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Abstract:	We conducted a longitudinal field study of nine nascent ventures attempting to revitalize local municipalities to understand how and why identity processes shape organizing in multi-founder nascent ventures. We develop grounded theory and a process model showing how the patterning of founders' social identities shapes early structuring processes, how this in turn influences the construction of a collective identity prototype and its attempted enforcement by an in-group, and how the overall process influences whether or not founders remain engaged in their joint organizing efforts. Our contributions extend the growing entrepreneurship literature on founder identity from an individual focus toward understanding how founding teams work through organizing issues and from a focus on established organizations to exploring why and whether teams move forward in nascent ventures. We open up a series of important questions for future research about how founders become "who we are."

In The Beginning: Identity Processes and Organizing in Multi-Founder Nascent Ventures

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IN THE BEGINNING: IDENTITY PROCESSES AND ORGANIZING IN MULTI-FOUNDER NASCENT VENTURES

We conducted a longitudinal field study of nine nascent ventures attempting to revitalize local municipalities to understand how and why identity processes shape organizing in multi-founder nascent ventures. We develop grounded theory and a process model showing how the patterning of founders' social and role identities shapes early structuring processes, how this in turn influences the construction of a collective identity prototype and its attempted enforcement by an in-group, and how the overall process influences whether or not founders remain engaged in their joint organizing efforts. In some cases, founders' identities adjust as they experience periods of pragmatic deference, contestation and domination by an in-group that moves increasingly towards identity homophily. Our contributions extend the growing entrepreneurship literature on founder identity from an individual focus toward understanding how founding teams work through organizing issues and from a focus on established organizations to exploring why and whether teams move forward in nascent ventures. We open up a series of important questions for future research about how founders become "who we are."

"We feel more like a group today than we did day one, and I think – I think we've really gelled together and come together" ~Joe, Paisley founder

A recent surge of entrepreneurship research has demonstrated that founders' identities – roughly speaking, their sense of "who I am" and "who I want to be" – strongly shape their behavior (Cardon, Wincent, Singh, & Drnovsek, 2009; Farmer, Yao, & Kung-Mcintyre, 2011; Hoang & Gimeno, 2010), the meanings they derive from their work (Essers & Benschop, 2009; Jain, George, & Maltarich, 2009; Shepherd & Haynie, 2009) and the characteristics and strategies of the firms they build (Fauchart & Gruber, 2011; Powell & Baker, 2014). Overall, this literature has provided novel insights and developed theory that helps explain the rich heterogeneity of founders' motivations (Hmieleski & Baron, 2009; Sapienza, Korsgaard, & Forbes, 2003) as well as the ties between these motivations and the social structures in which founders are embedded and that their efforts shape.

While over half of new ventures are organized by more than one founder (Aldrich & Ruef, 2006; Davidsson & Honig, 2003), founder identity research has thus far focused on

exploring the baseline case of ventures dominated by a single founder (Cardon et al., 2009; Fauchart & Gruber, 2011; Jain et al., 2009; Powell & Baker, 2014). As a result, we know little about how multiple founders work through the identity processes that may shape their joint organizing efforts, including how they come to a working consensus around how to move forward. In addition, although it is commonplace for founders to disengage from organizing efforts without having created a new venture (Aldrich & Ruef, 2006; Stinchcombe, 1965), founder identity research has also focused on firms that have already overcome organizing challenges and emerged as operational ventures. We therefore know little about how identity processes affect whether or not founders remain engaged in their joint organizing efforts. Related work on teams in operating firms suggests that a shared collective identity can help people to work together effectively (Van Der Vegt & Bunderson, 2005), but as Fauchart and Gruber (2011: 949) posit in their call for research on multiple founders, "divergent identities can be a major source of conflicts."

In this study, we build upon the foundation of prior work on founder identity but expand its focus to consider a theoretically and practically important question: How and why do identity processes shape organizing efforts in multi-founder nascent ventures? We investigated this question through a longitudinal field study of nine nascent ventures across three municipalities. In each case, multiple founders came together to organize ventures intended to help revitalize nearby areas by promoting textile and apparel entrepreneurship[1]. Their underlying social identities differed, however, in ways that became important – and apparent – only as organizing efforts unfolded. Because our study began during founders' early conversations about wanting to start an organization, we had the unusual opportunity to observe in real time how the common

[1]Because the industry had long been a mainstay of the economy in many southeastern US communities, economic and social development initiatives attempting to "bring back" some form of textile and apparel manufacturing are still relatively common.

desire to help played out in contrasting ways. As a result, our study provides a useful first window into early identity processes.

The answer we provide to the question of *how* identity processes shape organizing is that this occurs through early and largely uncontested choices about organizational roles, authority and boundaries. The answer to the *why* question requires understanding the process through which an assemblage of individual founders becomes a group with a shared collective identity. Linking the how and why is the construction and then the enforcement of a collective identity prototype that infuses early choices about how to organize the nascent ventures with value and meaning as defining elements of what it means to be part of the founder in-group. As organizing progresses, early pragmatic deference among founders gives way to either in-group domination or active contestation among competing in-groups. These patterns of interaction among the founders shape whether or not they achieve working consensus on how to move forward and whether or not they remain engaged with organizing efforts.

We contribute to the growing literature exploring founder identity in two main ways. First we expand its domain from individual to multi-founder organizations. We develop theory showing how the individual social identities of founders shape and become incorporated into more complex collective identity prototypes underlying the sense of "who we are" experienced by the resulting in-groups. Our theory highlights and explains processes of identity construction, enforcement and adjustment as mechanisms that lead to increasing identity homophily. Second, we extend the domain of founder identity theory from organizations that have already survived to become operational to the study of organizing efforts beginning with the earliest days of nascent ventures. We show how the identity processes we theorize can affect fundamental issues such as whether founders come to consensus about how to move forward and whether they remain

jointly engaged in their organizing efforts. Because we build on the prior literature by extending the Fauchart and Gruber (2011) social identity typology to core work in social identity theory on identity prototypes and the formation of in-groups (Bartel & Wiesenfeld, 2013), our main theoretical inferences are quite general. The patterns of connections between specific identities and specific outcomes we observed, however, are likely to vary across different contexts. Our results therefore open up a range of important questions for future research.

In addition, the broader literature on new venture teams (NVTs) has been criticized recently for inadequate exploration of individuals' motivations, over-reliance on secondary and demographic data, and limited investigation of how NVTs shape the initial "structure, systems and processes of their firms" (Klotz, Hmieleski, Bradley, & Busenitz, 2014: 249). Our study tackles each of these limitations, while contributing to our understanding of little examined processes and challenges of achieving collective cognition and team cohesion, which affect new venture team performance (Ensley & Pearce, 2001; Klotz et al., 2014).

THEORETICAL BACKGROUND

Entrepreneurship research has increasingly moved beyond its earlier theoretical presumption that all or most entrepreneurs are driven primarily by narrow economic goals (Baker & Pollock, 2007). Scholars acknowledge the wide range of motivations, aspirations and meanings that serve as the basis for entrepreneurs' behavior (Hmieleski & Baron, 2009; Sapienza et al., 2003; Scheinberg & MacMillan, 1988). Recent work investigating different drivers of entrepreneurial action has focused on questions of founder identity, encompassing research addressing how founders' understanding of "who I am" and "who I want to be" shapes their behavior (Powell & Baker, 2014).

Foundational founder identity theory (henceforth: FIT[2]) research has drawn from social identity theory (SIDT), which focuses on "that part of an individual's self-concept which derives from his knowledge of his membership of a social group (or groups) together with the value and social significance attached to that membership" (Tajfel, 1978: 63; Tajfel & Turner, 1979). FIT has also drawn from identity theory (IDT), which examines how individuals construct identities based on the roles they play and how they engage in role choice behaviors to guide their actions under varying circumstances (Mead, 1934; Stryker, 1980; 2007). Both of the primary themes emerging across this research have focused on the individual entrepreneur. One theme explores the challenges a founder may face in constructing or maintaining individual identities (e.g., Essers & Bishop, 2009; Hoang & Jimeno, 2010; Iyer, 2009; Jain et al., 2009; Murnieks, 2007; Shepherd & Haynie, 2009). The second theme investigates the effects of the founder's identity or identities on the organization (e.g., Cardon et al., 2009; Farmer et al., 2009; Fauchart & Gruber, 2011; Mathias & Williams, 2014; Powell & Baker, 2014). Combining these themes, Powell and Baker (2014) expanded IDT's notion of identity-driven role choice behaviors to explain how social identities drive individual founders' role creation behaviors. Fauchart and Gruber (2011) derived a typology to explain how three distinctive types of social identities led founders to create different sorts of firms. We extend this typology to collective identity formation, individual identity adjustment and role creation.

Prototypes and the Emergence of Collective Identities

Fundamental to understanding collective identity in contemporary SIDT, *identity prototypes* are cognitive representations that both "describe and prescribe" a broad array of attributes encompassing behavioral norms, values, beliefs, feelings and attitudes that form the

[2] Although it would be premature to point toward a unified "theory of founder identity," the last decade has witnessed a burgeoning of research creating the building blocks of FIT.

basis for making meaningful distinctions between members of different groups (Hogg & Terry, 2001: 123). In research on established organizations, prototypes have been portrayed as "part and parcel of a group's collective identity," serving as "the everyday manifestations of the collective identity in individual members – the interpretation and translation of identity features into attributes, attitudes and actions at the individual level" (Bartel & Wiesenfeld, 2013: 505). In contrast, because of its strong empirical focus on individual founders and operational ventures, research in FIT has yet to explore prototypes or processes of collective identity formation, including questions about how "who I am" and "who I want to be" might affect "who we are" or "who we want to be" (Brewer & Gardner, 1996).

A large body of work in social psychology shows that individuals categorize themselves and others according to how well they are perceived to fit with an identity prototype. Prototypes provide "a common standard against which current and prospective members are evaluated as being fit for group membership" (Bartel & Wiesenfeld, 2013: 507). Indeed, this is the primary basis for distinguishing "in-groups" from "out-groups" (Hogg & Abrams, 1988; Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). In-group members de-emphasize differences among themselves and accentuate differences between themselves and members of the out-group, using the relevant identity prototype as their touchstone (Hogg & Terry, 2001; Stets & Burke, 2000)[3]. *We* come to seem increasingly similar to one another and *they* come to seem increasingly different from *us*.

Although prior work has not extended these insights to nascent ventures, they are important for the theory we develop in this paper and for further development of FIT. Prototypes can include value-laden behavioral norms about appropriate means to accomplish things,

[3]Although identity prototypes can incorporate richly diverse attributes, studies within the "minimal group" paradigm have shown that in experimental settings even seemingly trivial, arbitrary distinctions assigned by experimenters can lead to rather strong "us versus them" cognitions and behavior.

including how to organize (Hogg & Terry, 2001; Reicher, Spears, & Haslam, 2010; Stets & Burke, 2000). Prototype "ambiguity" occurs when the "attributes, attitudes, and actions" that define what it means to be part of the in-group are unclear (Bartel & Wiesenfeld, 2013: 504). Fundamental organizing processes – including initial construction of roles, authority and boundaries – have long been recognized as core to the structuring of organizations, with long-lasting effects on organizational survival and adaptation (Aldrich & Ruef, 2006; Burton & Beckman, 2007). Prior entrepreneurship research has not examined how such organizing processes shape collective identity prototypes, reduce prototype ambiguity or generate prototype conflict, "which occurs when different group prototypes are put forth that contain irreconcilable and conflicting features" (Bartel & Wiesenfeld, 2013: 517). We suggest that these processes provide an important early forum for the emergence of collective identity prototypes and the in-group dynamics they support.

Teams

The entrepreneurship literature on teams has two main branches. First, the new venture team (NVT) literature has focused primarily on teams in ventures that are already operational and on high growth potential, advanced technology, and venture capital-backed firms. In a recent review of this literature spanning sixteen leading management, entrepreneurship and organizational behavior journals, Klotz and colleagues (2014) found only two studies of nascent ventures and neither was prospective. In *none* of the studies they reviewed does identity appear as a salient factor shaping behavior or outcomes. Consistent with the broader teams literature (Jehn, 1997), the NVT literature has similarly found that task conflict among members tends to have positive effects on a variety of outcomes, while conflict based on interpersonal differences is more likely to be destructive (Ensley & Pearce, 2001). Prior NVT research has not examined

how identity processes can transform seemingly minor task conflict around organizing into interpersonal conflict about what it means to be part of the in-group.

The second branch, the nascent venture literature, has developed since the late 1990s. It builds on a growing body of nationally representative multi-year longitudinal surveys of individuals who are thinking about or in the process of starting new businesses (Davidsson & Honig, 2003; Reynolds & Curtin, 2010). These data show a very high prevalence of organizing efforts that are disbanded (Davidsson & Gordon, 2012), underscoring the problems of potential survivor bias in the older NVT literature (van de Ven, 1992). They have also demontrated a striking degree of demographic homophily (Ruef, Aldrich, & Carter, 2003) – the tendency or preference for associating with similar others – that characterizes founding teams[4]. Only rarely do founders assemble the kinds of multi-functional teams comprising complementary skills that are treated as normative in textbooks and in work on strategic entrepreneurship (Davidsson, Gordon, & Bergmann, 2011; Ruef et al., 2003). Despite acknowledging the importance of identity processes (Ruef, 2010), however, this literature has remained largely focused on easily observable demographic characteristics of founders. Researchers have examined neither how deeply-rooted but non-obvious identity dynamics may shape the interactions and outcomes of founding teams nor how nascent ventures might move toward *identity homophily* and with what consequences. Importantly, while teams research has demonstrated that both collective cognition and team cohesion can affect new venture team performance, prior work has not examined how founder identity differences and similarities may affect these emergent processes (Klotz et al., 2014).

