actually ended up turning into something that was very emblematic*" (Susanne_RES_44, visual arts). She does not present failure as a break with her identity, but rather embraces it as something she could use to present her work as something that is "emblematic", reinforcing her identity as a unique entrepreneur.

4.3.2. Identity reinforcement by questioning failure

With the authenticity narrative, entrepreneurs present failure as a turning point in their narrative. However, failure does not present a rupture in their identity, as is the case in the shielding narrative. On the contrary, entrepreneurs work on the continuity of their identity by relating the failure to their authentic self. Another way to reinforce this sense of authenticity is by critically reflecting on the social concept of failure. Entrepreneurs challenge the entrepreneurial value system, i.e., how ventures are judged, proposing an alternative way of judging failure based on their own values. In the discursive strategy of questioning failure, failure is presented as something unimportant or even non-existent. For example, Fanny recounts her experience of managing a farm that she had to close because it lacked financial viability:

> *"it's a little hard for me to say that it was a failure, like, in an absolute sense – it was a business … And it was a disaster as a business. I don't think I made any money. I'm sure I lost some money … But, it actually also had a lot of the same qualities as a successful project to me … it really led to thinking about the things that I work with in new ways.*

So, I think – I think when – I think that the – having a project framed as a business, a business should make money, and that never happened, so that felt like very easily quantifiably not a success. It felt like a failure ... So, for me personally, I think that it was the wrong scale. I think that – and I think that that ultimately was one of the more important things that came out of is, thinking about the – what the right scale for the right project is." (Fanny_RES_35, food services)

Fanny's narrative of her journey as an entrepreneur emphasizes that although the farm was not financially viable, it was an important personal project. To give sense to her past and present her identity as a mindful entrepreneur, she stresses the fact that she was able to find alternative frames by which she values businesses. She also challenges the relation of failure to financial losses, thereby questioning the value system against which most ventures are judged. She questions the social weighting (Ashforth & Kreiner, 1999) of failure with the argument that there are multiple perspectives for failure and measures thereof.

In a similar manner, Sonia, a video producer, narrates her failure in video production. Sonia had launched a documentary production company. She argues that although she initially thought documentary production would "*pay you a lot of money*" (Sonia_RES_8, visual arts), her production company's first projects did not attract the expected audience and she was forced out of business. Later on, she used part of the material and experience she already had to create a new organization that also "*did not work.*" She makes sense of her entrepreneurial journey by reflecting critically on the entrepreneurship identity and assimilating it with that of scientist in an experimentation process:

"*(A business is like an experiment) … an experiment wouldn't be a failed experiment or a successful experiment. An experiment is a composition and you just get results."* (Sonia_RES_8, visual arts).

4.3.3. Seeking validation through self-verification

A third component of the authenticity narrative is the discourse of the importance of self-verification as compared to other more external validations. Self-verification is the need to be seen by others as one sees oneself, or to be authentic to certain values (O'Neal et al.,

2020). For example, Tim, the food and beverage production entrepreneur who opened a winery that failed in California, argues about the importance of being true to himself:

> *I've done a lot of reflection. Part of it is being comfortable with who I am, trying to get comfortable with who I am, rather than striving for a certain level of success based on an external measurement, society's measurement."* (Tim_RES_32, food & beverage production)

The narration of his own reflection about failure and his concluding remarks about the importance of being comfortable with who he is, shows a desire to show coherence in the expression of his authenticity while downplaying the importance of failure. Yet, an authenticating discursive practice also reveals a link between internal self-evaluation and the entrepreneur's reflection on his/her experiences or feedback from others. As such, Tim also suggests: "*I have many different interests, and I've explored many different things. But I've enjoyed the game of business… and I have been recognized by this…"* (Tim_RES_32, food & beverage production). This reinforces his identity as an entrepreneur who experiments, and expresses the importance of being recognized as such by others.

