6-9-2012

ASPIRATIONS, BEHAVIORS AND COMMITMENTS: SOCIAL IDENTITY AND ENTREPRENEURIAL RESILIENCE

E. Erin Powell
North Carolina State University, erin_powell@ncsu.edu

Ted Baker
North Carolina State University

Recommended Citation
Available at: http://digitalknowledge.babson.edu/fer/vol32/iss4/2
ASPIRATIONS, BEHAVIORS AND COMMITMENTS: SOCIAL IDENTITY AND ENTREPRENEURIAL RESILIENCE

E. Erin Powell, North Carolina State University, USA
Ted Baker, North Carolina State University, USA

ABSTRACT

We explore how thirteen entrepreneurial firms in the southeast textile industry responded to the combination of competitive blows and the global economic crisis. Existing explanations of organizational resilience rely on slack resources; however, the firms we studied operated under conditions of negative slack. We discovered that individual-level entrepreneurial identity plays a pivotal role in shaping organization-level resilience. We induce a process model that explains how three types of identity map to three forms of resilience. Our contributions extend and complement theories of resilience, challenge current assumptions of what it means to be an entrepreneur and demand integration of competing schools of social psychology.

INTRODUCTION

The slings and arrows of outrageous fortune dramatize the lives of many organizations. Those that have previously experienced or anticipated adverse events may have as a result invested slack into building structures and processes – for example, redundant systems and staffing and the design and practice of adaptive routines – intended to reduce the negative effects of future jolts. Others organizations buffer setbacks and environmental adversity by drawing upon current slack resources (Meyer, 1982; Vogus & Sutcliffe, 2007). Together, prior investments of slack and current slack buffers underlie most current theories of organizational resilience. Such theories, however, cannot explain how firms may respond to environmental blows in the absence of slack.

This represents an important gap in mainstream organization studies, because most organizations have neither histories of having invested slack in resilience nor current buffers of slack (Aldrich, 1979; Aldrich & Ruef, 2006). From the time of start-up, the vast majority of private businesses typically operate under conditions we characterize as “negative slack” (Powell, 2011) with resources often at levels that are ostensibly inadequate to the challenges with which the firm chooses or is forced to grapple (Baker & Nelson, 2005; Ruef, Aldrich, & Carter, 2003). It is a commonplace observation, however, that entrepreneurial firms often survive substantial adversity, whether simply as part of an extended period of hapless struggle or as a developmental precursor to flourishing (Aldrich & Kenworthy, 1999). Current theory therefore provides little help in understanding patterns of resilience across the vast majority of organizations.

This paper begins to fill the gap and provides novel insights about variations in patterns of organizational resilience. Our inductive study of thirteen firms experiencing extended environmental blows under conditions of negative slack allowed us to develop a grounded theory of strategic responses to such blows that complements and extends current theories of organizational resilience. We discovered that the individual identities of founding entrepreneurs...
entrepreneur strongly shaped organizational responses to environmental blows in the absence of being able to draw on current or absorbed slack. We theorize causal connections between individual level entrepreneurial identities and organizational level entrepreneurial resilience by showing how entrepreneurs’ notions of who they were and who they wanted to be shaped how they defined and responded to the intense challenges their firms faced. We induce a grounded process model of entrepreneurial resilience in the face of extended downturns that explains three distinctive patterns of responses in terms of three forms of entrepreneurial identity. Our grounded typology of “entrepreneurial identity” also challenges current scholarly assumptions about what it means to be an entrepreneur from the perspective of a person who founds, owns and runs a venture and we locate issues of self-expression and self-creation firmly in the center of entrepreneurial action.