[4] In this paper, we use the terms "team" and "group" interchangeably.

EMPIRICAL SETTING AND METHODS

We conducted a longitudinal field study of what began as four nascent ventures but became nine cases as we observed a series of mergers, disbandings and new organizing efforts. We inducted grounded theory (Glaser & Strauss, 1967) through iterative cross-case analyses of data gathered from multiple sources (Eisenhardt, 1989; Yin, 2009). This research design was appropriate to the research question we sought to answer: How and why do identity processes shape organizing in multi-founder nascent ventures?

Research Context and Sampling

Our theoretical sampling (Strauss & Corbin, 1998) was shaped by both design and serendipity. Our sampling criteria included: a) the nascent ventures needed to include multiple founders b) we needed to have access to the earliest organizing conversations among the founders and c) the ventures needed to have enough in common in terms of intended activities or purpose to support meaningful cross-case comparative examination of other differences between them. We learned about and gained access to four ventures meeting our criteria from members of our professional networks. In each case, we were able to begin gathering data while founders were still coming on board and getting to know one another for the first time or renewing old acquaintances. Following prior research, and because we studied ventures prior to the hiring of any employees, we treated as a founder each individual who was involved in a more than casual way with nascent venture organizing efforts.[5] Each of these ventures had in common that the founders were coming together to create ventures that would allow them to become community helpers. Together, these features of our context provided rich opportunities to observe the

[5] In a recent comprehensive review, Klotz and colleagues (2014: 227) adopted a definition of NVTs that included all who participate in "the development and implementation of the evolving strategy of new ventures." Translated to the nascent ventures which are our focus, this is consistent with our approach of treating as a founder each individual who was involved in a more than casual way with nascent venture organizing efforts. It is also consistent with Ruef's (2010: 15) focus on "the set of actors…who actively support the creation of a new organization."

interplay over time of both common and contrasting aspects of multiple founders' identities during nascent organizing processes.

Our sample initially included four groups of people in three separate municipalities who began talking about trying to aid economic and social development by encouraging textiles- and apparel-based entrepreneurship through technical and new venture skills development. Textiles and apparel had been a primary employer in each locale but had suffered rapid decline. Serendipitously, two of the cases – both in the same municipality – merged and then disbanded in a manner that led to a series of new organizing attempts. Following norms of theoretical sampling, we added these new cases to our sample, seeking replications and challenges to the patterns we observed in the first four cases (Eisenhardt & Graebner, 2007). Taken as a whole, the nine cases provide replications of each of the general processes and contingent patterns we theorize in our process model.

Figure 1 traces the development of our sample and observation periods and Table 1 describes our sample context and founding groups. Seven of the organizing efforts were focused on the same municipality: Centerville[6]. These founders gathered initially around the idea of building an organization that would help local residents promote development by creating a cluster of new fashion and textile businesses in downtown Centerville. Pique and Tweed were two independent nascent ventures until a local economic developer serving as a founder in one of them set up introductions that led the founders to merge their original efforts into Batik. Four months later, we observed the disbanding of Batik. Two subsets of the people who had been involved with Batik recruited new founders and began organizing two additional ventures: Jersey

[6] Throughout the paper, names, specific locations and other details have been hidden in order to ensure confidentiality.

and Jacquard. Later, the founders at Jacquard disbanded their efforts and subsets of Jacquard alumni recruited additional founders to begin two new organizing efforts: Toile and Damask.

--- INSERT FIGURE 1 AND TABLE 1 ABOUT HERE ---

In our second location, Oakwood, founders were drawn to the idea of helping to turn, according to one of the founders, "a town of tremendous unemployment and a lot of hopelessness" into a downtown business and tourist destination. Harkening back to the industrial heyday of Oakwood, they viewed the legacy textile manufacturing facilities, remaining skills and the once affluent downtown area as assets that could be put to use for starting new textile and apparel ventures. They gathered around the idea of building an organization, Madras, to train the local workforce, employ local residents and encourage them to become entrepreneurs. Similarly, founders in our third location, Fairview, came together around the idea of finding some way to counter increases in unemployment, street crime and high school dropout rates that followed the decline of manufacturing in their rural town. With empty buildings and some relevant skills still available among the now-unemployed, Paisley founders pursued the idea of training residents in textile and entrepreneurship skills while encouraging them to start their own local ventures.

Data Collection

Our analysis is based on data we collected from multiple sources (Yin, 2009) mostly over a period of 28 months, with some later follow-up to gather additional archival records. We used four approaches: a) direct (non-participant) observation of conversations, meetings and events, b) participant observation with all cases except Damask, c) interviews with the founders and other participants in the organizing process, and d) various documents, brochures, contracts, social media postings, websites, email records, newspaper and magazine articles and legal documents.

Participant and non-participant observation totaled approximately 722 hours[7]. Our observations and conversations in which we participated were documented in hundreds of pages of field notes taken during the events or within a few hours of occurrence. Participant observation in minor roles allowed us to gain deeper understanding of organizing processes and to develop relationships in which founders – who knew that our primary roles were as researchers – trusted us and took us into their confidence (Glaser & Strauss, 1967; van Mannen, 1983; Whyte, 1955). We were also able to observe tone of voice and body language and to see unguarded expressions such as frustration and joy in real time and to record these in field notes, aiding understanding and interpretation of other data.

As we tried to understand the perspectives and behavior of different individuals, we also spoke with multiple – and in some cases, all – participants about the meetings and other activities we had observed. In addition to hundreds of informal conversations and email exchanges, we conducted 42 formal interviews, ranging in length from 22 to 119 minutes. Transcriptions resulted in approximately 440 single-spaced pages. Early interviews were unstructured but became more structured as we explored emerging theoretical themes (Denzin & Lincoln, 2005; Glaser & Strauss, 1967). The secondary documents we analyzed provided additional data, often supporting what we had gained from our primary sources but in some cases raising questions that were resolved through follow-up conversations. Combining multiple data sources proved particularly useful in understanding specific patterns of behavior. For example, the juxtaposition of email exchanges *within* subsets of founders versus observed exchanges *across* subsets of founders provided an early indication about the emergence of identity prototypes and in-groups[8].

[7] In addition to the authors, three graduate students assisted with data collection.
[8] Quotes in the paper originate from transcribed interviews, documents provided by the nascent ventures and field notes.

Coding and Analytic Strategy

We wrote and continued to update individual case reports and conducted cross-case analyses to uncover common themes and variations (Eisenhardt, 1989). We followed established procedures for building grounded theory through inductive research by iterating between the data, existing literature, our own emerging theory and continued fieldwork (Glaser & Strauss, 1967; Strauss & Corbin, 1998). Because of our real-time, forward-looking longitudinal design, the early parts of our project were characterized by the emergence of dozens of potential concepts and themes as case reports expanded. Following the method of constant comparison (Glaser & Strauss, 1967) and multiple rounds of axial coding (Strauss & Corbin, 1998) we developed more general categories and themes in our data.

We first adopted an identity lens when we noted how often and how explicitly founders – both during group organizing meetings and in separate discussions with us – made claims about how they were the *kind of people* who wanted to help. For example, after one meeting with founders from Pique, we asked in our field notes, "when will they stop talking about themselves and get on with doing something?" Our coding and analyses also explored what struck us early on as the remarkable congeniality and optimism of discussions among founders as they presented themselves and their ideas for how to help, even as we sensed that there was less underlying agreement than the tone of their conversations suggested. The identity lens helped us to see that the underlying disagreement we had sensed – and that later in the process became much more important – was related to differences across founders in how they viewed the community they wanted to help. Through multiple iterations of coding we came to label these contrasting views as the *community as connected to us* or the *community as separate from us* (henceforth: "connected" or "separate"), a distinction which remains core to our results.

At the urging of readers of earlier drafts of the paper, we dug deeper into the identities of the individual founders and analyzed patterns across the teams of founders – after most of our data collection was completed and our theorizing was advancing – and discovered more detailed connections between the Fauchart and Gruber (2011) typology and the mechanisms in our model. Similarities between our coding of *connected* versus *separate* and Fauchart and Gruber's (2011) distinction between orientation toward *known others* versus *unknown others* provided a link from our ongoing analyses to that framework. Though we built grounded theory following the traditional method of iterating among our data, emerging theory and existing literature such that our theory fits the data (Eisenhardt, 1989; Glaser & Strauss, 1967), our systematic application of the Fauchart and Gruber (2011) typology later in our analysis helped to deepen our insights and integrate them with the founder identity literature.

Our process model shows the emergence of group-level phenomena – in the form of collective identity prototypes and in-groups – from the interactions of individuals trying to build a new venture. After initially inducting these group-level processes, we explored important individual-level mechanisms and outcomes by systematically coding both individual social identities and individual role identities. Next, we describe how we coded what became important elements of the theory and model we develop in the findings section.

Social Identities. We adopted the Fauchart and Gruber (2011) typology – Darwinians, Missionaries and Communitarians – for our analysis of individual social identities. Although we were open to finding that some founders were Darwinian (self-oriented), our coding did not identify any. Because the founders we studied were *other-oriented*, two types became prominent in our study: communitarians (known others) and missionaries (unknown others). The typology distinguishes social identity types based on three dimensions: frame of reference, basic social

motivation and basis of self-evaluation and, as shown in Table 2, we used Fauchart and Gruber's (2011) characterizations of the dimensions as guidelines for our coding process. We coded these social identity dimensions based on descriptions of founders' behavior from our field notes or from individuals' own self-descriptions from the transcripts, field notes and archival email records, and in some cases from both. Two authors individually coded each founder on each of the dimensions twice: first using data from the beginning of each nascent venture with which they were involved (Table 3, columns 3-5) and then using data at the end of our observation of organizing efforts (Table 3, columns 8-10)[9]. In total, we coded 243 dimensions across 30 individuals, reconciling the small number of differences between coders through joint examination of the data.

--- INSERT TABLES 2 AND 3 ABOUT HERE ---

In this section, we briefly provide examples from our data of our coding of each social identity dimension. We integrate additional illustrations into our findings section and supporting tables. In Paisley, for example, all three of Beth's social identity dimensions were communitarian. Her *frame of reference* was on helping *known others* including people from her own neighborhood. Beth explained her focus: "I've always loved to sew and … the thought that the factories may come back and I'd get a chance to help train some of the people that would eventually get jobs in factories." Her *basic social motivation* was to *support and be supported by the community* in which she was working, jointly developing sewing and entrepreneurship programs and deepening relationships with the people around her. She described her motivations in terms of what the new venture might provide for both herself and community members: "Hope. Hope for more than where we're at because currently the only jobs I can get, seeing as

[9] For cases in which one venture disbanded and a subgroup of founders began a subsequent venture, the coding for individual founders at the end of the disbanded venture matches the coding for the same individuals at the beginning of the subsequent venture.

how I only have a high school education, is places like truck stops and fast foods." Her *basis of self-evaluation*, *authenticity*, was tied to a sense of doing something truly useful for the community based on close knowledge and care for community members' needs. Describing the pilot training program, she enthused, "And, uhm, they can create something. It's not just learning to sew. It's knowing that they can, I mean just watching them with what little stuff they've done already…They want to make stuff and I'm amazed…I'd like to see them accomplish a lot more than, than most everybody in this area has."

In contrast, Carl's identity profile was pure missionary. His *frame of reference* was *unknown others*, society at large, rather than members of any particular community. Describing what he saw as the general applicability of his prior experience, he acknowledged: "I've testified in front of Congress…you have to make it about jobs…" His *basic social motivation* was to *advance the cause* of rural economic development especially through creating local jobs. He envisioned the Oakwood community as a proving ground by which to develop a model to be applied in other communities, by "… replicating, replicating things that we did right and learning from the things that we did incorrectly." His *basis of self-evaluation*, *responsible behavior*, depended on actually contributing in a significant way to a better world through his actions. Regarding the task in Oakwood, he declared, "That's all people talk about is creating jobs and what I *didn't* want to do is *just talk about creating jobs*. I want to create jobs."

Social Identities – Hybrid Individuals. Broadly consistent with Fauchart and Gruber (2011), and as shown in Table 3, we also observed that a substantial number of individuals were characterized by *hybrid* identities: their identity profiles included *both* communitarian and missionary characteristics in a single dimension. For example, Joe's *basic social motivation* embraced both a desire to *support and be supported by the community (C)* as he worked to

improve the local area, and also embraced *advancing a cause (M)*, which was tied to a more general political belief in the value of rural economic development. Related to some of the other work he pursued with a local food bank, Joe offered, "All of these things line up…[Paisley] is an expansion of my mission [in life]." Similarly, Alex both wanted to support Centerville fashion designers and believed they would support him (C), and also hoped Tweed's impact would be a an exemplar for others trying to counteract what he saw as excessive fatalism about the state of education in the area. He noted what he saw as one potential link between Tweed and his interest in a broader cause (M) with local high schools: "Students who are not academically inclined or who lose interest in school…fashion courses are available for them…and it's been proven to get them excited about learning again. And so that's another thing I'm extremely passionate about…when I talk about it I feel like I'm going to burst…to keep kids in school when they would normally drop out!" Out of the 243 total dimensions we coded, 47 were coded as hybrid communitarian and missionary (C/M). As shown in Table 3, the only dimension that did not have both communitarian and missionary codings is the *frame of reference*. Following the Fauchart and Gruber (2011) definitions closely (quoted in Table 2), we coded either *social group* (known others) or *society* (unknown others) as the *primary* frame of reference.