Similarly, John, in his narration of himself after failure, emphasized some values that define his identity; in his case, these are to do with his being a passionate eco-entrepreneur. John's effort at self-verification makes him stress the importance of his having environmentally-oriented values that prevail over failure and indeed over other entrepreneurship practices that might have reduced the probability of failure. He also stresses the importance of being recognized for these values by the people he was working with:

> *"We want[ed] to share the food that we're passionate about… There's something very powerful about making something with your hands… If we don't operate with respect to the earth and work with people who care for the land and care about the water then … our mission will fall apart…"* (John_RES_48, food distribution)

5. Discussion

We have focused on analyzing how entrepreneurs use narrative identity reconstruction to move on after failure. We have inductively developed a typology with three

narrative types—shielding, transformation, and authenticity—that entail distinctly different ways of dealing with responsibility for failure, identity transition, and identity validation. Our analysis thus makes three contributions: First, we complement prior research on the narratives of entrepreneurial failure by elucidating the distinct ways in which entrepreneurs can reconstruct their identities to move on after failure; this helps to develop a more comprehensive and nuanced understanding of how entrepreneurs deal with failure. Second, our research contributes to research on entrepreneurial identity construction by presenting the concrete identity challenges they face through three identity dimensions: construction of responsibility, identity transition, and social validation. We also explain how entrepreneurs deal with failure stigma and at times try to redefine some of the prevailing assumptions of entrepreneurship. Third, we complement the literature of re-entry by focusing on the specific context of moving on, exploring how entrepreneurs may transcend typically held social perceptions.

5.1. Implications for research on narratives of entrepreneurial failure

Our study elucidates how entrepreneurs reconstruct their identities when moving on from failure experiences. While there is an increasing body of work on narratives of entrepreneurial failure (Cardon et al., 2011; Mantere et al., 2013), its insights have not been linked with the specific issue of moving on to new ventures. In our analysis, we have focused on this angle, which has helped us to develop an inductively-derived framework that illuminates both the distinctive narrative types used in identity construction, and how they each offer different ways of dealing with responsibility for failure, identity transition, and identity validation.

By so doing, we offer a comprehensive and nuanced view that complements prior research in this area (Cardon et al., 2011; Mandl et al., 2016; Mantere et al., 2013; Singh et al., 2007). Shielding narratives help entrepreneurs to divert their identity from failure by

attributing failure to mistakes or misfortunes. They normalize failure as part of the entrepreneurship process while also associating their identity to values and quality standards that they deem to be socially highly-regarded. This narrative complements Cardon, Wincent, Singh, and Drnovsek et al.'s (2009) and Mantere et al.'s (2013) attribution argument, in which entrepreneurs blame failure on external factors. Yet, our perspective on identity reconstruction not only shows the psychological resource of self-justification but also how, in denying responsibility, the entrepreneurs can appeal to victimhood identities (Jacoby, 2015). This relates to the literature on grievance-based identity (Jacoby, 2015) that suggests that denial of responsibility (Shepherd & Haynie, 2009) is readily accepted by the victim's stakeholders (Sutton & Callahan, 1987) and that the more persuasive the account of the transition (in this case, the failure event), the more the identity claimed is likely to be taken for granted (O'Mahoney & Bechky, 2006). More surprisingly, the shielding narrative also incorporates a discourse of normalization of failure, which helps the entrepreneurs to further distance their identity from that of failed entrepreneur because, as they argue, failure happens to everyone and is part of the entrepreneurship process. We therefore show a more complex set of discursive practices that compose the shielding narrative, in which entrepreneurs reconstruct their identity not only to justify failure but also to move on.

The transformation narrative helps entrepreneurs to present themselves as responsible and more learned entrepreneurs who are seeking social validation. This narrative type contributes to the understanding of how entrepreneurs face up to their responsibilities for the loss, in which it is akin to the hubris narratives identified by Mantere et al. (2013). However, in the transformative narratives, the narrator not only seeks evaluative acceptance of the failure as "a typical outcome of an atypical social context" (Mantere et al., 2013: 470), but also requires acceptance of a congruent personal identity, with entrepreneurs re-crafting their personal identity after failure by showing how much they have learned. They thus

present an aspirational identity of the more competent entrepreneur's new "learned self" (Thornborrow & Brown, 2009). This contributes to the understanding of learning as "suffering," as implied by Mantere et al.'s (2013) catharsis narrative, while also specifying concrete identity outcomes of the learning process (Singh et al., 2015). The transformation narrative also adds to the understanding of the processes of "high" sensemaking (Byrne & Shepherd, 2015), in which failure is "believed to be a trigger for sensemaking efforts and a rich information source of learning" as well as generative of "knowledge and skills" (Byrne & Shepherd, 2015: 2). Thus, we extend previous research by arguing that discursive practices involving the transformative narrative serve to reframe identity inconsistencies such that failure is not only a positive experience (Singh et al., 2015) but one that is necessary: a "badge of honor" (Martin, 2014) worn by entrepreneurs in need of social validation.

