Moving on: Narrative Identity Reconstruction after Entrepreneurial

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ABSTRACT

Despite increasing interest in the narratives of entrepreneurial failure, the understanding of how entrepreneurs reconstruct their identity as they advance from experiences of failure to new ventures remains partial. Based on a narrative analysis of 49 entrepreneurs' experiences, we uncover three narrative types used by entrepreneurs when moving on: shielding, transformation, and authenticity. In particular, we elaborate on how the entrepreneurs employ specific discursive practices in their narratives to deal with three central aspects of identity reconstruction: construction of responsibility, identity transition,

and identity validation. Thus, our analysis elucidates the narrative underpinnings of 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 (or perhaps because of) the ubiquity of entrepreneurial failure, many entrepreneurs move on from their failure experiences to re-enter entrepreneurship. However, little is known about how entrepreneurs who have encountered failure reconstruct their identities when moving on. In particular, there is a paucity of knowledge about what these entrepreneurs' identity reconstruction entails and how they use narratives to support and engineer it. To address this issue, we studied the narratives of 49 entrepreneurs who had moved on from failure experiences to new ventures. We identify and elaborate on three distinct narrative types: 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 explain the failure of their previous ventures by linking their experiences with the identity transition they are about to make and the social validation they need for developing their new ventures. Our typology of the three narrative types highlights three distinctively different ways of accomplishing this transformation. Thus, we offer a fuller understanding of how entrepreneurs deal with failure when moving on. Second, our research

specifically contributes to research on entrepreneurial identity construction by detailing the discursive practices used to tackle three key dimensions of identity reconstruction: construction of responsibility, identity transition, and identity validation. Third, our research has the potential to advance studies on narrative identity construction at other points in the entrepreneurial journey, such as re-entry and pivoting. Both these stages have a component of personal or identity transformation after an important shock, which is often related to failure.

1. Introduction

How to move on from failure is a crucial issue for entrepreneurs who must deal with their past experiences if they are to continue as entrepreneurs (Ashforth et al., 2008; Maitlis & Christianson, 2014). Dealing with these experiences is challenging because it requires entrepreneurs to reflect on past actions and events associated with failure and deal with the complex and distressing emotions thus raised (Singh et al., 2015). At the same time, entrepreneurs who wish to move on must make sense of what they want to be in the future, which may be very different to how they were in the past (Radu-Lefebvre et al., 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.

Entrepreneurship research has devoted considerable attention to the different ways of constructing meaning around identity (i.e., addressing the question of "who am I?") (Fauchart & Gruber, 2020; Leitch & Richard, 2016; Mmbaga et al., 2020; Radu-Lefebvre et al., 2021). Despite a proliferation of research on entrepreneurial identity construction (e.g., O'Neil et al., 2020; Phillips et al., 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 was 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, in this study 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 et al., 2016: 496). Rather than examining narratives at a high level, we argue for a need to focus on the microlevel, namely the discursive practices, that is ways of using language, that are employed in such narratives (Fairclough, 2010; Vaara & Whittle, 2022).

Scholars have applied a narrative lens to study various aspects of entrepreneurial failure, such as grief recovery through attribution (Cardon et al., 2011; Mandl et al., 2016; Mantere et al., 2013; Singh et al., 2007) and self-enhancement motives such as the promise of learning (Cope, 2011; Dahlin et al., 2018; Josefy et al., 2017; Shepherd, 2003; Yamakawa & Cardon, 2015). Recent studies have shown how these narratives are motivated by impression management (Kibler et al., 2021; Kibler et al., 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 et al., 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 deals with failure attribution and links it to other forms of identity reconstruction essential to moving on. Our research question therefore is: *Which types of narratives do entrepreneurs use in identity reconstruction when moving on after failure?*

Our analysis is based on an in-depth study of 49 entrepreneurs in California. We identify three types of narratives: shielding, transformation, and authenticity. We highlight how entrepreneurs use specific discursive practices in these three narrative types to deal with some central dimensions of identity reconstruction: namely, construction of responsibility, identity transition, and identity validation.