Social Identities – Profile Distribution. As part of our exploration of why we observed different approaches to structuring the nascent ventures, we examined the social identities across founders in each case, which we labeled the *identity profile distribution*. Lacking clear theoretical guidance for how to measure the mix of communitarian or missionary social identities, we took two approaches (see Table 3). In one approach, a founder-by-founder count allowed us to place communitarians and communitarian-hybrids (more communitarian than missionary dimensions) in one group and missionarys and missionary-hybrids (more missionary

than communitarian dimensions) in another and to calculate a ratio. In a second approach, we counted the total individual dimension codings across the founders, without regard to the overall categorization of individuals founders and calculated a percentage. These measures allowed us to understand the importance of hybrid identities in helping founders emphasize commonalities among them early in the organizing process. Using both measures allowed us to also understand mechanisms beyond simple numerical predominance for how groups enacted the communities as connected or separate. We conducted these calculations for each nascent venture at three points in our analysis, as shown in Table 3: the original sets of founders (column 2), after recruitment of new founders (column 7), and after founder exclusion and identity adjustment (column 12).

Social Identities - Adjustment. Our forward-looking longitudinal design allowed us to observe another pattern extending Fauchart and Gruber (2011), which we labeled identity *adjustment*. As we would expect from prior work in SIDT showing that individuals' social identities adapt to become more like the in-group prototype and less like the out-group, we observed such changes in the identity profiles of several founders during the latter part of the process, which we came to label "prototype enforcement." For example, Joe's *basic social motivation* to *advance a cause* (M) of economic development in other places diminished as he, and the in-group of which he was becoming part, became sharply focused on *supporting and being supported by the community* (C). We therefore show his *basic social motivation* as adjusting from C/M to C. In contrast, Bradi entered Batik hoping to *support and be supported* (C) by the Centerville community of fashion designers with she was eager to learn more about. By the time Batik disbanded and Jacquard was formed, her *basic social motivation* broadened to include *advancing a cause* (M) as she came strongly to believe, like several of her fellow founders, that the organization they were building should have broader social and economic

impact across the state and perhaps nationwide. We therefore coded her *basic social motivation* as adjusting from C to C/M. We observed 20 instances of identity adjustments between the beginning and end of our observations.

Role Identities. We followed Stryker's (1980) conceptualization of roles and role identities. Roles are defined in terms of behavioral expectations: "Attaching a positional label to a person leads to expected behaviors from that person and to behavior toward that person premised on expectations. The term 'role' is used for these expectations which are attached to positions" (Stryker, 1980: 57). When individuals see themselves as holding a position and thereby take on the expectations of others regarding their behavior, the role becomes an identity for them: "Persons acting in the context of organized behavior apply names to themselves as well. These reflexively applied positional designations, which become part of the "self," create internalized expectations with regard to their own behavior" (Stryker, 1980: 54). Because individuals have multiple identities, they face choices of which identity will guide their behavior in any situation (Stryker, 2007). Founding teams face similar choices about how roles will be constructed in the nascent venture. In order to differentiate the patterns we observed at the venture level, we characterized and enumerated the roles held by each founder.

Stryker's (1980) conceptualization points to four important factors in role identities: the incumbent's self-designation as having taken on the role, the incumbent's behaviors as shaped by expectations attached to the role, other's designation of the incumbent as having taken on the role, and the other's behavior toward the incumbent. We therefore used a two-step process to code roles and role identities, relying on both verbal and behavioral indicators. First, two authors separately coded all transcripts and case reports in order to generate lists of all of the roles created in each nascent venture, along with preliminary lists matching each role with individuals

who held them. Discrepancies were worked out through joint examination of the data. As shown in Table 4, we coded and agreed upon the primary distinct roles (stopping at three) founders took on in the nascent ventures. Second, we jointly coded the data for four types of evidence for each role-incumbent pairing: 1) incumbent says I have this role (incumbent says), 2) incumbent behaves in accordance with the role (incumbent does), 3) one or more others say the incumbent has the role (other says), 4) one or more others behave toward the incumbent as if they have the role (other does). We categorized an individual as having a role identity only if we could identify at least three of these types of evidence. In the vast majority of cases, our data contained all four types of evidence for each role identity. We coded and used a total of 309 pieces of evidence across a total of 84 roles held by 30 founders across our cases.

--- INSERT TABLE 4 ABOUT HERE ---

For example, describing her new role as sewing instructor, Beth said, "Everybody is calling me now…we got a call today, another lady wants to know if we can train her people. She's going to start a sewing thing. I don't know exactly what the details is but she's supposed to come tomorrow" (incumbent says). We observed Beth directly as she taught different "students" to sew (incumbent does). Lucy offered, "Beth [is] good at what [she does]. There's no way I could go in there and train anybody on how to sew anything" (other says). The woman who Beth reported had called her, came by two weeks later with a list of potential students and a supply of materials for Beth to use in training them (other does). In most cases where we show a role "given to/taken from" in Table 4, such as the purchasing coordinator role between Beth (takes from Joe) and Joe (gives to Beth), it represents a situation where the role was shared for a time, as one co-founder learned from another as a role was being handed off.

Overall, we continued to iterate between these empirically grounded codes, emerging themes and our developing ideas in order to understand theoretical patterns among the concepts we had inducted from our data and concepts from the existing entrepreneurship and organization theory literatures (Glaser & Strauss, 1967; Miles & Huberman, 1994; Saldana, 2013). As we continued gathering data, we used the additional cases as potential replications (Eisenhardt & Graebner, 2007) and to challenge and extend our emerging theory. We next describe our process model using data from each case to illustrate the patterns we observed and theorized.

FINDINGS

Figure 2 diagrams our process model. At the highest level, our theory explains the construction and subsequent enforcement of a collective identity prototype. The starting point of our process is the coming together of multiple founders who aspire to help the community. Founders' enactment of the communities shapes early decisions about structuring their nascent ventures and the results of these decisions inform the collective identity prototype and formation of in-groups. This overall process influences whether founders come to a working consensus about how to move forward and whether they remain jointly engaged in their organizing efforts. The interactions underlying these processes were characterized by early pragmatic deference among founders that was subsequently supplanted by either the domination of one in-group or by contestation between in-groups. Next, we theorize and illustrate each step of our process model with reference to both the high level patterns and the underlying processes and mechanisms. We first show the processes that characterized the nascent ventures in which a single in-group formed and achieved domination (Pique, Tweed, Paisley, Madras, Jersey, Toile and Damask) and use this as a basis to explain the two cases characterized by contestation between in-groups (Batik, Jacquard). Table 5 provides additional illustrations of the process model from each case.

--- INSERT FIGURE 2 AND TABLE 5 ABOUT HERE ---

Prototype Construction: Enacting the Community

The first two steps of our process model explain the construction of the collective identity prototypes around which in-groups form. In the seven cases that resulted in a single in-group, this entire period was characterized by what we labeled pragmatic deference. There was some recognition of potentially meaningful differences among the founders, but their primary focus was on why they were coming together and the practical desire to move forward.

Identity Profile Distribution. As detailed in the methods, we adopted the Fauchart and Gruber (2011) social identity typology to distinguish and characterize individual communitarian and missionary founder identity profiles, including hybrids of each.

In every venture we studied – including Batik and Jacquard, which both ended up disbanding due to contestation – early meetings were characterized by a sense of optimism and good will. The combination of identity dimensions around orientation to "known others," motivation to "support and be supported by the community" and authenticity through "intimate knowledge of and care for the needs of fellow community members" (Fauchart & Gruber, 2011: 942) was reflected in communitarian founders' view of the community as consisting of people they should work with closely to develop solutions. We labeled this the *connected* view of the community and the venture's relationship with it. In Paisley, for example, Liz expressed her desire to get to know community members in order to develop a suitable program, noting, "I've heard about Fairview, but I don't know anyone yet. I really want to understand how I can help." Similarly, in Pique, Neil repeatedly stressed his interest in supporting and being supported by the community such that, "We are not trying to do this for *just anybody*… this is for a specific group of people, trying to get fashion businesses going here. Yes, they are like us, but we can't just

assume they all have the same needs as us... the people we are trying to support are in many ways the same as us but for most of them … we don't know what they need from us."

In contrast, the combination of orientation to "unknown others," motivation to "advance a cause" and act responsibly by "taking action" (Fauchart & Gruber, 2011: 942) were reflected in missionary founders' thinking of the community mainly as people to whom they should deliver solutions. We labeled this the *separate* view of the community and the venture's relationship to it. For example in Madras, Mike and Jacob insisted Oakwood was "not unlike dozens and dozens of other little towns that have been in an economic decline…they mostly need jobs." and that once their general approach was proved, they would expand it to other depressed towns. In Paisley, Baxter began suggesting from the beginning that they could bring revitalization much more broadly to old textile towns. At Tweed, Jack and Ginnie referred to the possibility of future expansion in terms of "franchising" the approach they were bringing to Centerville.

Table 3 displays individual identity profiles and their distribution calculations for each nascent venture at three points of our analysis: the original sets of founders (column 2), after recruitment of new founders (column 7), and after founder exclusion and identity adjustment (column 12). Other than Damask, where both founders had pure missionary profiles, and Jersey, where all original founders had pure communitarian profiles, the original founders of each venture were characterized by a mixture of communitarian and missionary dimensions.

Emphasizing Commonalities. Founders' interactions were characterized by pragmatic deference as they downplayed the importance of any differences and emphasized the commonalities among them. In each of the seven cases that developed a single in-group, one of the two contrasting views – the *connected* view or the *separate* view of the community – came to shape founders' organizing activities. In these cases, this influence developed uneventfully,

simply through the balance of conversations in which one set of founders promoted their view and the others deferred to it. Even when founders on rare occasions admitted – either to us privately or in discussions with other founders – to feeling some discomfort with the direction the venture was taking, they still focused on seeing its potential practical benefits. For example, the first time we met Baxter at Paisley, he took one of us aside and said, "I'm not sure about how we are going about this. It's not how I run my business, but it's hard not be drawn in by how strongly they believe in these people they are trying to help." During the first few months, he repeated similar asides, expressing his doubts to us, even as he actively supported the direction Paisley was taking. Ed was aware that Baxter had a different view of the community, but actively encouraged his continuing involvement. Acknowledging the difference to us, Ed suggested, "Baxter has a long history in the community… He surely knows how things are for the people nearby and wants to help them." Overall, founders maintained a posture of pragmatic deference emphasizing commonalities with other founders as their joint efforts continued.

In Madras, Mike and Jacob brought a great deal of excitement and initiative to early meetings, initiating discussions about "reclaiming prior glory" and "reviving the historical legacy of Oakwood *for these people*." Despite having a more connected view of the community than the others, Mia and Dan could understand the potential value of the Mike and Jacob's approach and shared their enthusiasm, showing no resistance to their enactment of the community as separate. Expressing concern that Mia's contributions needed to be heard, Dan noted to us that, "The most important member of Madras is Mia, who is a long-time resident, born and raised in Oakwood, and certainly has her feelings for the community and her finger on the pulse of the community." But overall, Dan seemed for a while to get fully on board, echoing Mike and Jacob's emphasis that Madras should be able to deliver solutions beyond Oakwood, noting "if this works here, [we

will be able to] replicate the model throughout the state and beyond…we can all hope for a formula that might work somewhere else." Mia later reflected back wistfully that even as Mike and Jacob referred to the community generically as "*these people*" she had hoped that they would "spend some time and get to know us a little better."

In these cases and others, emphasizing commonalities seemed to be supported by the overlaps created by hybrid identities. For example, Dan's ability to appreciate the potential practical value of Jacob and Mike's missionary view of the community as separate was underpinned by his hybrid communitarian identity that included missionary dimensions. At the same time, this allowed him to appreciate Mia's communitarian view of the community as connected. He often served as a "go-between," explaining Mia's perspective to Jacob and Mike, and their perspective to her. In Paisley, a very similar pattern allowed Ed and other founders with hybrid communitarian identities to understand and show appreciation for Baxter's view of the community as separate.

The interplay between identity profile distributions and emphasizing commonalities thus resulted in founders in each venture being guided mostly in accordance with either the communitarians' connected or the missionary's separate view of the community. Following Weick and colleagues (2005) we characterize this action-oriented bracketing through which founders downplayed some aspects of the community and emphasized others in their behavior as *enactment of community*. We characterize the patterns we observed related to enactment of community distinctions as [A] (enactment of the community as connected) versus [B] (enactment of the community as separate) in Figure 2.

Prototype Construction: Structuring

As founders moved beyond early conversations toward taking action, differences in enactment of community led to consequential differences in how the founders structured their nascent ventures, shaping who would do what, including who else they might recruit to help with the organizing efforts, and who would make which sorts of decisions. These differences are important for two primary reasons. First, the structuring process is practically important because it shapes characteristics of the nascent organizations known to have significant and sometimes lasting consequences (Aldrich & Ruef, 2006; Burton & Beckman, 2007). Second, and core to our theory development, the structuring process clarified the *means* by which the ventures would go about helping the community. As we show below, these means became value-laden elements of the identity prototypes that founders constructed and around which in-groups later formed. The primary mechanism through which enactment of community shaped the structuring process was through recruitment, and this influence extended into the intertwining of roles and authority. Overall, the early interaction of individual social identities shaped the structuring process, which in turn shaped the founding teams' emergent collective identity and the individual social identities of the founders who came to constitute the in-group. Table 3 (column 6) shows the pattern of founder recruitment across our cases.