In the authenticity narrative, entrepreneurs use failure to reinforce their identity as authentic entrepreneurs or unique persons, and by this narrative type we offer a missing piece to existing research. The authenticity narrative "entails the acceptance of a set of beliefs or ideas and the avowal of a cognitively congruent personal identity" (Snow & Anderson, 1987: 1357). It therefore facilitates the construction of self-continuity in the entrepreneurship narrative in line with the need for a consistent sense of self over time (Ashforth & Schinoff, 2016). Thus, a closer look at the authenticity narrative helps further our understanding of how entrepreneurs aim at consolidating an identity position to deal with self-verification (Fauchart & Gruber, 2011; O'Neil et al., 2020). Authenticity is generally considered to be an attribute of the artistic fields and of entrepreneurial ventures that are associated with creativity (Fine, 2003; Jones, Anand, & Alvarez, 2005; Wei, 2012). However, authenticity is here presented as an "identity moderator" in a process of vindicating the true values that

are authentic to personal identities (O'Neil et al., 2020) and also to the personal values that authenticate the true craft (Bourdieu, 1995) of entrepreneurship.

Interestingly, in the authenticity narrative, entrepreneurs may aim at challenging the foundations of the entrepreneurship profession by claiming that failure does not exist. As Ashforth and colleagues (Ashforth & Kreiner, 1999; Kreiner, Ashforth, & Sluss, 2006) have found for "dirty work" occupations, where workers such as prison guards or garbage collectors reject the appropriateness of the stigmas attached to their occupations, we observe how the entrepreneurs engage in various forms of "social creativity" (Kreiner et al., 2006: 624) aimed at breaking the stereotypes held by others about failure. They do this by questioning the stigma it appears to bear and even its importance to the entrepreneurship craft. We show how failure narratives are used to reinforce the entrepreneurs' authentic identities and challenge pre-established conceptions of entrepreneurship.

By indicating the identity validation aspect of the narratives we show how entrepreneurs work on transforming the societal stigma of failure in ways that go beyond the boundaries of impression management (Kibler et al., 2017). These accounts of failure also differ from the critical reflection highlighted by Cope (2011) since they not only involve deliberative processes of careful consideration over time to yield learning, they also have strategic aims. Furthermore, they go beyond the epiphanies described by Singh et al. (2015) in that they do not simply turn failure into something positive, they transform the understanding of entrepreneurship by questioning the very existence of failure.

5.2. Implication for research on entrepreneurial identity

Our findings have also broader implications for research on entrepreneurial identity. First, we respond to the recent call by Radu-Lefevbre et al., (2021) to address the paucity of knowledge about how entrepreneurs mobilize to reconstruct their entrepreneur identity in venture failure. We go beyond the understanding that entrepreneurs after failure may either

"accept the loss or mobilize to reconstruct their ei [entrepreneur identity]" (Radu-Lefebvre et al., 2021: 25) and show the concrete identity challenges they face by offering a typology that elaborates the ways in which entrepreneurs may use different narratives to effect construction of responsibility, identity transition, and social validation.

Through our model, we also extend knowledge on how entrepreneurs reconstruct their identity when facing strong transitions that may require them to re-invent themselves (Ibarra, 2003; Ibarra & Barbulescu, 2010; Lewis et al., 2016; Lundqvist et al., 2015; Mathias & Williams, 2018; Rotefoss & Kolvereid, 2005; Snow & Anderson, 1987). We illuminate the linkages between past, present, and future identity construction (Down & Giazitzoglu, 2014; Garud, Gehman, & Giuliani, 2014) by showing how responsibilities are set for the past, and how new future identity directions are established and validated. Furthermore, the relation between identity reconstruction and entrepreneurial failure allows us to associate identity transitions to "significant events" (Ibarra & Barbulescu, 2008) that act as "turning points" (McAdams, 1993) in the narrative; this contributes to further understanding of the temporal nature of identity reconstruction (Lewis et al., 2016; Mathias & Williams, 2018; Rotefoss & Kolvereid, 2005).