In the identity shielding narrative, entrepreneurs distance their identity from failure, presenting themselves as both victims and valuable entrepreneurs. They deny their responsibility for failure while also 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 used to move on from failure and elaborate on the discursive practices used to deal with the following key aspects of identity reconstruction: construction of responsibility, identity transition, and identity validation. In so doing, we add to the findings of Mantere et al. (2013) and others (e.g., Cardon et al., 2011). We focus on attributions by offering a fuller account of the narrative types, including the transformation and authenticity narratives, and set out a more elaborate analysis of the discursive practices by which entrepreneurs draw on established values or engage in self-verification. We also extend the work of Kibler et al. (2017, 2021) on impression management by detailing the discursive practices used in the context of moving on. 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 deal skillfully with failure stigma, reproducing and at times transforming the prevailing understandings of entrepreneurship. Third, although our work focuses on the specific context of moving on, our analysis offers insights that are applicable to research on identity narrative construction during two other moments of transition: pivoting and re-entry. For pivoting (Grimes, 2018; Hampel et al., 2020; Zuzul & Tripsas, 2020), we show how entrepreneurs use narratives of identity construction to deal with the dismissal of the original venture model. For re-entry (Mandl et al., 2016; Williams et al., 2019; Yamakawa & Cardon, 2015), we illuminate how entrepreneurs work to transcend failure through the reconstruction of their own identity.

2. Theoretical framework

2.1. Narratives of identity reconstruction

The process of identity construction and reconstruction has been described as "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 work hinges on narrative 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).

Identity narratives 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 & Milliken, 2000) but are heterogenous, overlapping, complementary, and sometimes even contradictory (Shepherd & Haynie, 2009).

The 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, and 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 coherence 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 hard to explain.

However, narratives of identity construction during transitions might sometimes concentrate on identity discontinuity because the narratives have to deal with breaking from 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 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 et al., (2015) related changes in identity to changes in role expectations. Other researchers (e.g., Grimes, 2018; Hampel et al., 2020; Zulul & Tripsas, 2020) have discussed pivoting transitions as the relationships between identity construction processes and the failure of the original idea that initially shaped the trajectory of the new venture. Fundamental to pivoting is the "response to a belief that the venture's existing model is fundamentally flawed" (Hampel et al., 2020: 10). In pivoting studies, identity changes have been associated to identity flexibility (Zulul & Tripsas, 2020) focusing on the entrepreneurs' efforts to adapt to external views and feedback (Grimes, 2018; Hampel et al., 2020).

However, a transition that the research into entrepreneurial identity narratives has not considered is that from failure to re-entry (Radu-Lefevbre et al., 2021), which we term 'moving on'. This omission is unfortunate because the general literature on narratives of identity construction emphasizes the importance of transitions, relating them to "significant events or turning points" that offer the possibility of eliminating certain elements from the individual's past identity and introducing new ones (Ibarra & 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 and its relationship to grief and attribution (Cope, 2011; Ucbasaran et al., 2013). However, we argue that the study of moving on in entrepreneurship differs from other radical transitions (Ibarra & Barbulescu, 2010; Shepherd & Williams, 2018) including pivoting. This is for three reasons. 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 et al. 2018; Farny et al., 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). Therefore, the study of moving on requires combining knowledge about the identity narratives of external valuation (which are relevant to pivoting) with knowledge about the internal processes of grief recovery and stigma (which are relevant to narratives of entrepreneurial failure).

2.2. Narratives of entrepreneurial failure

The research on narratives of entrepreneurial failure (Rogoff et al., 2004; Yamakawa & Cardon, 2015; Zacharakis et al., 1999) mainly draws on attribution theory, the origins of which lie in social psychology (Kelley & Michela, 1980; Weiner, 1986) and which are to do with 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."

Studies of narratives of entrepreneurial failure have gone beyond internal and external attributions to discuss the causality for failure (Cardon et al., 2011; Shepherd & Hayne, 2011; Mantere et al., 2013; Kibler et al., 2017; Kibler et al., 2021), which is unsurprising, given that narratives must have an element that serves as a causal interpretation of the story (Vaara et al., 2016). Causality here comes from "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 situate the failure within 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) because 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 with the social position of the entrepreneurial firm's various stakeholders (hired executives, staff, or entrepreneurs). 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. In that study, the narrative attributions varied according to the "cultural sensemaking" about business failure that held in the geographical area where the failure occurred.