Enactment of Community as Connected [A]. Enacting the community as connected led to a focus on recruitment of additional founders based primarily on their membership in the community and interest in being involved. Often this meant bringing in new founders without any identified match between their skills and what the venture was trying to do. For example, though Jamie had personal experience with the economic and social decline of Fairview – including several run-ins with the legal system – he had no experience working in an

organization. Founders of Fairview knew of his lack of any relevant work skills, yet decided that his interest in helping right the wrongs in the community made him a good recruit to their efforts.

Recruiting founders with little or no regard to their specific skills required founders of communitarian ventures to maintain a *fluid* conception of individual roles. It sometimes made sense for a founder to give up their current role in favor of training and supporting a new founder in taking it over, either to make room or in order to take on new tasks. In addition, they would create new roles based on whatever idiosyncratic skills a founder happened to bring to the venture. Table 4 displays the overall pattern of fluid roles in the communitarian ventures. For example, Beth was recruited to Paisley as a long-time community member who was eager to help. The discovery that she not only knew how to sew but had a knack for teaching others led Paisley to work toward developing a sewing training initiative. Beth, who knew a lot about sewing but little about sourcing materials, nonetheless eventually shifted her focus to a purchasing coordinator role, trying to design a supply chain for the training program, while helping Jamie create an assistant sewing instructor role. Noting her persistent efforts to find inputs suitable for making new products in rural and impoverished Fairview: "Oh yeah, I'm gonna find it. If there's a way, I will find it." During this time, Beth also learned about procurement from Joe, who switched his role to operations planning (then to what founders labeled "herder of cats" after transitioning "operations planner" to Luke).

The fluidity of roles in these nascent ventures became tightly intertwined with sharing of authority and the collaboration of more than one founder on even some seemingly minor decisions through two related mechanisms. First, because of the rapid creation of new roles and the shifting of founders between roles it made sense for those giving up and those taking on a role to make decisions together during the transition. This was reinforced by the fact that

founders often had little or no prior experience in the roles they were taking on and sought support and input from others. Thus, to continue the Paisley example, while Beth was teaching Jamie to take on many responsibilities of her own (still quite new) role as sewing instructor, she was also taking over the purchasing coordinator role from Joe. As a result, Beth, Jamie and Joe met together frequently to offer one another coaching and support in making decisions. Joe had similar transitions involving both Luke and Lucy, requiring frequent meetings. Rather than trying to schedule large numbers of separate meetings to deal with overlapping transitions, these founders and others frequently got together to make shared decisions. Second, because these transitions led to a broader level of comfort with *shared authority* and decision-making it also shaped the behavior of those founders who did have relevant expertise and those who were not transitioning between roles. Thus, for example, when Liz, who had substantial relevant textile experience and expertise, was putting together a pilot entrepreneurship training program, she nonetheless discussed in detail with other founders each important decision about the design of the program, seeking input broadly. As she said to us, "I haven't done this [particular style of training] before and I'm relieved the people here seem happy to help me!"

Enactment of Community as Separate [B]. Enacting the community as separate led to a focus on recruitment of additional founders based primarily on their possession of skills that seemed useful for delivering concrete solutions. For example, Madras founders recruited Carl, who had leadership experience in an economic development organization. Carl started calling himself a "facilitator" in Oakwood and described prior experiences related to the responsibility for delivering broad solutions he saw associated with this role: "I've really taken a look at the … the reality of the situation … and any small town [in the rural Southeast] and that was the creation of jobs." As Carl described skills-based recruitment in Madras, he emphasized what

roles new founders "[could] play in making this a reality and ah, what could they bring to the table that actually has a direct value."

Because founders took roles and maintained them based on technical qualifications, roles in missionary ventures were quite *stable* even during the nascent organizing processes we studied, as described in Table 4. Even when a change in roles might have been useful, founders sometimes resisted the change. For example, Ned, responding to Carl's request that Ned write a business plan, asserted "that's not my job," and went on to detail what he believed his role – which he saw as "strategic planner" – did and did not include.

Because founders recruited based on skills were presumed competent by their co-founders, they were able to exercise *positional authority* to make individual decisions based on their roles. For example, when Carl joined Madras, Dan, despite some misgivings about whether Carl was interested in getting to know the people of Oakwood, accepted Carl's role and associated authority claims as facilitator, noting, "He comes with a tremendous background in branding and marketing…So he is the person that we're looking to."

It is important to note that across these ventures, recruitment *was not* driven by an implicit attempt to use identity profiles as a litmus test for bringing in new founders. Indeed, in a number of cases as shown in Table 3 (columns 2 and 7), distribution of founders' identities became more heterogeneous as a result of recruitment based on either community membership or possession of specific skills. For example, Damask went from pure missionary to a 1:2 ratio when Ruth, with a pure communitarian profile, was brought in based on her merchandising skills. Toile changed from a 4:0 to a 4:2 communitarian to missionary ratio as a result of recruitment. Ventures that had enacted the community as connected nonetheless recruited new missionary founders, and ventures that had enacted the community as separate nonetheless

recruited new communitarian founders. This pattern reinforces our observation that through the structuring process the overall pattern of behavior continued to be characterized by pragmatic deference with regard to differences in founders' identity profiles.

Prototype Enforcement: Refining In-Group Boundaries

The next two steps of our process model explain the enforcement of newly constructed identity prototypes by members of the in-groups that coalesce around them. During this part of the process, pragmatic deference among individual founders gave way quickly to domination by the in-group. As the organizing structures the nascent ventures had adopted became value-laden elements of the collective identity prototypes, previously inconsequential differences among the founders became increasingly meaningful to their interactions. As we explain below, these processes also strongly affected whether and how founders continued to move forward.

Adjustment and Exclusion. Consistent with prior findings about the accretion of perceptions, beliefs and behavioral norms into identity prototypes (Hogg & Terry, 2001; Reicher et al., 2010; Stets & Burke, 2000), the patterns of behavior reflected in the structuring of the nascent organization became part of the collective identity prototype that defined and reduced ambiguity about what it meant to be a member of the in-group (Bartel & Wiesenfeld, 2013). As described in Table 2, the identity prototypes for the communitarian and missionary in-groups came to include both the initial dimensions from the Fauchart and Gruber (2011) typology and the behavioral dimensions that emerged during organizing (Bartel & Wiesenfeld, 2013). Founders came to value not just the idea of helping, but also *to value the means* they had adopted through decisions about structuring.

Fauchart and Gruber (2011) point out that while founders may have different underlying identity profiles as communitarians, missionaries or hybrids, they are likely unaware that these

are an important source of different preferences or behavior. Among multiple founders, however, the structuring process creates a tangible basis for disagreements to emerge. While underlying social identity dimensions may be difficult to observe, practices such as recruiting community members, maintaining fluid roles and sharing authority – and their missionary counterparts – become value-infused elements of what it means to be a member of the in-group and are readily available for observation in one's own and others' behavior.

Social identity theory research shows that members of in-groups emphasize and even exaggerate their similarity to one another and their differences from those who are not perceived as part of the in-group (Stets & Burke, 2000). As described below, we observed two mechanisms through which this played out. First, in the seven cases in which a single in-group formed, founders whose patterns of behavior seemed to violate the prototype were *excluded.* Second, in some cases, we also observed the *adjustment* of individuals' underlying identity profiles to more closely match the in-group prototype. Together, these mechanisms had the effect of refining collective identity boundaries, while enforcing the prototype and enhancing the domination of the in-group. Table 3 (column 11) shows the pattern of founder exclusions and adjustments across our cases. In a later section, we describe a third mechanism – *disbanding (and reforming)* – which occurred when contestation among in-groups rendered exclusion and adjustment inadequate as mechanisms for one in-group to achieve dominance over another.

Communitarian In-Group [A]. Communitarian in-group members excluded individual co-founders who behaved in a manner that was seen as inconsistent with the prototype. Exclusion took place through two primary mechanisms: no longer inviting individuals to the meetings at which decisions were made and omitting them from important conversations during meetings they attended. We earlier described Baxter, who disagreed with the direction Paisley

was taking but nonetheless appreciated other founders' connected view of the community and supported their efforts. From the beginning, Baxter had attempted to encourage an organizing strategy responsive to his pet peeve concerning "the need to counter unfair foreign competition" as a presumed source of local job loss. Focusing on the skills needed to "take back the textile business" he gently but repeatedly questioned whether some community members would bring much value as founders. During the earlier period of pragmatic deference, other founders had valued Baxter's work on behalf of Paisley and accepted that his opinions differed from the direction the venture was taking. Later, however, members of the communitarian in-group became less tolerant of these continued differences about how to proceed. When Baxter left the room to take a phone call during one meeting we attended, a quiet discussion during his absence focused upon objections to what co-founders saw as efforts to assert unilateral authority over Paisley's shared decision making process and by what was seen as a lack of respect for community members. When he returned to the table, this topic of conversation abruptly ended. From that point on his involvement was limited to meetings that he initiated or those that were primarily social rather than work-focused.

Prior research suggests that in-group members become more similar to one another as they become closer personally (Ashforth, 2001; Drury & Reicher, 2009; Turner, 1982). We observed several instances in which elements of an individual's identity profile adjusted to become more like the other in-group members. Such identity *adjustment* occurred through the bonding among communitarian founders that emerged during their frequent face-to-face interactions around fluid roles and shared authority. Although we observed a small number of radical changes, such as Luke's transformation from a pure missionary to a pure communitarian profile, most instances of identity adjustment involved smaller changes. For example, Lucy's

basis of self-evaluation changed from hybrid (C/M) to only communitarian (C) as she became more like other members of the in-group. She began to view the community more strongly as connected and focused increasingly on the need to base Paisley's attempts to help on "intimate knowledge of and care for the needs of fellow community members" (Fauchart & Gruber, 2011: 942). Exclusion happened when a prototype was enforced and a team member did not change to fit the prototype. No founder whose identity profile adjusted to more closely match the in-group was excluded. Comparison of column 7 to column 12 in Table 3 shows that prototype enforcement mechanisms resulted in increased identity homophily among founders in each case.

Missionary In-Group [B]. As shown in Table 3, we observed no instances of identity adjustment among missionary in-groups. We suspect this is because, compared to communitarian in-groups dealing with fluid roles and shared authority, they did not engage in much face-to-face interaction and therefore developed fewer of the strong personal ties that prior theory suggests lead to increasing identity similarity. Just as we saw with communitarian in-groups, however, individuals seen as behaving in a manner that violated the prototype were *excluded* as founders.

As we described earlier, Dan and Mia initially deferred to Jacob and Mike's energetic efforts to structure Madras around their view of the community as separate. Jacob and Mike also displayed pragmatic deference, giving no indication that they were bothered by Mia's repeated attempts to put individual community members' specific concerns on the table. As prototype enforcement began, however, Madras in-group members first attempted to exclude Mia by no longer inviting her to either informal or formally scheduled meetings. When she continued showing up at the meetings because Dan was telling her about them, Dan was no longer invited. Although there had been no explicit argument or apparent falling out, Dan and Mia were no longer part of Madras organizing efforts.

Competing in-groups [C]. The theory we have developed to this point, based on the seven cases in which a single in-group developed, provides the basis to explain patterns we observed in the presence of *competing* in-groups. We observed two variants of this pattern. Batik, formed from the merger of Pique and Tweed, started out with competing in-groups; Jacquard developed competing in-groups over time. In both cases, a brief period of pragmatic deference among founders with differing social identities quickly turned to extended contestation, as neither in-group was able to exert dominance over the other. Here, we focus on the Batik case to describe and theorize the general pattern of contestation. Table 5 provides descriptions of contestation in Jacquard.

Because of his job as an economic developer focused on attracting new businesses to the area, Pique founder Rick had met Jack and Ginnie and was aware of what they were trying to do at Tweed. When he learned that the Tweed founders felt they weren't getting any traction for their efforts and were beginning to disengage, he set up a meeting to introduce the Pique and Tweed founders, hoping they would work together. As described earlier, by the time of this introduction, the two nascent ventures had developed distinct identity-based in-groups: Pique, communitarian, and Tweed, missionary. Not recognizing that there might be an issue, the two groups merged to create Batik, agreeing to work together to help develop and support a downtown district of textile and fashion entrepreneurs.

Early meetings in Batik were boisterously optimistic, emphasizing commonalities among the founders. One email that circulated among founders congratulated the combined group on "real engagement, collaboration, sharing and enthusiasm." Pragmatic deference characterized interactions. Neil pointed out to us that he hoped he could learn something from Ginnie and Jack. Ginnie noted (to one of our spouses at a community social event) that she found Neil's passion

exciting to be around. Some founders' comments, however, even during early meetings presaged the challenges they might face. For example, Jack, expressing his view of the community as separate, said to us, "[I've] been thinking about this for a while and … I would imagine once this catches on, what we're doing here could apply to lots of different communities in the general area. I could also see the idea being franchised." In contrast, by the time of the second meeting of the merged founding group, Neil commented privately to us that he believed the founders previously with Tweed had an inadequate understanding of community members' needs. From his vantage point, "taking a massive number of people and assuming that they all are going to have the same base root problem…that's not going to be the case. None of us knows exactly how to do this and we shouldn't pretend that we do."