Finally, we contribute to the understanding of how entrepreneurs develop counter-identities (Czarniawska, 2008; Solomon & Mathias, 2020), deal with stigma (Snow & Anderson, 1987) and even work on escaping from it (e.g., Devers, Dewett, Mishina, & Belsito, 2009; Hudson & Okhuysen, 2009; Singh et al., 2015) For instance, in the authenticity narrative, entrepreneurs go beyond the portrayal of failure as an object of oppression (Rindova, Barry, & Ketchen, 2009) by connecting this oppression with a new understanding of themselves and entrepreneurship. What is surprising in these findings is that the critique happens in a complex combination of narratives of identity reconstruction rather than in a direct critique of the object of failure. What we found is that entrepreneurs,

through narratives of identity reconstruction, can turn failure into something positive and even use it to reinforce their identity. Hence our findings extend the idea that "failure fuels an 'unfreeze' [of] old ways of thinking and acting" (Sitkin, 1992, in Singh et al., 2015: 162).

5.3. Implications for research on entrepreneurial re-entry

By focusing on the specific context of moving on, our analysis also adds to research on the narratives of re-entry (Mandl et al., 2016; Williams et al., 2019; Yamakawa & Cardon, 2015). We argue that narratives of moving on can be used not only to establish affiliations (David, Sine, & Haveman, 2013) and reproduce commonly held frames (Martens, Jennings, & Jennings, 2007; Überbacher, 2014), but can also help entrepreneurs to reconstruct their identities to better fit their new projects as well as overcome failure stigma. This analysis thus adds to our understanding of re-entry and its link with identification (Hampel, Tracey, & Weber, 2020) and social validation (Ashforth & Schinoff, 2016; Hampel et al., 2020), providing a new perspective on re-entry in its relation to failure.

6. Future research and limitations

Our findings suggest multiple avenues for future research. First, our study has only showed one side of the social validation effort: the one in which entrepreneurs exercise strategic choices to change the way in which they are perceived by their key stakeholders. Undoubtedly, future research should also look at social validation as an evaluative process from the perspective of its beholders. Our findings lay the foundation for a more systematic examination of entrepreneurship identity construction that could help entrepreneurs improve their discursive impact.

Second, by showing how entrepreneurs try to skillfully reproduce and at times transform their own understanding of failure through identity narratives, we open new avenues of research on the narratives of entrepreneurship identity construction. While research has explored social and moral dilemmas in entrepreneurship (Buchholz &

Rosenthal, 2005; Hennefey, 2003), the way in which entrepreneurs re-interpret their profession is still under-researched.

Finally, future research should take a closer look at the multiple social contexts and temporal complexities in which entrepreneurs move on. A multiple-site study could shed light on other narratives and their interrelations; these could help entrepreneurs better manage change, specifically when it is unplanned, as in the case of failure and moving on. We suggest that understanding stories of the past and stories of failure could serve as an important resource for policymakers tasked with helping entrepreneurs move on and create new ventures, and also for entrepreneurs to better integrate their failure stories with their growth and prospective narratives after their first failure, once they are willing to move on and create new ventures.

7. Conclusion

Our aim has been to better understand how entrepreneurs reconstruct their identities in their narratives to be able to move on after failure experiences. Our analysis reveals that entrepreneurs who need to move on deal not only with the attribution of responsibility but also work on identity transition and validation. We identify and elaborate on three distinctly different narrative types and their associated discursive practices, which are used by entrepreneurs in such identity construction. We hope that our analysis and the inductively derived typology will help to improve the literature's understanding of the complexities and ambiguities of this kind of narrative identity construction, and that it can inspire future research to go even further.

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Tables and Figures

Table 1: Sources of Data and its Use in the Analysis

Source of data	Type of data	Use in the analysis
Naturalistic observations	June 2013–September 2013 - 3 months fully immersed in 2 accelerators in California (living in one) - 14 venture capital and investors' meetings and events, each lasting 2-3hrs. Ethnographic notes were taken after meetings.	- To understand how the narratives were used with stakeholders. - To understand the available cultural discourses and their meaning. - To gain an initial understanding of the meaning of temporal dynamics in the narratives.
Semi-structured interviews	49 interviews (a total of 2179 minutes transcribed). The interviews ranged from forty minutes to three hours in length. On average, the interviews lasted a little over 70 minutes.	- To analyze the narratives and their characteristics. - To define the first-order concepts.
Documentary material	Mass media, web, and social media data. Documented in record cards.	- To understand the entrepreneurs and their projects. - To understand the available discourses and their meaning.