Other researchers account not only for the social context but also argue for the importance of looking at narratives of failure as impression management strategies. For Kibler et al. (2021), narratives are geared toward the emotional and psychological recovery of the entrepreneur after failure but they also "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 the entrepreneurs' attribution narratives after failure became group narratives that encompassed not only the entrepreneur but also every member of the firm's 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 were 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 that examine the narratives of failure fall short of combining these elements and relating them to the process of identity reconstruction. In this paper, 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 adopted an in-depth qualitative research approach. We gathered rich and contextualized data through interviews, which we complemented with observational data and documentary material for 49 entrepreneurs working in California. To develop theory, we followed a logic of discovery (Van Maanen et al., 2007) to analyze the data through a rigorous, systematic exploration of patterns in the participants' narrative accounts (Gioia et al., 2013).

3.1. Research setting

Our research design is based on the opportunity to study entrepreneurs who had recently encountered failure but who 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 California, through which 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, we were provided 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 stages of developing a new venture and were therefore experiencing the identity tensions that can trigger identity-driven reflexivity (Conger et al., 2018). The two accelerators gave us 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 necessary level of confidence between entrepreneurs and researchers for observing stigmatized topics (Cope, 2011; Smith & Osborn, 2008).

California is characterized by an open and casual culture where narratives of failure are often shared (Martin, 2014). 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. In most cases, the timing of the failure experiences varied from a few months to 5 years. Third, we took into consideration variations in firm size, industry, gender, and age to minimize any peculiarities related to industry-specific agendas (e.g., 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% identified as women, 46% identified as men; Age: 18% under 34 years of age, 64% between 35 and 45, and 18% above 46; Industry: food and beverage production, distribution and services (22% of the sample), internet services (8%), music industry (6%),

professional services (18%), 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 the entrepreneurs and capturing the nuances of each 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, which 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. They were then were asked to talk about a project they considered to be a major failure (note that the researchers did not define "failure"). Entrepreneurs were asked to choose the experience of failure that they considered to be most relevant to their career. 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. It 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 prior to the interviews, which increased how well we got to know them. This created a more intimate setting and allowed 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 how entrepreneurs approached 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 significant stakeholders, the entrepreneurs' 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, which more often consist of partial, conflicted, dynamic sets of narrative pieces in which only some of these structural elements are explicit (Boje, 2008). Narratives provide a creative re-description of the world (Lawrence & Maitlis, 2012), in which discursive practices are used in ongoing construction and reconstruction. Thus, we focused on the concrete ways (i.e., the discursive practices) in which identity is enacted by a series of words, actions, and relations (Fairclough, 2003). Focusing on such discursive practices allowed us to zoom in on the narratives and identify at microlevel the specific ways in which the entrepreneurs dealt with failure and transitioned to move on (Vaara et al., 2016).

Step 1: Categorization in first order codes. We analyzed each interview by focusing 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 from Interviewee 38: "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 discursive practices around events related to a particular instance of failure. We therefore regarded 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. Discursive practices 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).

This new focus on the discursive practices of identity construction prompted us to return to the data and analyze them in more detail 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. All interviews were coded by the authors. Authors 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 had initially clustered codes about attribution, but in light of our refreshed understanding of the data and the literature of identity construction, we realized that these claims of attribution were in fact claims related to accepting or disclaiming responsibility for failure. After some iterations, we discovered that specific discursive practices were used in three key aspects of identity construction: construction of responsibility, identity transition, and identity validation. By referring 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 to responsibility values. Through identity transition, entrepreneurs were explaining how they were changing through being associated with failure so they could reach the next stage of moving on. Finally, we observed how entrepreneurs were also seeking social and personal validation in their narratives of failure.