Our theory provides a useful complement to models of resilience based on assumptions of prior or current slack. We also contribute to the body of work in entrepreneurship suggesting that entrepreneur’s individual identities may be likely to shape important characteristics of the firms they found and run (Cardon, Wincent, Singh, & Drnovsek, 2009; Fauchart & Gruber, 2011; Murnieks, 2007) and help draw together work suggesting the role of individual values in entrepreneurial persistence (Gimeno, Folta, Cooper, & Woo, 1997; Shepherd & Haynie, 2009). Disputes about the role of the individual versus the role of the firm and its operating environment have characterized entrepreneurship research for decades. We build theory that helps to bridge this gap by interpreting our observations in terms of social psychological frameworks initially developed (Styker, 1980; Tajfel & Turner, 1979) to explore dynamics between individuals (here: entrepreneurs) and social structure (here: firms).

We needed a broad working definition of resilience that allowed us to focus on how organizations respond to challenging conditions and events, but without a strong presumption of positive outcomes. We therefore oriented our study around resilience defined as “organizations’ strategic attempts to overcome shocks, blows and other negative circumstances.” By resilience, we mean precisely these patterned strategic responses: resilience is what you do rather than how it turns out.

**Theoretical Background**

We began this research without any prior expectation that “identity” would play a role in our theory and we developed descriptions of most of the empirical patterns we describe before we learned about and adopted identity theory concepts. But these concepts eventually became essential to understanding the main inferences we develop in this paper. “Identity theory” is an umbrella term for a cluster of theories attempting to explain the human “self” in terms of peoples’ identities. From sociological social psychology we draw on “identity theory” (“IDT”) (Burke & Stets, 2009; Stryker, 1980; Stryker & Burke, 2000) and from psychological social psychology, we draw on “social identity theory” (“SIDT”) (Tajfel & Turner, 1979). Although there has been a history of competition between these sociological and psychological versions of identity theory (e.g., see Hogg, Terry, & White, 1995), more recent work has called for integration of complementary insights from each (Deaux & Martin, 2003; Stets & Burke, 2000; Thoits & Virshup, 1997). The close intertwining of the focal phenomena of both theories in our study highlights the potential value of such integration.

A core theme across these theories is that in modern society, all people have multiple identities based on inhabiting multiple roles and identification with multiple social groups. IDT focuses
on how behavioral expectations associated with various social roles shape the construction of individual identities, while SIDT focuses on how perceived membership in various social categories becomes the basis for identity construction. Identities shape behavior when they become “salient” to an individual, causing that person to behave in ways that attempt to affirm the identity through feedback from others. For commonly recurring contexts, subsets of identities become “chronically” salient (Stryker & Burke, 2000). For example, a “father” role identity might generally be salient during meetings with a child’s teacher, while a “boss” role identity might be salient during interactions with employees. A social identity as a religious “believer” might be more salient during church services than while participating in a PTA meeting, and a social identity as an “environmentalist” might be more salient when making decisions with environmental consequences than while watching a sporting event with friends.

While the theoretical work on entrepreneurial identity has sometimes drawn on both IDT and SIDT, the limited body of empirical work has more strictly followed one theory or the other (Murnieks, 2007; Fauchart & Gruber, 2011). As described below, we found IDT and SIDT jointly useful for making theoretical sense of our observations. Our definition of entrepreneurial identity is simply “the set of identities that is chronically salient to an entrepreneur in her/his day-to-day work.”

Methods

We studied 13 entrepreneurial firms in the US textile and apparel manufacturing industry. This industry has experienced a deep and widespread period of extended downturns (henceforth: EDs) over the past 15 years, usually attributed to a combination of the opening of free trade with nations with lower input costs and more recently to the added effects of the financial crisis and global recession (AMTAC, 2007). To explore resilience under conditions of negative slack, we created a target profile of textile manufacturing firms that were: a) owned and managed by a lead entrepreneur who had founded them; b) experiencing challenges due to some combination of the relocation of textile manufacturing to other nations and the recession; and c) characterized by important resource deficits that shaped their attempts to deal with the challenges they faced. We followed norms of theoretical sampling (Glaser & Strauss, 1967) and selected new cases because they were “particularly suitable for illuminating and extending relationships and logics among constructs” (Eisenhardt & Graebner, 2007: 27). Firms range from 3.5 to 36 years old, and from 3 to 700 current employees. Throughout this paper, we have changed names and some inconsequential details about people and firms in order to maintain confidentiality.