Table 2: Narratives ideal types and related discursive practices for identity reconstruction when moving on from failure

Narrative ideal type	Orientation	Construction of Responsibility	Identity Transition	Validation	Implications
Shielding	• Avoidance of failure	• Denial of responsibility for failure • Victimhood identity	• Identity shielding by normalizing failure • Keeping attributes before failure and after failure	• Seeking validation in established discourses of quality and accreditations • Seeking validation in established values, such as experience	• Identity reconstruction as a victim, yet valued by others to develop new ventures
Transformation	• Acceptance of failure	• Accepting one's own responsibility in failure • Responsible identity	• Presenting failure as an opportunity to re-craft one's entrepreneurial identity	• Seeking social validation in values related to responsibility acceptance	• Identity reconstruction as a better entrepreneur (responsible and more learned)

			• Different identity before and after failure		
Authenticity	• Embracing failure	• Embracing failure to highlight their own authenticity • Authentic identity	• Identity reinforcement by questioning failure • Authenticity is reinforced after failure	• Seeking validation through self-verification • Focus on personal growth and authenticity beyond traditional views of entrepreneurial identity	• Identity reconstruction as an authentic entrepreneur claiming new values and worldview

Table 3: Shielding Narratives: Key Characteristics and Representative Quotes

Discursive practice characteristics	**Representative Quotes**
Denial of responsibility for failure	
• Responsibility associated to misfortunes	
Failure as an involuntary transition that is presented as external to the entrepreneur. Entrepreneur presents him/herself as a victim of an uncontrollable external event that appeals for the credibility of the reasons for victimhood (e.g., unexpected events, collaborators, immaturity).	RES 34 presents herself as a victim of several external incidents at the inaugural event launching her business. She details the problems to emphasize the credibility of the external causes of failure: "*We did a lot of talking about how it had failed and why it had failed... what happened was basically that the site was not a great site to do it...The acoustics were bad. It was extremely hot. It was hard for people to hear. And there were just way too many people. The registration process was very bottlenecked... and that was frustrating for people, and it was frustrating for the people who were trying to register everyone."* (RES_34, internet services) RES 40, a film producer, attributes the failure of his production to the immaturity of the public. He argues that he failed because he was unable to connect culturally with the audience and did not realize that few people in the USA know Asian historians: "*I probably I think the – one of the reasons why that might have failed... is because it's about an Asian historical figure that people don't know."* (RES_40, visual arts)
• Responsibility associated to mistakes	
Failure as an involuntary transition associated with a mistake made by the entrepreneur. Identity reconstruction as that of a victim of the entrepreneur's mistake that appeals to sympathy for	RES 12 presents herself as a victim; she argues that her team caused the play to fail. She appeals to the familiarity of the mistake made in choosing a bad team. "*There wasn't enough communication between us… I spent a lot of time preparing and I felt like they just sort of came in the evening and just, like, did something"* (RES_12, visual arts)