Step 3. Typology of narrative types and related discursive practices. We clustered our second-order themes (our discursive practices) into aggregate dimensions that would create analytical categories (Gioia et al., 2013), which helped us to answer the question of what narratives entrepreneurs use when they are 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 clustered the discursive practices to create a typology of narrative types. We present the data structure in Figure 1. A summary of the narrative types that serves as a model of our findings is presented in Table 2 (see Section 4: Findings). Tables 3, 4, and 5 (also in the Findings section) offer examples of each narrative type.

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

4. Findings

As a result of our analysis, we identified three types of narrative that the entrepreneurs used to reconstruct their identities when moving on after a failure experience: shielding, transformative, and authenticity. 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 narratives

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 has, in the past, 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 narratives, 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 elaborate on three discursive practices used in these narratives: denial of responsibility, overcoming victimhood by relativizing failure, and seeking social validation in established discourses of quality such as experience or accreditations. Table 3 offers more examples of these practices.

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

4.1.1. Denying one’s own responsibility for failure

In the shielding narratives, entrepreneurs follow a traditional strategy when explaining why failure happened or pinpointing whom they think was responsible for it. 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 those circumstances (e.g., “it was 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, John's narration of the launch and later failure of his now defunct organic shop references "the spirit of the age":

> 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 … (Interviewee 48)

By presenting himself as the first entrepreneur to open 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 that initial failure, he is back in business working on the launch of another organic shop. John argues that when he opened his first 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 circumstance (nobody appreciated organic food back then). 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 may also attribute their failure to a mistake that becomes understandable and even acceptable when it is 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. (Interviewee 32)

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. His mistake was to rely on friendship as a basis for choosing a business partner. 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 as something he was unable to anticipate (because they had been good friends for so long a 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 both entrepreneurial life and 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. (Interviewee 42)

4.1.2. Shielding one's own identity by normalizing failure

In the shielding narrative, entrepreneurs break with the past, presenting themselves as victims of misfortune and mistake. 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. (Interviewee 20)

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. (Interviewee 32)

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 anyone, which shields his identity from the stigma of failure.

4.1.3. Presenting oneself through 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" (Interviewee 8). 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; in her case this derives from having a Master's degree in Business Administration (MBA) from a prestigious school:

> I tell [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. (Interviewee 21)

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. (Interviewee 15)

Wayne seeks validation by highlighting that he was contracted to the best publishers and his work was reviewed in top American newspapers, through which he shows special competence and excellence as entrepreneur.

4.2. Transformation narratives

In the transformation narratives, entrepreneurs accept responsibility for the failure while turning it into something that contributes to building their identity as more capable and responsible entrepreneurs. Accepting failure is a self-reflection exercise 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 to society as a whole. We analytically present the

transformative narrative with three discursive practices 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 (an 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

When accepting responsibility, entrepreneurs explicitly justify the failure by relating it to their own internal attributes. 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. (Interviewee 38)

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 vein, 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. (Interviewee 47)

In the above example, David presents himself as vulnerable human instead of a super-hero entrepreneur. He narratively works on accepting failure and, in turn, his own 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" selves, 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 better entrepreneurs, 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. (Interviewee 51)

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.

When focusing on an opportunity to re-craft their 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 into 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. (Interviewee 47)

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 mantra, evidencing his aim to reconstruct his own identity, separating it from his past self.

In a second example, Kuhn (Interviewee 11) 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." Here, 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. Presenting oneself through 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." (Interviewee 13)

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

> So perhaps [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. (Interviewee 10)

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 narratives

In the authenticity narratives, 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 orient the narrative attention to themselves and their own values, which they then reinforce as a form of self-verification. We now focus on the three discursive practices that complement each other in the reconstruction of the entrepreneurs' identity: embracing failure to highlight one's own authenticity, identity reinforcement by questioning failure, and seeking validation through self-verification. Table 5 offers more examples of these.

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

4.3.1. Embracing failure to highlight one's 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 even 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 they run their business to reflect "who I really am" (O'Neil et al., 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. (Interviewee 4)

Peter embraces failure and stresses the continuity in his identity before and after failure. Failure has not so much transformed him as given 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 "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" (Interviewee 44). 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. Questioning failure to reinforce one's own identity

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 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. (Interviewee 35)

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 by arguing that there are multiple perspectives for failure and ways of measuring it.