Active contestation first emerged during attempts at structuring, focused around questions of who would play what roles and who would make what decisions in Batik. For example, Jack and Ginnie, part of the missionary in-group from Tweed, appeared very excited by the larger group of founders in the merged new venture and informally claimed roles that included authority over meeting times and places. Extending this role during meetings, they repeatedly interrupted other founders in order, as they explained to us, "to get the discussion back on track." Although no explicit conversation had taken place regarding who would be in charge, Jack and Ginnie began bringing agendas in PowerPoint format to the informal weekly organizing meetings.

For the next several weeks, both patterns of recruitment we had identified in separate prototypes occurred in Batik. Neil and Dave, part of the communitarian in-group at Pique, each week invited three or four community members to join the meetings and see whether they wanted to become part of Batik. During the same period, Jack and Ginnie recruited Bradi

explicitly for her skills in textile technology. Once Bradi was in place, Jack and Ginnie announced at the next meeting that "in order to facilitate leadership and organizational focus" they would appoint an "executive committee" based upon individual founders' "unique skills and perspectives."

As they tried to enforce the prototype of stable roles and recruitment based on skills, Jack and Ginnie also attempted to exclude those who did not bring specific skills they saw as valuable. For example, following their executive committee appointments, they sent an email to most of the people who had previously attended organizing meetings. In it, they declared, "Everybody's contributions have been extremely helpful in getting us this far and we look forward to your continued involvement." In doing so, they relegated most of the would-be founders to "less frequent general meetings" at which they would "be informed about what we are doing and be given an opportunity to continue to provide their feedback and suggestions."

In response, Neil and Dave resisted Jack's and Ginnie's attempts and tried to enforce the competing prototype. Neil pushed back on Jack's attempts to drive forward rapid program development before putting in what he saw as the time and effort required to understand what the community of potential entrepreneurs really needed. Neil explained his reasoning to us: "I think one of the things that the group has done that is bad in recent meetings is we're trying … to include too much too quickly … we're trying to start it all at once. … and we haven't included [the community] in the process." Neil and Dave continued to recruit more members of the community as potential founders, bringing them to the very meetings that Jack and Ginnie were attempting to restrict. Joint organizing meetings quickly became sites of active contestation in which little was accomplished. Boundaries between the two in-groups solidified when the founders identifying with the two competing prototypes began organizing separate meetings to

which what Neil now called "the other side" was not invited. No joint collective identity prototype emerged and attempts by both sides to exclude others were unsuccessful. Neither in-group was able to dominate the other, and no middle ground emerged. As Neil noted, "I am tired of this s**t; Jack and Ginnie think they should be in charge … they want to just do what they have always done." Jack and Ginnie, in a separate conversation, referred to Neil as "the naive, young entrepreneur." Rick, the economic developer who had initiated the merger of Pique and Tweed, noted, "Jack and Ginnie just can't seem to understand what Neil is trying to do or the business model he sees."

Batik disbanded. Members of the communitarian in-group formed Jersey and members of the missionary in-group formed Jacquard. Both recruited new founders, in some cases competing directly over a particular individual. For example, in an email to a former founder of Batik, Neil asked, "If you're not working with Jack and Ginnie's group, we wanted to know if you would be interested in joining us at Jersey." Alex, Bradi and Ronnie expressed doubts about which new venture they would join. Alex repeatedly stated that "we should all work this out and get back together." In the end, all three fence-sitters joined Jacquard, becoming the core members of a competing communitarian in-group that led to contestation and the disbanding of Jacquard.

Organizing Efforts

In the two contested cases we illustrated just above, organizing efforts came to an abrupt close when the ventures disbanded and subgroups of founders and others went on to reform as subsequent ventures. Across all of the ventures except those two, founders came to a working consensus by processes of exclusion and identity adjustment that resulted in founding teams that included mostly communitarian and communitarian hybrid founders, or mostly missionary and missionary hybrid founders. In these seven ventures, the mechanisms shaping whether founders

remained engaged with organizing efforts depended on two interrelated factors. These included the extent to which in-group members had developed strong social personal ties relevant to the venture and whether they perceived progress toward becoming community helpers.

Communitarian In-group [A]. As noted above, the need to engage in mutual adjustment of roles and sharing of authority required frequent interactions among communitarian founders and community members. This engendered emotional investments and warm interpersonal ties. The valued sense of joint embeddedness in the community also fostered a strong desire to keep working together (Stets & Burke, 2000). Ed reflected on this, noting, "we all respect each other and learn from each other…[In Paisley] everybody participates, everybody benefits. It's more of a – very much a team-based activity or business, not so much as individual ownership and the individual tells everybody what to do." Fighting back tears and momentarily at a loss for words, Joe described the experience of working together in the community as "overjoyment."

This sense of interpersonal attachment kept founders attuned to one another and to community members as individuals. This led them to celebrate and take pride in what we labeled *small wins* in the form of even seemingly minor personal successes. For example, Ed alluded to founders' joint emotional investment in Jamie, a Paisley founder who not long before had been "sleeping on trash bags in a crack house" and "was totally given up for…totally useless in the society, came from, you know, the worst set of circumstances from a home environment." He described Jamie as initially "someone who knew nothing about sewing," but was eagerly building technical skills and even learning how to teach others what he had learned "in a way that was very helpful, guidance, patience." Liz, who had organized the pilot entrepreneurship training program noted to the students after the last day's presentations: "I've learned more from you, I think, than you've learned from me. Thank you."

For the founders who viewed themselves as connected to the community, generating support from community members also felt like a signal of progress. Reflecting upon the enthusiasm of the individuals working with people like Jamie, Lucy noted, "for folks that have never done anything that was what I would call truly productive, they're like kites, I have to tie them down because they're everywhere, just everywhere." This support encouraged a sense that Paisley would be able to bring "something truly useful to the community" grounded in close relationships allowing "intimate knowledge of and care for the needs of fellow community members" (Fauchart & Gruber, 2011: 942). This reinforced founders' sense of the value and meaning of their collective identity as people who were trying to help the community and provided a mechanism encouraging them to remain engaged in their organizing efforts. Ed's reflection summarized the source of meaning that kept founders engaged in their joint efforts in Paisley: "Every positive thing that happens out of this is a success to me."

Missionary In-group [B]. In contrast, in each of the ventures with a missionary collective identity, founders' active engagement with organizing faltered. Because they had stable roles, did not often need to coach and support one another, and engaged in little shared decision-making, founders in missionary ventures had relatively infrequent and mostly somewhat formal interactions with one another. Their connection to the community remained arms-length as well.

As a result, although some of them already knew one another, their organizing experiences did not cause them to develop the same sense of warm ties, emotional commitment and resulting desire to keep working together that we observed in communitarian ventures. The lack of a sense of close connection to the community members they were trying to help made small wins by individuals less meaningful or available to them. Nor did they gain a sense of progress through generating community support, which the missionary ventures neither sought

nor required. Carl made this very clear. When asked directly about Madras's relationships with community members, fumbling for word, he told us: "Oh, gosh. Um, I don't know how to answer that question." Then, emphasizing that Madras was proud to deliver solutions to the community that didn't require the community to provide support, Carl added, "we haven't asked the town of Oakwood for anything … they're always wondering you know, what's happening."

Madras founders began to express concerns about the lack of organizing progress and whether the venture would accomplish anything useful. For example, we witnessed several arguments about whether they should take down the big sign announcing that a school Madras wanted to open would be "Coming Soon!" because of worries that it might be setting up what Lisa feared was "false hope." Weeks before disengaging, Carl traveled to visit with us and complained, "it's all talk…I have met with so many people in Oakwood…I'm sorry, it's bulls**t. You know…it's really a question of how to find committed stakeholders." His discouragement led him to start lumping Oakwood in with many other failed attempts at economic and social revitalization with which he was familiar: "The challenges with this project are the same with all of the other ones. It's lack of resources. It's lack of money. It's lack of a local government that has the time and the expertise to help bring the funds into the community to create the jobs. I think it's almost an accepted fact that there's an outward migration, there has been, there will be, and hopelessness on the part of a number of the residents that there's nothing we can do about it."

DISCUSSION

In this study, we asked: How and why do identity processes shape organizing in multi-founder nascent ventures? Our main discovery suggests that differences in founders' social identities play out initially through largely uncontested choices about how to structure their joint

efforts. These choices about means then become apparent as value-laden elements of the identity prototypes around which in-groups form. In effect, "*the way we do things*" becomes as meaningful as "*what we are trying to accomplish*" in defining what it means to be a member of the in-group. The early process of prototype construction is transformed into a process of prototype enforcement as founders' pragmatic deference toward one another as individuals gives way to in-groups' attempts at dominance. These processes shape the patterns of interaction through which founders attempt to come to a working consensus about how to move forward and thereby influence the fundamental question of whether or not founders remain engaged in their joint organizing efforts. Our primary contributions are to founder identity theory.

From Individual to Multi-Founder Ventures

Our first contribution to founder identity theory expands its domain from individuals to the multi-founder efforts that constitute over half of all new ventures. By applying the Fauchart and Gruber (2011) social identity typology to the interactions of multiple founders during venture nascence, we were able to extend FIT to collective identity prototypes and the in-groups that form around them, which are central aspects of contemporary social identity theory (Abrams & Hogg, 2010). This provided us with a theoretical framework that is useful in several ways.

First, we observed how elements of the typology shaped early decisions about structuring the nascent organizations. These decisions about recruitment, roles and authority were incorporated as value-laden elements of the collective identity prototypes around which in-groups coalesced. This pattern, which is consistent with prior work showing the accretion of perceptions, beliefs and behavioral norms into an identity prototype through experience (Hogg & Terry, 2001), provides new insights into the process through which individual social identities of founders shape and become incorporated into more complex collective identity prototypes

underlying the sense of "who we are" experienced by in-groups. This insight should inform future work in FIT as scholars investigate the processes through which founders' individual identities shape group and organizational identities in new ventures.

Although these processes were shaped by the mix of missionary versus communitarian founders in the nascent ventures, several nuances in our findings argue against assuming numerical superiority will rule the day. In general, the pragmatic deference that founders showed toward one another leaves open the question of what would happen were a few members to assert strong preferences about structuring. Indeed, something like this happened in Madras, where two of four founders asserted strong preferences and the other two deferred to them. Moreover, hybrid identities appeared to be important to pragmatic deference where in some instances, a founder's overlapping identity profiles likely helped to bridge differences among other founders. For example, as we noted earlier in Madras, the hybrid nature of Dan's identity profile initially made it easier for him to both go along with the direction asserted by his two missionary co-founders and also to serve as a go-between with communitarian founder Mia. Future work should continue to explore processes through which the patterning of founders' identities shape early structuring processes.

Second, we were able to see how enforcement of the newly-constructed prototype defined who would be a member of the in-group and who would be excluded, thus beginning to sketch the boundaries of the nascent venture. This also allowed us to theorize what we labeled identity *adjustment*, through which some founders experienced a change in their social identities toward greater alignment with the collective identity prototype. This is again consistent with prior work in social identity theory, which has observed that members of in-groups become increasingly similar as they also exaggerate the differences between themselves and members of

out-groups (Bartel & Wiesenfeld, 2013; Stets & Burke, 2000). Our observation and theorizing of changes in founders' identities during venture nascence is, we believe, novel to the entrepreneurship literature, which has tended to imagine an individual bringing one or more identities to a venture and imposing them in a straightforward manner. Prior work on founder social identities (Fauchart & Gruber, 2011; Powell & Baker, 2014) suggests that founders' identities develop through their life course and work histories. Our results extend this logic to suggest that there is some level of malleability such that founder identities can be shaped even during relatively short periods of venture organizing. Future research in FIT should continue to explore not only the effects of founder identity on new ventures, but also the effects of engagement in organizing on founder identities.

Third, our results provide an opportunity to join insights from FIT and the new venture teams literatures. As Klotz and colleagues (2014: 249) noted, the NVT literature, relying mostly on secondary and demographic data, has done little to explore how teams shape the early "structure, systems and processes" of new organizations. Our paper begins to address this limitation by demonstrating that there can be a great deal of identity-driven activity taking place in NVTs during venture nascence. The construction of a collective identity prototype and movement toward consensus and engagement are important aspects of the emergence of collective cognition and team cohesion that are central to the founding teams literature. In addition, the distinction common in the teams literature between *task* conflict, which is frequently seen as generating positive consequences, versus less positive *interpersonal* conflict, is relevant to our findings. Consistent with this distinction we observed relatively pleasant interactions between individual founders with different identity profiles in the beginning of the organizing process but saw these transformed into attempts to enforce identity prototypes and

much less pleasant processes of dominance and contestation. Adopting language from the teams literature, our results might be said to show how the identity processes we observed tranformed very mild task conflict about how to structure the nascent ventures into deep interpersonal conflict about what it means to be part of the in-group.