We conducted multiple interviews with each of the founding entrepreneurs over a period of 20 months, from February 2010 to December 2011. In early unstructured interviews, we requested to hear “the story of your firm”; later interviews became somewhat more structured as we explored emerging theoretical themes (Denzin & Lincoln, 2005). Interviews were recorded and transcribed into approximately 1,000 single-spaced pages. We supplemented interviews with multiple other data sources: direct observation, interviews with other stakeholders, including employees, suppliers and customers and secondary data sources including trade publications, web-sites, patent filings, company archives (including correspondence), full or partial financial statements, historical video footage and social network site activity. We used NVIVO v.9.2 QDA software to code and store our data.

We structured our methodology in accordance with established procedures for theory building inductive research (Denzin & Lincoln, 2005; Glaser, 1978; Miles & Huberman, 1994).
As we gathered data we constructed case descriptions and began the process of comparing across cases and looking for common themes and variations. About a year into the project we began examining work on identity theory, starting with IDT (Stryker, 1980). This provided language and a conceptual scheme adequate to bring together the different elements we had coded as entrepreneurs’ statements about “who I am” and “who I want to be.”

**RESULTS**

Our fundamental finding is that the individual identities chronically salient to entrepreneurs in the day-to-day running of their businesses strongly shape distinctive forms of organizational resilience. In the next two sections, we describe the basic relationship between entrepreneurial resilience and entrepreneurial identity. We then develop model that describes the process of how individual level entrepreneurial identity affects organizational level entrepreneurial resilience.

**A Grounded Typology of Entrepreneurial Resilience**

Two key dimensions capture most of the patterned differences we observed among firms in changes they made to attempt to keep going in the face of the extended downturns (EDs): 1) the extent to which they focused on reducing costs versus pursuing new opportunities and 2) the overarching degree of “strategic fatalism”, by which we mean the extent to which their behavior was guided by a sense that the firm’s future was tightly bound by fate through the EDs they experienced versus a sense of having some freedom to shape the venture’s future.

Conforming. Firms we categorized as conforming continued to pursue the same opportunities through which they had found prior success, even when they could find no growth or when business waned. Conforming firms were strongly fatalistic. They firms behaved as if their survival and performance depended almost entirely on external forces: if the extended downturns continued, there would be little they could do about it once they reached the end of trying to “cut their way to prosperity.

Maintaining. Firms that we labeled maintaining, generally made only incremental changes in response to the EDs, and these included tweaks to the opportunities pursued and tweaks to costs. Maintaining firms generally refused to believe that their fate was out of their hands. They downplayed the severity of the EDs and believed that they would find ways to succeed by continuing to pursue mostly the same opportunities using mostly the same approaches, making small or moderate changes as seemed necessary.

Transforming. Finally, firms classified as transforming made changes that focused on pursuit of opportunities, either in the form of new products and market positioning or in the form of major changes in their supply chains and internal operations. Transforming firms rejected fatalism and behaved and talked as if their fate was strongly subject to their own motivated interventions.

**Identity and Resilience**

We were initially surprised by the frequency with which entrepreneurs explained things they were doing or had done in terms of their sense of “who I am” or “who I want to be.” We distinguished two sources of such identities. One source, a close fit with IDT, was closely associated
with particular current roles and responsibilities, for example, family “patriarch” (see Table 1). The other, a better fit with SIDT, was based on claimed membership or desire for membership in a particular social group, for example, “environmental activist,” or “patriotic manufacturer.” Across our cases, however, the “same” identity – e.g., environmental activist or patriotic manufacturer or dependable employer – could take the form of either a social identity, a role identity or both. Social identities sometimes formed the aspirations – for example as an “environmentalist” or a “patriotic manufacturer” around which entrepreneurs built roles and role-based identities within their firms.