Similarly, Sonia, a video producer, narrates her failure in video production. She had launched a documentary production company and argues that although she initially thought documentary production would "pay you a lot of money" (Interviewee 8), 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 likening it to 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 (Interviewee 8).

4.3.3. Presenting oneself by stressing self-verification

A third discursive practice frequently used in the authenticity narratives is self-verification. Self-verification is the need to be seen by others as one sees oneself or as

authentic to certain values (O'Neal et al., 2020). For instance, Tim, the food and beverage production entrepreneur whose Californian winery failed, 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. (Interviewee 32)

The narration of his own reflection about failure, which concludes with remarks about the importance of being comfortable with who he is, indicates 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 their experiences or feedback from others. As such, Tim 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" (Interviewee 32). This reinforces his identity as an entrepreneur who experiments, while also expressing 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 being a passionate eco-entrepreneur. John's effort at self-verification makes him stress how important his environmentally-oriented values are to him. They prevail over failure and indeed over other entrepreneurship practices that might have reduced the likelihood 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. (Interviewee 48)

5. Discussion

As a result of our analysis, 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, we contribute to research on entrepreneurial identity construction by elaborating on the concrete identity challenges they face through three identity dimensions: construction of responsibility, identity transition, and social validation. We also explain how entrepreneurs sometimes deal with failure stigma by trying to redefine some of the prevailing assumptions of entrepreneurship. Third, we complement the literature on the different stages of entrepreneurship by focusing on the specific context of moving on, exploring how entrepreneurs use narratives to reconstruct their identity and transcend typically-held social perceptions of failure.

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 the narratives of entrepreneurial failure (Cardon et al., 2011; Mantere et al., 2013), there is a paucity of knowledge about the narratives and related discursive practices that are used in identity construction when moving on from failure to new ventures. Through our analysis, we have developed an inductively-derived framework that illuminates the distinctive narrative types used in identity construction, as well as the specific discursive practices used in dealing with key dimensions of identity work: responsibility for failure, identity transition, and identity validation.

By so doing, we offer a comprehensive and nuanced view that extends prior research on the narratives of entrepreneurship failure (Cardon et al., 2011; Mandl et al., 2016; Mantere

et al., 2013; Singh et al., 2007). Shielding narratives help entrepreneurs divert their identity from failure by attributing it 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 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 moving on, entrepreneurs articulate a sophisticated narrative that may include appealing to victimhood identities (Jacoby, 2015), which helps them construct a coherent narrative of external validation arguments. This relates to the literature on grievance-based identity (Jacoby, 2015), which suggests that the 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 likely it is that the identity claimed will be taken for granted (Hampel et al., 2020; O'Mahoney & Bechky, 2006). Rather 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 that a complex set of discursive practices composes the shielding narrative, in which entrepreneurs not only justify failure but also reconstruct their identity to move on.

The transformation narratives are used by entrepreneurs to present themselves as responsible and more learned entrepreneurs. Our identification of this narrative type contributes to the understanding of how entrepreneurs face up to their responsibility for a loss. In the transformation narratives, the narrator seeks acceptance of a congruent personal identity that links learning with an aspirational identity of the entrepreneur's new and more

competent “learned self” (Thornborrow & Brown, 2009). The transformed identity is one that accepts responsibility and is willing to move on with a new venture. As such, this narrative draws on the learning process to generate specific and concrete identity outcomes (Singh et al., 2015) that go beyond the search for external evaluative acceptance of the failure, such as is presented in the hubris narrative identified by Mantere et al. (2013). 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 the discursive practices involved in the transformative narrative serve to reframe identity inconsistencies such that failure is not only a positive experience (Singh et al., 2015) but is one that is necessary; in short, it is a “badge of honor” (Martin, 2014) worn by entrepreneurs in need of social validation.