Finally, an important recent focus of the NVT literature has been on the striking degree of demographic homophily that characterizes new venture teams (Davidsson et al., 2011; Ruef et al., 2003). This literature typically identifies homophily in founders' primary social networks as the main cause of founding team homophily: if most of the people I know are demographically similar to me, the people with whom I start a venture are likely to be demographically similar to me as well. Demographic characteristics are relatively easy for both founders and researchers to observe. Identity-based differences among founders, however, are more likely to be hidden (Fauchart & Gruber, 2011). Our findings suggest an additional process generating what we label *identity homophily*. The exclusion, identity adjustment, disbanding and reforming processes we describe in this paper represent pathways toward the creation of relatively identity-homophilous founding teams from relatively identity-heterogenous beginnings. As we move from left to right in Figure 1, identity homophily increases. Because some aspects of identity are tied to demographics, future research should also explore whether demographic features of founding teams – such as gender, race and age – might also become incorporated as value-infused elements of identity-based prototypes through processes such as those in our model.

Equally important, future research on consensus and contestation among members of founding teams and on the continuation of organizing efforts in nascent ventures should attempt to investigate identity dynamics that are likely to be poorly proxied by demographic features. While new venture team studies, taking their cue from the upper echelons literature, have

attended mostly to easily observable founder characteristics (Klotz et al., 2014), the growing body of work demonstrating the importance of founder identity demands a deeper examination of characteristics and processes. While necessary additional inductive work can benefit from the novel approach to tapping into role identities developed in this paper, the development of survey tools (Cardon, Gregoire, Stevens, & Patel, 2013; Sieger, Gruber, Fauchart, & Zellweger, 2016) also makes theory testing quantitative studies increasingly feasible.

From Operational to Nascent Ventures

Our second contribution extends founder identity theory to the earliest days of nascent organizing, which we show to be an important formative period for the influence of founder identities. Our model also sheds new light more generally on the processes and challenges of nascent venture organizing. Because it is commonplace for founders to disengage from organizing without having created a new venture, understanding the process through which they attempt to achieve a working consensus and whether they stay engaged with the organizing process are questions of both theoretical and practical interest (Ruef, 2010; Reynolds & Curtin, 2010), for which there is little existing theory (Davidsson & Gordon, 2012). Our study documents the importance of identity processes to answering these questions. Nascent venture founders move toward consensus about how to organize through in-group formation supported by processes of exclusion, identity adjustment and in some cases disbanding and formation of new ventures. Whether or not founders remain engaged is influenced by how the collective identity prototype shapes their patterns of interaction and by how it shapes their evaluation of whether the nascent venture is making adequate progress.

The structural elements that our model highlights – roles, authority and boundaries – have long been identified by organizational theorists as fundamental and persistent characteristics of

organizations (Aldrich & Ruef, 2006). For example, work on "idiosyncratic" jobs (Miner, 1987) suggests that the differences in the structuring of roles we explain may be important. Burton and Beckman (2007) compared two influences on the creation of roles in new ventures. "Structuralist" perspectives emphasize that pre-existing normative expectations shape initial role creation through beliefs founders bring with them to a venture about what sort of roles an organization should have and who should fill them. "Interactionist" perspectives, in contrast, emphasize the idiosyncratic "preferences and characteristics of the initial incumbents" which "strongly shape how the initial position and combination of responsibilities are negotiated among the founding team" (Burton & Beckman, 2007: 241). They find that the degree to which initial roles are normative versus idiosyncratic has long-lasting effects on young ventures, shaping, for example, long-term rates of employee turnover. Our results suggest that founder identity processes may play an important moderating role in determining whether structuralist or interactionist processes prevail very early on. In the missionary ventures we studied, roles were relatively normative, with founders recruited based on expectations about requisite skills and experiences. In the communitarian ventures, in contrast, roles were more idiosyncratic. Future research should explore the lasting effects of these sorts of identity-driven decisions on how nascent organizations are structured.

While most prior work on founder identity has used either SIDT or IDT in isolation, Fauchart and Gruber (2011) called for the integration of these theories in entrepreneurship. Powell and Baker (2014) took a step in this direction by showing how the structure of individual founders' multiple salient identities serve as guiding aspirations for the roles they construct in their ventures. The current study reinforces the overall importance of social identities as guides for the construction of founder role identities and extends this to the interaction of multiple

founders' identities in shaping both the processes and outcomes of organizational emergence. Our study also confirms the expansion of the core tenet of IDT as an explanation of role choice behavior toward an explanation of role *construction* processes by founding teams.

Together, these two aspects of our study represent a substantial step forward in the integration of the two identity theories at the core of entrepreneurship research. It is increasingly clear that the continued development of FIT requires this integration. This paper shows how multiple founder's individual aspirational identities interact to shape how they jointly negotiate and build their nascent ventures, and further moves FIT away from a mythical and homogenous "entrepreneurial identity" as the basis for research and theory development. Future work should investigate how the multiple salient identities of multiple founders shape not only their ventures, but also how the process shapes the founders' identities.

The nascent ventures we studied may be viewed in broad terms as social ventures, because the founders were attempting to find ways to create sustainable organizations that would benefit the people and communities where they operate (Wang & Bansal, 2012; Tracey & Phillips, 2007). Although our primary purpose is to develop generalizable theory about multi-founder nascent ventures, our paper is also specifically relevant for the literature on social ventures. An important strand of recent founder identity work has included attempts to understand social ventures as examples of hybrid organizing.

For example, complementing other work that views hybrid organizing through the lens of institutional logics (Pache & Santos, 2010; 2013), some researchers have focused on the identity processes involved in successful integration of profit-making activities with social goals. Wry and York (*in press*) recently argued: "to the extent that there is conflict in social venture creation, we argue that it is inherently an identity conflict." Much like other streams in FIT, research on

social ventures has focused on those that have survived nascence to become operational and on single founder ventures. Thus, the relevant identity dynamics in this work have been primarily about how individual founders balance and resolve their own multiple relevant identities while operating their ventures (Powell & Baker, 2014, York, O'Neil, & Sarasvathy, 2016). Our paper contributes to this line of work by identifying a broader set of identity dynamics that influence venture organizing – those that occur among multiple founders – and by pointing to venture nascence as the locus of consequential identity processes that strongly influence whether a social venture ever becomes operational at all.

In addition, our paper highlights how identity processes can add to the challenge of creating a successful hybrid venture. Much of the literature using the institutional logics lens to uncover pathways to hybrid venture success has focused on strategies such as decoupling, compromise and selective combinations of institutional logic elements (Pache & Santos, 2013). Many of these success stories involve either established organizations or strategic spinoffs from existing organizations that can invest in relatively expensive strategies including highly selective recruitment and extensive socialization. Most startups are unlikely to have access to the sorts of resources or capabilities required to use these strategies. Our study therefore indicates that integrating hybrid identities among multiple founders in a nascent venture may be more difficult than studies of larger and more established organizations might suggest. Moreover, studies such as Battilana and Dorado's (2010) pioneering work on Bolivian microfinance organizations are consistent with an argument that when key personnel – in this case social workers and bankers – have conflicting group social identities, sustaining a hybrid organization may be particularly challenging even if it has managed to become operational. The importance of hybrid social ventures as an approach to dealing with important social challenges (York et al., 2016) suggests

both the theoretical and practical relevance of greater research focus on the broader identity dynamics of nascent social ventures.

Our study has some straightforward practical implications. First, to the extent that deep but hidden identity dynamics affect nascent venture processes and outcomes, it may be useful for founders to attend to them before they manifest as interpersonal conflicts among team members. The tools being developed for measuring founders' social identities may prove useful in this regard. It also seems likely that serial entrepreneurs may gain insight and tacit skills in assessing identity issues in forming new venture teams. Research exploring what they learn could be of strong practical value. It is also important to recognize that while the particular dynamics may differ across different venture contexts, the processes we describe and theorize are likely to be important across a broad variety of ventures. Research has now documented the practical importance of founder identity across a wide variety of founder-run organizations, ranging from social ventures to high technology spinoffs (Jain et al., 2009; Fauchart & Gruber, 2011; Powell & Baker, 2014). As what might be an extreme example, consider high growth venture capital (VC) backed firms. Many such firms start out as explorations of what is possible by founders brought together by shared interests in a technology or market. Much like the founders we studied began with seemingly common interests, the founders of such technology ventures are likely to exhibit substantial differences in underlying social identities that will emerge over time, with implications for organizational structuring, consensus and continued engagement. We would also expect that such firms would differ – based on the identity dynamics that prevail during nascence – in how well they adapt to the rigors of VC governance pressures, including the templated nature of standardized roles, authority structures and recruitment practices that VCs typically impose on portfolio firms.

Boundary Conditions and Additional Implications for Future Research

We theorized general identity processes and inducted a model that extends what we understand about individual founder social and role identities to the construction of collective identity prototypes and in-groups that are core to contemporary social identity theory. As is common in the development of grounded theory, the specific details of the results we describe in the context of our study are unlikely to be broadly empirically generalizable (Eisenhart, 2009). For example, the ties we observed between communitarian identities and fluid roles were due in part to the characteristics of the local community. Were communitarian founders to recruit based on community membership in a highly educated locale, it is easy to imagine that founders might choose to take on stable roles and positional authority related to the skills they bring to the venture. The close fit between the processes we describe and fundamental themes in social and role identity theory suggests, however, that our overall model is likely to be theoretically generalizable and robust across a variety of contexts.

At the highest level, our theory generalizes to expectations that patterning of founders' social identities influences how they answer practical organizing questions. These answers take on new meaning through the construction and enforcement of a collective identity prototype that fuses "how we do things" into the meaning of "who we are." The construction and enforcement processes then shape whether founders remain engaged in their joint efforts and therefore whether disbanding occurs prior to the venture becoming operational. Below, we describe a number of contingencies that warrant further research.

We were very fortunate to gain access to a number of comparable venture organizing attempts from the time of founders' initial discussions, and to witness the serendipitous natural experiment of having two nascent ventures merge. This allowed us to study communitarian and

missionary but not Darwinian founders (Fauchart & Gruber, 2011). Future research should address this by attempting to gain comparably early access in contexts that include self-oriented founders. Notions of entrepreneurs as "homo economicus" (Baker & Pollock, 2007; Mayo, 1945) might suggest that self-oriented Darwinian identities may dominate other-oriented identities, for example as individuals with a narrow focus on financial performance exert influence over those focused on broader outcomes. However, the substantial literature on complex and heterogeneous founder motivations (Gruber, MacMillan, & Thompson, 2008; Powell & Baker, 2014; Sapienza et al., 2003; Scheinberg & MacMillan, 1988) throws such assumptions of self-oriented dominance in mixed groups into serious question. We suspect that future work will enrich but not contradict the primary processes and mechanisms our study allowed us to theorize.

Another important contingency we observed is the link between enactment of the community as connected versus separate and distinctive patterns of structuring in the nascent ventures. This distinction was strong and repeated across multiple cases in our data. Prior research, however, suggests founders might confront institutional pressures to conform or at least appear to conform to standard job categories and skill-based staffing models. For example, Baker and colleagues (2003) described a young technology venture that fictionalized its role structure and staffing profile when applying for grants that required showing an organizational chart and resumes, and then scrambled to make the fiction true when the grant was awarded. We observed a similar attempt in Paisley to fit the founders into more standard roles when applying for a government grant. Had the grant been awarded, we suspect it might have led toward changes in role structure and content in Paisley. More generally, if ventures attempt to generate institutional sources of support they are likely to be confronted by pressures to conform to various norms for structuring and staffing their organizations (Aldrich & Ruef, 2006).

Differences we observed in the continued engagement of founders were robust across our cases and the theory we developed provides a strong, identity-based explanation. The specific pattern, however, is likely to differ in some predictable ways depending on commonplace contingencies. For example, differences in the development of warm social ties through the organizing process played an important role in keeping communitarian founders engaged relative to missionary founders. But in the case of sets of founders who already share strong and warm connections, the motivation to stay engaged may not depend on developing such ties during the organizing process[10]. In addition, for the communitarian founders, structuring, consensus and continued engagement all appear to be contingent on having members of the community respond positively to becoming involved in the nascent ventures. Absent this positive response, our model would predict that the communitarian approach would struggle. Further, if missionary founders had some other reason to keep working together – for example if they were paid well for their work – continued engagement might result for reasons beyond the identity processes we examined in this paper. It is also possible to imagine – though we did not observe – the occurrence of "big wins" during venture organizing that would could cause missionary founders to have a strong sense of progress and drive continued engagement. Future empirical research should explore the relationship between fundamental social psychological identity processes we examine and the emergence of team entrepreneurial passion (Cardon, Post, & Forster, 2016).

Finally, given the number of ventures that disband, understanding sources of continued engagement is theoretically and practically important. In our study, fluid roles and limited hierarchical authority led to emotional warmth and cohesiveness among founders, and this seemed to enhance persistence and resilience. This interpersonal dynamic is likely to generalize fairly broadly. It is important, however, to avoid drawing strong normative inferences that either

[10] We thank an AMJ reviewer for this point.

communitarian or missionary approaches to organizing are superior in general for the survival or instrumental effectiveness of nascent ventures. For example, scholars have long recognized that organizations may become not just means to ends but valued as ends in themselves, even to the detriment of focus on the original goals (Gouldner, 1959). The celebration of small wins and the personal desire to keep working together in communitarian ventures could easily begin to take this form. In addition, once ventures are operational, a variety of contingencies will condition the survival and effectiveness of communitarian versus missionary ventures. We might expect that operational missionary ventures, with a clearer division of labor, might be more efficient than communitarian ventures in some environments (Thompson, 1967; Sine, Mitsuhashi, & Kirsch, 2006) in which shared authority and consensus-seeking might slow responses to new opportunities. Future research should further explore the consequences of differences in identity-based sources of continued engagement in venture organizing efforts. Taken as a whole, our model encompasses important theoretical and practical contingencies and points to several others that should shape future research in FIT.