mistakes, to plausibility or to familiarity with the mistake.	RES 47 presents himself as the victim of his own mistakes. *"Finally, I got the funds, and then I made a serious mistake. The mistake was not saying "we have to re-negotiate deadlines" and "I will not go on with the original deadline." We had been delayed three weeks and we had little time before."* (RES_47, visual arts)
Identity shielding by normalizing failure	
• Presenting failure as part of the entrepreneurial process	
Failure dynamic, part of the process. Detaching the identity of the entrepreneur from the stigma of failure by questioning the static nature of entrepreneurship. Presenting him/herself as the director of a dynamic venture or a business historian.	RES 8 questions the static nature of the definition of failure and ventures: *"I would say that I don't think I ever portrayed my projects as not working. I think I portrayed a part of the process…"* (RES_8, visual arts) RES 15 argues metaphorically about his ventures that failed and questions the static nature of failure: "*In most lives you don't have one big hit on the radio and then your life is changed forever. You have a lot of songs; you have a lot of albums, and it builds slowly over time, and you have life and work, career life, however, you want to divide those things, so I don't view it as the big project that's going to give me success, but just as more of what I do and getting better at it, and understanding more of what's effective in doing it, just like a long process,"* (RES_15, publishing)
• Showing failure as natural, always happening	
Failure as always happening. Detaching the identity of the entrepreneur from the stigma of failure by presenting the inevitability of failure.	RES 7 argues about the general perception that failure happens always and to everybody "*Like really all my … friends, what we always say is who stays longer? That is the successful. If they can try enough fighting with the time."* (RES_7, visual arts) *But you know, there will be one. There will absolutely be one. That's just business, that's just the way it is. And that's inevitable but, you know, the one thing I do have going for me is that ability to look in the mirror and go, 'You blew it. You're an idiot. Don't do that again.' You know? So I'm not afraid of it […] happening."* (RES_38, food industry)
Seeking validation in established discourses of quality and values	
• Aiming for social validation by showing adherence to professional standards	
Entrepreneurs seek validation in appealing to entrepreneurship principles, tools, etc.	RES 32 presents himself as able to make a financial operation than it turn into a success "*But I was able to turn that lease into an asset that this other company was able to purchase. It could have gone either way, and it worked out well."* (Res_32, food industry) RES 14 justifies her professionality appealing to concepts such as business plan: *"Because the magazine was my business, I bought it out, I did the business plan, I was involved in every area. So part of that might be adapting my normal comedy to doing a talk about being sort of in the sex trade and failing, and sort of running a sex magazine that ended up being a bit of a disaster. It wasn't a disaster. We made it work for years, but we didn't make a fortune." (i*
• Associating themselves to professional values	
	RES 21 presents herself not only as a good chef but also and ultimately a good entrepreneur able to make money, in comparison to other people in the industry: *"It's great to have good tasting food. And, it's great to be a good chef. But, running a business is – running a business has nothing to do with food. It's nice to have that your food would be good. But, if you don't know how to spend*

	the money, you don't know how to make money, you don't know how to bring customers in. You're just a good chef, and that's it." (RES_21, food industry) *"I have a culinary background and I have a functional beverage background. So, I was able to apply both of those, you know as experience bases into this."* (RES_39, food services).

Table 4: Transformation Narratives: Key Characteristics and Representative Quotes

Discursive practice characteristics	**Representative Quotes**
Accepting one's responsibility in failure	
• Taking responsibilities	
Failure is accepted as part of being a good/responsible entrepreneur.	RES 38 appeals to the value of being a responsible entrepreneur even if he failed: "*Everything that happens here is my fault... You know, I beat myself up and really think about the failures… I do take it personally… I know it's my fault."* (RES_38, professional services) RES 35 claims the identity of a capitalist for himself and expresses failure in economic terms: *"So, I think - I think when - I think that the - having a project framed as a business, a business should make money, and that never happened, so that felt like very easily quantifiably not a success. It felt like a failure."* (RES_35, food services)
• Showing self-continuity in the presentation of their identity	
Identity construction is based on reinforcing consistency with the previous identity.	RES 6, in the music industry, also legitimates himself by appealing to his identity as a responsible entrepreneur: *"I think when I felt that my pieces were failures, it's because they were my failures. Even when someone else had done something wrong, there was something that I did not do well,"* (RES_6, music industry) RES 13 relates his failure to the value of being analytic: *"I think, yeah, there's a tendency to be data-driven. The funny thing is, when I was - I was probably not the ideal management consultant because I was not a full left-brain person. Because there are some people who, you know, dream in spreadsheets, I'm sure."* (RES_13, food services)
Presenting failure as an opportunity to re-craft one's entrepreneurial identity	
• Failure to increase knowledge	