In the authenticity narratives, entrepreneurs use failure to reinforce their identity as authentic entrepreneurs or unique persons. This narrative type adds 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, which is 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 et al., 2005; Wei, 2012). However, authenticity is here presented as an “identity moderator” in a process of vindicating the true values that

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

Interestingly, in the authenticity narrative, entrepreneurs may challenge the foundations of entrepreneurship by claiming that failure does not exist. As Ashforth and colleagues (Ashforth & Kreiner, 1999; Kreiner et al., 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 engaged 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; rather, by questioning the very existence of failure, they transform the understanding of entrepreneurship.

5.2. Implication for research on entrepreneurial identity construction

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

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 the 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 links 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 furthers 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 et al., 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 et al., 2009) by connecting this oppression with a new understanding of both 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 transition moments

By focusing on the context of moving on, our analysis adds to research on the entrepreneurial journey's other transition moments that involve identity work, such as retirement, re-entry, or pivoting. Our findings can, with due caution, be useful in such settings and help advance research on these topics.

For example, our research may add to understanding about the narratives of entrepreneurial re-entry (Mandl et al., 2016; Williams et al., 2019; Yamakawa & Cardon, 2015) by illuminating how failure can be a major part of identity construction. We argue that narrative identity construction is used not only to establish affiliations (David et al., 2013) and reproduce commonly held frames (Martens et al., 2007; Überbacher, 2014), it can also help entrepreneurs reconstruct their identities to better fit their new projects and overcome failure stigma.

Finally, we argue that our research can also help to better understand pivoting (Grimes, 2018; Hampel et al., 2020; Zuzul & Tripsas, 2020). We contribute to understanding about the difficulty of pivoting by supplementing identity transition with the importance of looking at the dimensions of responsibility construction in relation to social validation. By explaining different narratives of moving on after failure, we expand the understanding of how entrepreneurs expose stakeholders to entrepreneurial struggles so as to manage their identification with a new venture once the original idea has failed (Hampel et al., 2020). By showing variance in the level of responsibilization of the failure, we contribute to understanding of how identity construction may influence entrepreneurs' ability to consider

new ideas once the original business model of the firm has shown its limitations (Zuzul & Tripsas, 2020).

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 how 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 ways in which entrepreneurs re-interpret their profession are 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, whether this be planned (as in pivoting) or unplanned and therefore more stigmatized (as in the case of failure and moving on). For example, future research could explore the transformation of the entrepreneur's identity during a pivot that does not include bankruptcy compared with a process of moving on in which the entrepreneur faces serious financial issues. Research could also examine if the narratives of authenticity that present

the entrepreneur as pivoting resonate with stakeholders in the same way as when the aim is to legitimize failure.

We suggest that understanding the 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 who wish to better integrate their failure stories with narratives of their growth and future prospects once they are willing to move on from an initial failure to 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 elucidate 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: Data Sources and Uses

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. - 14 venture capitalists' and investors' meetings and events, each lasting 2-3hrs, after which ethnographic notes were made.	- To understand how the narratives were used with stakeholders. - To understand the available cultural discourses and their meanings. - 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 meanings.

Table 2: Discursive Practices Used for Identity Reconstruction when Moving on from Failure

Narrative type	Orientation	Construction of Responsibility	Identity Transition	Validation	Implications
Shielding	• Avoidance of failure	• Denying one's own responsibility for failure • Presenting a victimhood identity	• Shielding one's own identity by normalizing failure • Maintaining the same identity attributes before and after failure	• Presenting oneself through established discourses of quality and accreditations • Presenting oneself through established values, such as experience	• Identity reconstruction as a victim but also as valued by others in developing new ventures
Transformation	• Acceptance of failure	• Accepting one's own responsibility for failure	• Presenting failure as an opportunity to re-craft one's	• Presenting oneself through values related to responsibility acceptance	• Identity reconstruction as a better entrepreneur (responsible and more learned)

		• Presenting oneself as a responsible entrepreneur	entrepreneurial identity • Presenting a different identity before and after failure		
Authenticity	• Embracing failure	• Embracing failure to highlight one's own authenticity • Identifying oneself as authentic	• Questioning failure to reinforce one's own identity • Reinforcing authenticity after failure	• Presenting oneself by stressing self-verification • Defining entrepreneurship in terms of 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: Discursive Practices and Representative Quotes