CONCLUSION

Understanding the processes of organizing nascent ventures is foundational to developing robust theories of entrepreneurship. Our longitudinal inductive study of nine nascent multi-founder ventures allowed us to theorize a process model showing how and why the patterning of founders' social and role identities influence how they answer basic organizing questions. These answers take on new meaning through processes of the constructing and enforcing a collective identity prototype. These processes in turn shape whether founders remain engaged in their joint efforts and therefore whether disbanding occurs prior to the venture becoming operational. We extend work developing founder identity theory in two important new directions: from individual

to multi-founder ventures and from operational to nascent organizing efforts. This opens up a series of important questions for future research on how founders become "who we are."

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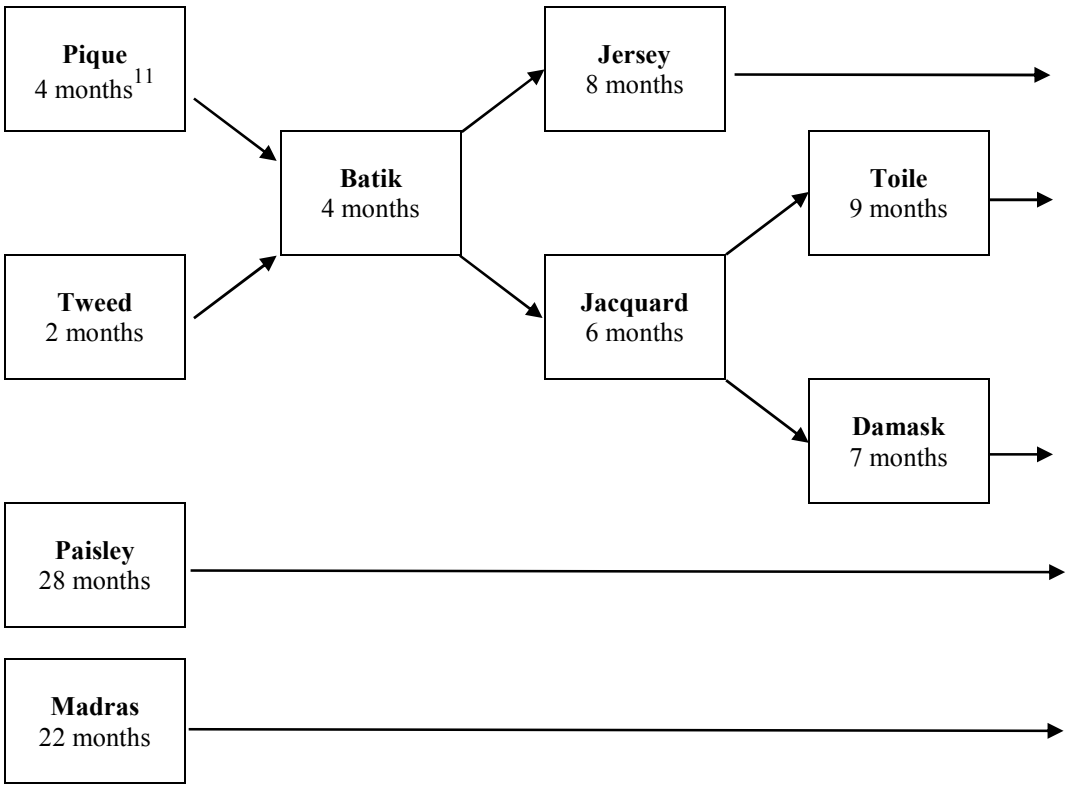
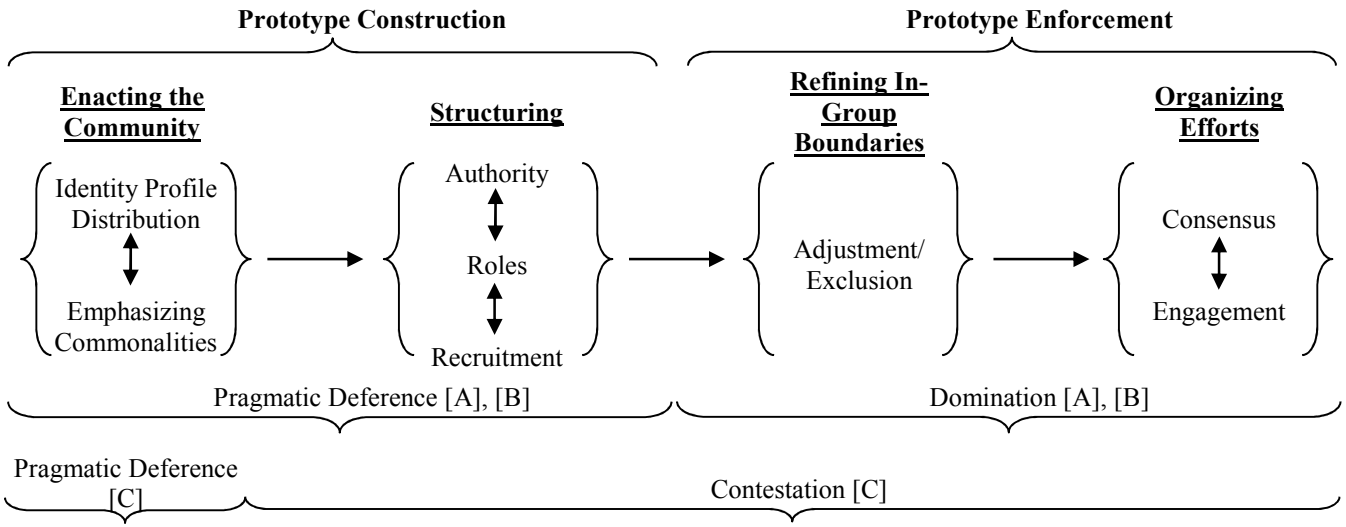
FIGURE 1
Nascent Ventures in Sample



[11] Months indicate the duration of organizing efforts for each case during our observations. We followed cases in our study for up to 28 months.

FIGURE 2
Model of Identity Processes and Organizing in Multi-Founder Nascent Ventures



Observed Contingent Patterns

[A] Enacting the Community as *Connected*	[A] Shared, Fluid, Community	[A] Adjust, Exclude	[A] Consensus, Engagement
[B] Enacting the Community as *Separate*	[B] Positional, Stable, Skill	[B] Exclude	[B] Consensus, No Engagement
[C] Enacting as *Connected* & *Separate*	[C] Contested	[C] Disband (and reform)	[C] No Consensus, No Engagement

TABLE 1
Sample Description

Location	Case	Founders	Consensus: Engagement	Case Context
Fairview	Paisley	Baxter, Beth, Ed, Jamie, Joe, Liz, Lucy, Luke	Yes : Yes *domination*	Founders gathered around the idea of finding some way to help counter increases in unemployment, street crime and high school dropout following closings of major industrial employers in a rural town. They envisioned an organization that trained (and in some cases, retrained) community members in textile and apparel manufacturing skills complemented by entrepreneurship training. The plan was to help create a support network of local businesses leveraging the textile heritage to help alleviate contemporary community problems.
Oakwood	Madras	Anna, Carl, Dan, Jacob, Jasmine, Mia, Mike, Ned, Ronnie	Yes : No *domination*	Founders gathered around the idea of helping revitalize a rural town that had once thrived as a textile town. Founders harkened back to the industrial heyday of Riverview and wanted to make the downtown area a "destination" for new businesses and tourists. They envisioned an organization that trained (and in some cases, retrained) community members in textile and apparel manufacturing skills. Founders wanted to create a fashion design/entrepreneurship school that would generate new local businesses by drawing on the textile heritage in order to help alleviate contemporary community problems.
Centerville	Batik	Alex, Bradi, Dave, Ginnie, Jack, Neil, Rick, Ronnie	No : No *contestation*	Founders gathered around the idea of retaining local talent and generating economic development for a downtown area through creating a vibrant community – similar to New York or Milan – of designer-run textile and apparel businesses. They envisioned an organization that trained (and in some cases, retrained) community members in textile and apparel manufacturing skills alongside entrepreneurship training. The plan was to support new venture creation that would build upon the textile heritage.
	Damask	Ginnie, Jack, Ruth	Yes : No *domination*	
	Jacquard	Alex, Betty, Bradi, Ginnie, Jack, Ronnie	No : No *contestation*	
	Jersey	Dave, Mark, Neil, Rick	Yes : Yes *domination*	
	Pique	Dave, Neil, Rick, Ronnie	Yes : Yes *domination*	
	Toile	Alex, Betty, Bradi, Carol, Ned, Ronnie	Yes : Yes *domination*	
	Tweed	Ginnie, Jack, Alex	Yes : No *domination*	

TABLE 2

Collective Identity Prototype Elements

Element	Communitarian In-Group	Missionary In-Group
Frame of Reference*	Known Others: "social group as the primary frame of reference; offering products (services) that support the community seen as core to the entrepreneurial process"	Unknown Others: "society as the primary frame of reference; demonstrating that alternative social practices are feasible and leading by example seen as core to the entrepreneurial process"
Basic Social Motivation*	Support & be Supported by the Community: "firm creation is indiscernible from the individual's involvement in a community (firm both supports and is supported by the community because of mutually beneficial relationships)"	Advancing a Cause: "firm creation supports the political vision of the individual and the ambition to advance a particular cause (social, environmental, etc.)"
Basis of Self Evaluation*	Authenticity: "bringing something truly useful to the community is perceived as critical (based on intimate knowledge of and care for the needs of fellow community members)"	Responsible Behavior: "contributing to a better world is perceived as critical (truly responsible people do act)"
Structuring: Recruit	Community: individuals recruited because they were community members	Skills: individuals recruited for skills and expertise
Structuring: Roles	Fluid Roles: individuals moved from one role to another to accommodate new founders and roles were molded to fit founders' developing skills and interests	Stable Roles: mostly unchanging because roles were based on skills
Structuring: Authority	Shared Authority: most decisions made through consultation and conversation among multiple founders	Positional Authority: most decisions made by individuals in accordance with their roles and associated skills

* Fauchart & Gruber (2011: 942) identity dimensions and definitions; hybrid in-groups have both communitarian and missionary dimensions. See the methods section and Table 3 for details on Identity Profile Distribution and individual coding.

TABLE 3
Patterning of Social Identity Dimensions

		Prototype Construction					Prototype Enforcement				
1	2	3	4	5	6	7	8	9	10	11	12
Founder	Identity Profile Distribution: original	Frame of Reference	Basic Social Motivation	Basis of Self-Evaluation	Recruit	Identity Profile Distribution: post-recruit	Frame of Reference	Basic Social Motivation	Basis of Self-Evaluation	In-Group Refinement	Identity Profile Distribution: post-in-group
Alex	Batik 59% C 5:2	C	C/M	C/M		Batik 61% C 6:2	C	C/M	C/M		Batik 62% C 6:2
Bradi		C	C	C/M	Recruit		C	C/M*	C/M	Adjust	
Dave		C	C	C			C	C	C		
Ginnie		M	M	C/M			M	M	M*	Adjust	
Jack		M	M	M			M	M	M		
Neil		C	C/M	C			C	C*	C	Adjust	
Rick		C	C	C/M			C	C	C*	Adjust	
Ronnie		C	C	C/M			C	C/M*	C/M	Adjust	
Ginnie	Damask 100% M 0:2	M	M	M		Damask 67% M 1:2	M	M	M		Damask 100% M 0:2
Jack		M	M	M			M	M	M		
Ruth		C	C	C	Recruit		C	C	C	Exclude	
Alex	Jacquard 57% M 3:2	C	C/M	C/M		Jacquard 63% M 3:3	C	C/M	C*	Adjust	Jacquard 55% C 4:2
Betty		M	M	M	Recruit		C*	C/M*	C*	Adjust	
Bradi		C	C/M	C/M			C	C/M	C*	Adjust	
Ginnie		M	M	M			M	M	M		
Jack		M	M	M			M	M	M		
Ronnie		C	C/M	C/M			C	C/M	C*	Adjust	
Dave	Jersey 100% C 3:0	C	C	C		Jersey 86% C 4:0	C	C	C		Jersey 92% C 4:0
Mark		C	C/M	C/M	Recruit		C	C/M	C*	Adjust	
Neil		C	C	C			C	C	C		
Rick		C	C	C			C	C	C		
Anne	Madras 57% M 2:2	C	C/M	C/M	Recruit	Madras 63% M 4:5	C	C/M	C/M	Exclude	Madras 100% M 0:5
Carl		M	M	M	Recruit		M	M	M		
Dan		C	C/M	C/M			C	C	C/M	Exclude	
Jacob		M	M	M			M	M	M		
Jasmine		M	M	M	Recruit		M	M	M		
Mia		C	C	C			C	C	C	Exclude	
Mike		M	M	M			M	M	M		
Ned		M	M	M	Recruit		M	M	M		
Ronnie		C	C	C/M	Recruit		C	C	C/M	Exclude	