Every entrepreneur expressed an instrumental/economic role identity that centered on the need to generate profits. For most of the firms we studied, other identities were also salient in the day-to-day running of the business. Those entrepreneurs we labeled “High Congruence” exhibited no conflicts among their chronically salient identities: who the entrepreneurs were was who they wanted to be. They ran firms that displayed maintaining forms of resilience. Entrepreneurs we labeled “Low Congruence” exhibited important conflicts among their chronically salient identities such that by enacting one valued identity they constrained their ability to enact another: who they were was -- in important ways -- not who they wanted to be. These firms displayed transforming forms of resilience. Finally, the three firms in the Instrumental/Economic (I/E) category showed no conflict between identities simply because the instrumental/economic role was the only identity chronically salient in running their firms: these three entrepreneurs were in business simply to make money. Entrepreneurs with salient identities categorized as I/E ran firms that displayed conforming forms of resilience.

Having observed the close connections between three forms of resilience and three distinctive identity structures, we focused on discerning the processes through which chronically salient identities affect entrepreneurial resilience.

A Process Model of Entrepreneurial Identity and Resilience

Our analysis allowed us to induce a linear process model through which variations in five elements of responses to downturns form the three paths from individual identity to organizational resilience. These elements are defined in Table 2. Figure 1 describes the model. Some parts of this model are strongly substantiated by the results we have presented. Other parts were suggested by our results but call for additional research. Dashed lines represent elements of the model for which our data are only suggestive.

Our starting point is an environment of extended and multifaceted downturns in which firms new and old face repeated blows that create serious perils to their survival and success. A sensible course of action in such an environment may well be just to shut down. We do not claim that all disbanding firms go through a process like that in our model or that our model explains all disbanding. Entrepreneurs may choose to disband their firms for a wide variety of reasons. The dashed line leading from the environment to “disband” represents disbandings that are not explained at all by our model. Indeed, disbanding is an option at any point along the process we describe, but it would clutter the model unnecessarily to add arrows to describe this option at each step in the process.

Entrepreneurs’ chronically salient identities shaped the definition of the situation they
applied to the downturns in the context of determining how they would respond. High identity congruence was associated in our data with seeing the EDs as a challenge. These entrepreneurs recognized that adding the insult of the financial downturn to the injury of the textile industry decline might make their aspirations harder to achieve. They did not see the adverse conditions as something they could not handle, but rather as something they would be able to counter. In contrast, entrepreneurs with low identity congruence saw the EDs as an opportunity to rebuild their businesses in a manner that resolved the conflicts among identities. As they defined the conditions as opportunities, these entrepreneurs embraced the EDs and viewed them in an amplified manner compared to other observers. To entrepreneurs for whom only an instrumental/economic identity was salient, the EDs were seen as threats to financial aspirations that could not be averted but the effects of which could be attenuated.

The definition of the situation shaped the ideological narratives that entrepreneurs constructed. These narratives served both to help entrepreneurs explain to themselves what they were doing and as a tool in presenting themselves to current or potential stakeholders. Entrepreneurs who defined the EDs as challenges created validating narratives suggesting that they were staying on a consistent path with few adjustments and that there was every reason to believe that things would work out. A validating ideological narrative reflected an entrepreneur's confidence that how they ran the business reflected her/his sense of “who I really am” and affirmed to stakeholders that the firm would stay the course.