Discursive practices	**Representative quotes**
Denying one's own responsibility for failure	
• Responsibility associated with misfortunes	
Failure as an involuntary transition that is presented as external to the entrepreneur. Entrepreneur presents themself as a victim of an uncontrollable external event, which offers credible reasons for victimhood (e.g., unexpected events, collaborators, immaturity).	Interviewee 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" (Interviewee 34). Interviewee 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" (Interviewee 40).
• 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, which appeals to sympathy for mistakes, to plausibility, or to familiarity with the mistake.	Interviewee 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" (Interviewee 12). Interviewee 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" (Interviewee 47).
Shielding one's own identity by normalizing failure	
• Presenting failure as part of the entrepreneurial process	
Failure dynamic as part of the process. Detaching the identity of the entrepreneur from the stigma of failure by questioning the static nature of entrepreneurship. Presenting themselves as the director of a dynamic venture or a business historian.	Interviewee 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" (Interviewee 8). Interviewee 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" (Interviewee 15).
• 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.	Interviewee 7 argues there is a 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" (Interviewee 7). "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" (Interviewee 38).
Presenting oneself through 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.	Interviewee 32 presents himself as able to turn a financial operation 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" (Interviewee 32). Interviewee 14 justifies her professionality by appealing to concepts such as the 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" (Interviewee 14).
• Associating themselves to professional values	

	Interviewee 21 presents herself not only as a good chef but also and ultimately as 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" (Interviewee 21). "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" (Interviewee 39).

Table 4: Transformation Narratives: Discursive Practices and Representative Quotes

Discursive practices	Representative quotes
Accepting one's responsibility for failure	
• Taking responsibility	
Failure is accepted as part of being a good/responsible entrepreneur.	Interviewee 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" (Interviewee 38). Interviewee 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" (Interviewee 35).
• Showing self-continuity in the presentation of their identity	
Identity construction is based on reinforcing consistency with the previous identity.	Interviewee 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" (Interviewee 6). Interviewee 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" (Interviewee 13).
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.	Interviewee 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, etc." (Interviewee 21). Interviewee 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" (Interviewee 22).
• 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.	Interviewee 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" (Interviewee 6). Interviewee 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" (Interviewee 21).
Presenting oneself through 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	Interviewee 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" (Interviewee 20). Interviewee 49 argues about the importance of creating her products with high quality, which is socially valuable, especially for her business which 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" (Interviewee 49).

Table 5: Authenticity Narratives: Discursive Practices and Representative Quotes

Discursive practices	Representative quotes
Embracing failure highlight one's own authenticity	
• Relating failure to highlight their own authenticity	

Failure embraced as part of being an authentic entrepreneur.	Interviewee 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" (Interviewee 32). Interviewee 47 reinforces his identity by stressing the importance of being true to himself: "[o]ne 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" (Interviewee 47).
Questioning failure to reinforce one's own identity	
• Questioning failure definitions	
Entrepreneurship as a personal experience that cannot be judged economically. Building their identity based on a different value system.	Interviewee 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" (Interviewee 35). Interviewee 11 argues about the multiple understandings of failure in time: "I think the idea of success changes really with how you move forward" (Interviewee 11).
• Problematizing the very idea of failure	
Detaching the identity of the entrepreneur from the stigma of failure, questioning the relation between failure and entrepreneurship.	Interviewee 15 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" (Interviewee 15). Interviewee 13 relates ventures to 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" (Interviewee 13)
Presenting oneself through self-verification	
• Showing their ventures reflects who they really are and their uniqueness	
Reinforcing their identity as authentic entrepreneurs.	Interviewee 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" (Interviewee 4). "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" (Interviewee 6).
• Seeking to ensure others understand who they really are	
Communicating the importance of being recognized for certain values.	"I want to try things. With many projects, funny things. I need fun. I enjoy fun" (Interviewee 27). "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" (Interviewee 50).

FIGURES

Figure 1: Data Structure