Failure as part of a knowledge-acquisition process. Entrepreneurs build their identity around becoming a more knowledgeable entrepreneur.	RES 21 presents the failure of her restaurant as a turning point from which she learned something. She aims to gain legitimacy by specifying what she learned: "*So, it was a tremendous amount of learning. And, but the most important from a business perspective, is just the importance of working capital. And, how to do business statement, etcetera."* (RES_21, catering and professional services) RES 22 describes his learning experience. The narration of his previous experience is depicted as a turning point from which he learned something: *"Kind of but I mean if you're trying to do everything yourself, you realize that you're being counter-productive. And if you're trying to save money, you'll find that in the end you're actually losing money because you're not as productive. So, it's really finding that balance."* (RES_22, catering and professional services)
• Failure as a transformative experience	
Failure is presented as part of the transformative process of becoming a good entrepreneur. The new identity relates to having been transformed by the experience.	RES 6 narrates how his failure transformed him and helped him to become better. "*I think failures in that regard – it has happened to me … In these processes of learning, suddenly you believe that something is going to sound a certain way and when they play it, fuck, what did I do? This is crap. But I think that's partly a process of training and learning… Well, is something one develops, it is a practice and experience that gives you experience to avoid such surprises."* (RES_6, music industry) RES 21 describes how the failure of his previous business transformed her: "*You know, what I found is that most entrepreneurship is all about solving … a pathway. So, I experienced viscerally the pain of starting a food business. So, who can know better how to prevent that pain on behalf of others, since I have experienced that pain? I tell it to the Angels. I tell it to the … press. I tell it to everybody I talk to."* (RES_21, professional services)
Seeking social validation in values related to responsibility acceptance	
• Appealing to social motivation or broader values such as creating things or working with people	
Entrepreneurs appeal to social values like quality or being a source of inspiration for others	RES 20 present herself as a source of inspiration for others: "*But, the model might inspire other companies to follow our way. It is always very difficult for the first guy who does it. You know, he may succeed, or he may fail."* (RES_20, food services) RES 50 argues about the importance of doing her products with high quality, which is socially valuable, especially in her business that mixed journalism with organic and chef style cooking: "*It all has to do, defining what's quality. And, it has to do with the raw materials and where they come from."* (Res_50, professional services)

Table 5: Authenticity Narratives: Key Characteristics and Representative Quotes

Discursive practice characteristics	**Representative Quotes**
Embracing failure to reinforce an authentic identity	
• Relating failure to highlight their own authenticity	

Failure embraced as part of being an authentic entrepreneur.	RES 32 reinforces his identity as a survival entrepreneur, which provides him with some legitimacy with the audience: "*And in a way, in a strange way I feel a sense of pride that I have this experience. It didn't kill me."* (RES_32, food & beverage production) RES 47 reinforces his identity by stressing the importance of being true to himself: "*one of the things I remember, I learned from another failure I had, is that one has to fight for the work. No matter how inconvenient it is, or how uncomfortable, I know that one thing and ultimately have to fight for the work.*" (RES_47, visual arts)
Identity reinforcement by questioning failure	
• Questioning failure definitions	
Entrepreneurship as a personal experience that cannot be judged economically. Building their identity based on different value system.	RES 35 detaches his identity from the stigma of failure and emphasizes the multiplicity of values associated to it: "*I have a lot of criteria for success and failure… I think that (the business) was successful in the way that it had a big impact that - it was accessible to a large community, through various outlets, through the internet, and through the radio, through - in-person events, and through exhibitions in the United States and Mexico. And I think that this (plurality) is, like, the harder one to quantify."* (RES_35, food services) RES11 argues about the multiple understandings of failure in time: "*I think the idea of success changes really with how you move forward" (RES_11, music industry).*
• Problematizing the very idea of failure	
Detaching the identity of the entrepreneur from the stigma of failure, questioning the relation between failure and entrepreneurship.	RES15 denies the existence of failure to distance himself from its stigma: "*You're going to be able to hit the ball, basically, because you're a professional. You're just, you know, there's just - there is no failure. If you just step up and just fucking do it, you're going to succeed at some level. It's like in sports..."* (RES_15_publishing) RES 13 relate ventures with experiments that do not fail: *"As that justifies or validates - cause you say, these have been experiments, these have been about a portfolio approach of trying different things in order to, at a small scale, validate the strategy that's going to grow the business rapidly."* (RES_13_food distribution)
Seeking validation through self-verification	
• Showing their ventures reflects who they really are and their uniqueness	
Reinforcing his identity as authentic entrepreneur.	RES 4 reinforces his identity of being an authentic entrepreneur: "*I am a worker, a person who is breaking down barriers. Then I'll always have successes and failures, but I put all in the same bag, not much different from each other."* (Res _4, publishing) *"I think the definition of failure it has to do with intimate values… to me is a success? Well, just it would have been a failure if despite generating money and a lot of people liking it, it would not have been able to satisfy me personally."* (Res _6, music industry)
• Seeking to ensure others understand who they really are	
Communicating the importance of being recognized by certain values.	*"I want to try things. With many projects, funny things. I need fun. I enjoy fun."* (Res _27, visual arts) *"I'm an environmentalist, but there are some extremes. And, it's interesting to see that - actually the sustainable food movement in this particular area is butting heads with a sort of a wilderness movement."* (Res _50, professional services)

FIGURES

Figure 1: Data Structure