Those who defined the situation as an opportunity (Meyer, 1982) created “critical” narratives that valorized the identity they were constructing to be dominant (Barley, 1990; Goffman, 1959), and maligned the identity they were in effect abandoning. Critical narratives helped transforming entrepreneurs explain to themselves and to others why they were responding as they were to the EDs. Entrepreneurs on this path frequently made identity claims that fit with the identity they were attempting to construct, but that did not quite fit the way the business was currently being run or it’s lingering activities that contradicted the newly valorized individual identity (Garfinkel, 1967). These critical/valorizing identity claims were often quite extreme – reminding us of the adage about ex-smokers being the strongest anti-smoking evangelists – and strongly promoted what the firm was trying to become and implicitly criticizing what it had been even while it was still mainly engaged in its prior activities. The entrepreneurs engaged in this form of identity construction were in some cases aware that this created risks of being “outed” as inauthentic by various stakeholders. Concern for this risk encouraged the entrepreneurs to attempt quick moves to bring their firms’ activities in line with their identity claims.

The entrepreneurs who defined the challenges as a threat to their survival constructed thinner and less elaborate ideological narratives. These were mainly aimed at justifying their relative passivity and stoicism – in the main just quietly bearing the burden – in response to the EDs.

Entrepreneur’s ideological narratives shaped and supported their behavior toward various stakeholders (including suppliers, employees, customers, financiers). Entrepreneurs seeking to counter EDs and making “authentic” identity claims focused on strengthening and reassuring existing ties and in some cases sought replacements for lost ties. Those entrepreneurs embracing and attempting to amplify EDs and engaging in identity construction activities actively sought new ties that would resonate to the new values being enacted by the firm, and pruned – by attrition or more actively – some prior stakeholder ties. Instrumental/economic entrepreneurs passively
surrendered ties – including customers, suppliers and employees – lost or diminished as a result of the EDs. Overall, our model clarifies the process through which highly congruent chronically salient identities make it more likely that firms will demonstrate “maintaining,” how low congruent identities promote “transforming” and how I/E identities generate “conforming.”

Table 3 summarizes our codings for each firm we studied in a way that compactly illustrates and substantiates our analysis. The table classifies entrepreneurs by their identity congruence on the left, and firms by their resilience on the right. The remaining columns summarize the evidence we observed for each element of our process model. Main entries represent our primary observations for each element of the process model and parenthetical entries represent secondary observations for a handful of firms that could not be fit cleanly into a single category. Overall, the pattern of the evidence is striking. The typologies we developed allowed us to see strong connections between resilience and identity and to develop a process model that explains these connections in a manner that is a close fit to the patterns observed in our data.

DISCUSSION

Contributions to Theories of Organizational Resilience

The theory we develop in this paper extends our understanding of organizational resilience to the vast majority of firms whose founding and life histories are characterized by resource constraints. We show that the resilience of such firms depends upon and is shaped by their founders’ identities. Leading explanations of organizational resilience are backward looking and dependent upon past investments of slack resources in redundancies and buffers, along with past activities that generated current slack. In contrast, our theory is anchored in the present and in the future as it shows that entrepreneurs can create organizational resilience based on who they are and who they want to be. Our theory provides a fundamental explanation for why entrepreneurs continue to pursue their values and aspirations in contexts that deny them access to supporting resources. By discovering distinctly different forms of resilience, our theory also provides a useful description of how entrepreneurs achieve resilience. As we will elaborate below, entrepreneurial resilience is therefore key to understanding the broad place of entrepreneurship in the contemporary world.

Nonetheless, our claims do not rest on the assumption that resilience is always for the good. Few careful observers will be surprised at the idea that some entrepreneurs find ways to keep going despite both a lack of resources and an unpromising economic environment. Indeed, for some critics of entrepreneurial behavior (de Meza & Southey, 1996; Shane, 2008; Shane & Venkataraman, 2000), resilience sometimes constitutes an unfortunate pattern of throwing good money after bad, and more generally a pattern of wasted time and other resources. If we juxtapose such critiques against equally commonplace observations that many entrepreneurial firms only succeed after working through obstacles that would and do deter many others (Aldrich & Ruef, 2006), it makes little sense to label resilience as universally good or bad. The reason why entrepreneurs attempt resilience may be bad reasons, from the perspective of their own goals and aspirations.