Baxter	Paisley 57% C 4:1	M	M	M		Paisley 60% C 6:2	M	M	M	Exclude	Paisley 91% C 7:0
Beth		C	C	C	Recruit		C	C	C		
Ed		C	C/M	C/M			C	C/M	C/M		
Jamie		C	C	C	Recruit		C	C	C		
Joe		C	C/M	C			C	C*	C	Adjust	
Liz		C	C/M	C			C	C/M	C		
Lucy		C	C/M	C/M			C	C/M	C*	Adjust	
Luke		M	M	M	Recruit		C*	C*	C*	Adjust	
Dave	Pique 82% C 3:0	C	C	C		Pique 69% C 4:0	C	C	C		Pique 80% C 4:0
Neil		C	C/M	C			C	C/M	C		
Rick		C	C/M	C/M	Recruit		C	C*	C/M	Adjust	
Ronnie		C	C	C/M			C	C	C/M		
Alex	Toile 75% C 4:0	C	C/M	C		Toile 58% C 4:2	C	C/M	C		Toile 75% C 5:0
Betty		C	C/M	C			C	C/M	C		
Bradi		C	C/M	C			C	C/M	C		
Carol		M	C/M	C/M	Recruit		C*	C/M	C*	Adjust	
Ned		M	M	M	Recruit		M	M	M	Exclude	
Ronnie		C	C/M	C			C	C/M	C		
Alex	Tweed 86% M 0:2	C	C/M	C/M	Recruit	Tweed 67% M 1:2	C	C/M	C/M		Tweed 67% M 1:2
Ginnie		M	M	C/M			M	M	C/M		
Jack		M	M	M			M	M	M		

TABLE 4
Role Identities

Case	Founder	
Batik *Contested*	Alex	Design Expert (with Neil, Dave), Client Recruiter
	Bradi	Textile Technology Expert, Supply Chain Coordinator
	Dave	Design Expert (with Neil, Alex), Local Marketer
	Ginnie	Service Developer
	Jack	Strategic Planner, Meeting Organizer
	Neil	Design Expert (with Dave, Alex), Voice of the Community, Social Media
	Rick	Government Liaison
	Ronnie	Networker
Damask *Stable*	Ginnie	Service Developer
	Jack	Boss
	Ruth	Client Recruitment (ends), Store Manager (ends)
Jacquard *Contested*	Alex	Client Recruiter, Retail Space Planner (ends), Event Coordinator (with Bradi, Betty)
	Betty	Marketer, Event Coordinator (with Alex, Bradi)
	Bradi	Textile Technology Expert, Supply Chain Coordinator, Event Coordinator (with Alex, Betty)
	Ginnie	Service Developer
	Jack	Strategic Planner, Meeting Organizer, Boss
	Ronnie	Chief Networker
Jersey *Fluid*	Dave	Design Expert (with Neil), Local Marketer (gives to Rick)
	Mark	Design Mentor
	Neil	Design Expert (with Dave), Voice of the Community, Social Media
	Rick	Government Liaison, Local Marketer (takes from Dave)
Madras *Stable*	Anne	Purchasing Coordinator (ends)
	Carl	Facilitator, Fundraiser
	Dan	Local Economic Development Expert (ends)
	Jacob	Local Lobbyist, Boss
	Jasmine	Product Designer
	Mia	Community Historian (ends)
	Mike	Project Manager (ends)
	Ned	Strategic Planner
	Ronnie	Research Assistant
Paisley *Fluid*	Baxter	Senior Advisor (ends)
	Beth	Sewing Instructor, Purchasing Coordinator (takes from Joe)
	Ed	"Resourcer," Networker, Grant writer (takes from Lucy)
	Jamie	Assistant Sewing Instructor (with Beth)

	Joe	Purchasing Coordinator (gives to Beth), Operations Planner (gives to Luke), "Herder of Cats" (takes from Lucy)
	Liz	Teacher (ends), Entrepreneurship Consultant
	Lucy	Spiritual Leader, Grant Writer (gives to Ed), "Herder of Cats" (gives to Joe)
	Luke	Consultant (ends), Operations Planner (takes from Joe)
Pique *Fluid*	Dave	Design Expert (with Neil)
	Neil	Design Expert (with Dave), Networker (gives to Ronnie)
	Rick	Government Liaison, "Getter of free space and supplies"
	Ronnie	Networker (takes from Neil)
Toile *Fluid*	Alex	Client Recruiter, Pop-Up Shop Coordinator (with Betty)
	Betty	Marketer (gives to Carol), Pop-Up Shop Coordinator (with Alex)
	Bradi	Textile Technology Expert, Supply Chain Coordinator, Education Coordinator
	Carol	Marketer (takes from Betty)
	Ned	Entrepreneurship Consultant (ends)
	Ronnie	Networker
Tweed *Stable*	Alex	Design Expert
	Ginnie	Service Developer
	Jack	Strategic Planner

TABLE 5
Process Model

Process Step*	Coding Definition	Illustrative Data
		Identity Prototype Construction
Enacting the Community	**Identity Profile Distribution:** Two approaches to characterizing the social identity dimensions across the group.	See methods section for details about the two approaches. See Table 3 (columns 2, 7, 12) for calculations for each venture.
	Emphasizing Commonalities: Attempts by founders to affirm commonalities or to deemphasize the importance of perceived differences among them.	Coming from Tweed, Jack described how he thought about commonalities among ideas among the new team of co-founders: "Okay, … think of it this way. [Batik] is a community of people who have various perspectives and interest in the design industry in the Centerville area. It's like a--I can't think of better words, a community of like minded people. It has its--it has a purpose that it is trying to fulfill and that is to provide the opportunity to entrepreneurs to learn how to start a business and gives them a chance to practice at selling their [products] in a real retail setting" (Jack, Batik). Neil also emphasized some commonalities between what they were doing in Pique and how they were similar to new co-founders in Batik. "We, we, when we were originally were looking at it we were looking at it from a designer perspective…I think uh, this is one of the positive changes is they've become more of an integrated member and less of a service. So that is a good thing. That I think is positive." (Neil, Batik)
		Even after Jacquard emerged from the disbanding of Batik, evidence of fissures among the founders remained. For example, Jack (Ginnie had left the area for a few weeks to deal with family issues) expressed his disappointment to us about some of his co-founders were "still stuck on what [Neil and Dave] were trying to do" (Jack, Jacquard). But Jack continued to celebrate the "new beginning and focus" that Jacquard would allow. During this same time, Alex noted to us and to several of the other founders (not including Jack) that he really thought that "Neil and Dave will come back when they see what we are doing." This reflected Alex and other founders' focus on what everyone seemed to share in common, despite prior differences: "Well I think [Jack and Ginnie] are contributing their time and their experience from business and I think a good portion of it [helps]. You always need someone to help you know everyone with the business. But other than that [difference] I think it's just everyone really trying to help each other and a real community and a real awareness." (Alex, Jacquard)
Structuring	**Recruitment:** 'Community' or 'skills' based primary reasons for selecting additional founders. *See Table 2 for details, Table 3 (column 6) for*	Community. Jersey recruited new founders from the community, based on the existing founders' connected view of the community. Neil said, "It's very important for us to bring in people from the community who want to support designers on our team." Mark understood that he had been recruited because of his connections to the community and his interest in design and his commitment to helping people in the community. "It's like we have been saying…it's about how you grow up like what opportunities you have, you know, like are you able to even …you know, make an impact on someone's life…I mean like you see in somebody's face that you're able to change their life." (Mark, Jersey)

	overall coding.	Skills. Betty described how Jack recruited her as a founder based on the fit of her skills for the marketing role: "And so I received an email from Jack saying, 'Betty, I'd like to talk to you.'… We had just a brief meeting over coffee, you know, it was like two, two dogs kind of meeting like … tails wagging … he looked at my profile and there was an ah-ha moment about my background in business development, marketing and especially in the textile area. And then he said 'I don't know why' – basically, it was, 'I don't know why I didn't think of you earlier, Betty, with your marketing background'." (Betty, Jacquard)
	Roles and Authority: 'Fluid' roles if most founders served sequentially in more than one named role; otherwise 'stable.' Authority as 'shared' if role incumbents made few individual decisions; authority as 'positional' if incumbency in role led to individual decision making. *See Table 2 for details, Table 4 for overall coding.*	Fluid and shared. Carol was recruited to Toile as a member of the fashion design community. When she joined, Betty was the Marketer along with Pop-Up Shop Coordinator with Alex. Carol took over as Marketer and used simple terms to describe how she and her co-founders in Toile made decisions: "…we all get together and we talk about it, we come up with a solution together." (Carol, Toile)
		Stable and positional. Jack and Ginnie valued Ruth's skills as a curator of a fashion boutique. They viewed her as useful to Damask's efforts to build a "concept [that] combined business training with the energy of an artisan workshop and storefront." They defined her job as managing the facility while they managed educational content and artisan selection. Ruth, however, began actively building relationships with the community more generally rather than focusing only on the daily management tasks assigned to her by Jack and Ginnie. She offered her suggestions and attempted to participate in decision-making, but noted, "I feel like they don't really listen to what I have to say." (Ruth, Damask)
Identity Prototype Enforcement		
Refining In-Group Boundaries	**Exclusion:** Founders who had played active role but who were either no longer invited to meetings and joint activities or who were actively disinvited. *See Table 5 (column 11) for overall coding.*	Ned was interested in offering business advice based on his substantial industry and startup experience but was not interested in meeting the fashion designers with whom the other founders wished he would engage. Because of Ned's stance toward the other co-founders and his lack of interest in getting to know the designers they wanted to help, he was eventually excluded from organizing efforts. This exclusion became very apparent when he and his wife ran into the co-founders at a local restaurant one evening and were given the cold shoulder. Ned's wife asked incredulously, "You think those people are your colleagues?" (Ned, Toile)
		According to Rick, who had kept up with the developments in Damask, Jack and Ginnie "pulled the rug out from under" Ruth's efforts. She said, "I gave 100 percent of myself but I did get burned despite that, and so did a lot of others." The decision left many in the community bewildered as one prominent leader noted, "I thought [she] was perfect. I thought it fit in with what everyone is trying to do [in the community]." (Ruth, Damask)
	Adjustment: Changes in any social identity dimension that brought the individual's identity profile closer to the in-group prototype. *See Table 5 (column 11) for*	From C to C/M. Ronnie was an original founder of Pique who had worked locally as a fashion designer and was deeply embedded in the community. In Pique and during the early days of her involvement at Batik, her basic social motivation focused on supporting and being supported by the community. Her experiences in Batik and a growing alignment with the missionary in-group caused her to embrace more a political vision of advancing a cause. Describing herself to us as a "young serial entrepreneur" she said she had "many dreams to achieve" both in Centerville and beyond. (Ronnie, Batik)

	overall coding and Methods section for additional examples.	From M-M-M to C-C-C. Luke was very much aware that he was becoming what he described as "someone very different" from whom he had been for most of his life. He told us that he wanted to become someone who helped in part because he had personally caused some of the "hurt" he now saw around him, "having spent two years [as a textile executive] eliminating jobs …it was pretty tough because I lived with the people for that period of time until the last one was gone." Though he joined Paisley with pure missionary social identity dimensions, he is one of two founders in our study whose profile reversed across all dimensions. As he became personally connected to the community and the communitarian in-group at Paisley, he emphasized what he had gained from his involvement by wishing that he could provide the same opportunity to some of his colleagues who had also suffered through the decline of their prior employer: "not [in terms of] what [they] would bring to the table but what [they] would receive…" (Luke, Paisley)
Organizing Efforts	**Consensus:** 'No' if there was continued interpersonal disagreement among founders about how to move forward; 'Yes,' if little disagreement or disagreement focused on how to perform specific tasks. *See Table 1 for overall coding.*	No. In an email to some of his co-founders from Jacquard, Alex said, "I have not opened the [attached] document, but instead called this lawyer. I asked her how long has she known [Jack]. She said only a couple of months and that he was in a hurry to get this trademarked. I told her what had happened and how he did this behind our backs and how unethical he has been. She told me that she is going to call him and ask him to work with a different lawyer. She said she did not do any research on this because he was in such a hurry. I told her that [we are] backing away from him along with 4 other team members." (Alex, Jacquard)
		Yes. Prior to the merger with Tweed, founders of Pique seemed completely aligned on how to move forward with their venture. Dave suggested, "We all really enjoyed getting to know local designers and wannabes. There are a lot more of us than we had figured. Things really seem to be going well. All of us really seem to have most of the same ideas in mind." (Dave, Pique)
	Engagement: 'No' if founders announced they were no longer involved and/or there were no further plans to meet; 'Yes,' if multiple founders said that they were still involved in developing the venture and/or they continued meeting. *See Table 1 for overall coding.*	No. Carl denied for a while that founders were disengaging from organizing efforts. "It's not a failure yet. I mean, we're certainly on – we're on the edge – and I saw, "we,"…from a downtown revitalization effort. We tried to step up to the table and I think we're going to still try to do that…but to see a revitalization, a renaissance… From my distance I believe that … you have people sitting there in hope waiting for [things] to happen… I would love it if we all sat down face-to-face…and have a discussion not via email." No further organizing meetings have taken place. (Carl, Madras)
		Yes. "Uhm, progress on Jersey has been going well. We're really trying to make sure we have a better grasp of what the designers actually want. We've had several design meet ups … those have gone pretty well. … In general, designers are just excited to have an opportunity to meet one another, talk with one another. And so I think we started getting a lot out of those, out of those meetings and hopefully in the next, in the next four to six months we'll have something solidified for the actual organization." (Neil, Jersey)

* This column corresponds to each of the four process steps in Figure 2.

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