More generally, our approach distinguishes resilience as a strategic response from its contingent outcomes, which may be good or bad. We complement and extend traditional theories by defining resilience as organizations’ attempts to overcome shocks, blows and other negative circumstances: how resilience produces positive outcomes is an empirical rather than definitional
issue. We make this argument despite noting that two of the three conforming firms we studied have now disbanded. They combined a strong sense of fatalism with a focus on managing and cutting costs, rather than pursuing new opportunities. At first blush, it would seem to make sense that fatalism and a behavioral repertoire limited to cost cutting would increase the likelihood of disbanding compared to a sense of not being controlled by fate and exploration of ways to find new opportunities. But we would caution against attempting to superimpose a normative typology on top of our descriptive typology. There is little reason to infer that one form of resilience represents a generally better strategy for survival and success than either of the other two. The fatalism and focus on costs that characterized conforming may be an excellent strategy if a downturn is only temporary, or if an industry is going through a shakeout in which a limited number will survive to face later opportunities, or if the only other apparent opportunities available are pipe dreams.

In addition, while several firms in this study were run by founders with patriotic manufacturing identities focused on “Made in USA” themes, nothing in our data suggests that they have yet created a viable market opportunity: their determination may provide little advantage. Similarly, although each of our transforming firms brought a lot of energy and excitement to their work and the entrepreneurs are enjoying the chance to build and affirm new identities through their firms, it is not clear in any of these cases that the pleasures of self-expression will result in solid market positioning.

Overall, the three forms of resilience we observed are not rank ordered in effectiveness. Different forms of resilience are likely to differ in their effectiveness in the face of different forms of untoward events. Future research should explore these patterns, examining which form of strategic response to untoward events is most effective under a variety of environmental contingencies.

Contributions to Understanding Entrepreneurial Identity

Our definition of entrepreneurial identity as the set of identities that were chronically salient to entrepreneurs in their work suggests a fundamentally different image of entrepreneurial identity than has been suggested by the prior entrepreneurship literature. This reconceptualization has important implications for both theory and methods.

Strikingly, we observed that most of the entrepreneurs we studied simply did not have an entrepreneurial identity in the sense suggested by prior research. Prior work has generally made the implicit assumption that what we label the “Entrepreneur as Entrepreneur” identity is chronically salient. That is, prior discussions have assumed that those who create, own and manage ventures will have some self-conscious identification with a chronically salient identity they associate explicitly either their role or their social position as an entrepreneur. Eight of the entrepreneurs we studied, however, had no such specific identity. They did not label themselves as “entrepreneurs” and never used the term ‘entrepreneur’ to describe their role or social identity in any way. The other five entrepreneurs had explicit and self-conscious identities “as an entrepreneur,” although the content of this identity and what it meant to the entrepreneur varied across the five. For example, issues of “optimal distinctiveness,” in which entrepreneurs need to find ways to balance psychologically the distinctiveness of their EaE identity with a sense of “belonging” associated with another identity (Shepherd & Haynie, 2009) may be much less of a problem for entrepreneurs without the need to claim and support a distinctive EaE identity. Future work should further explore the role of identity complexity across a variety of entrepreneurial contexts and behaviors beyond our focus on resilience.
Methodologically, we could not have observed that most of the entrepreneurs we studied did not have a distinct \textit{EaE} identity if we had approached these entrepreneurs with questions such as “what does it mean to you to be an entrepreneur?” or “what is your identity as an entrepreneur?” Because our results suggest that the nature of entrepreneurial identity can range from a singular and distinctive salient identity to a set of more complex chronically salient role and social identities, future work exploring the nature of entrepreneurial identity should be done in awareness of the pitfall of presuming the existence of such an identity in forms it need not take.

**Contributions to Bridging IDT and SIDT**

Reflecting on the juxtaposition of identity theory and social identity theory, Sheldon Stryker, a key figure in the development of IDT, recently argued that “the undoubted outcome of the debate...will reflect the bridging of identity theory and social identity theory” (Stryker, 2008: 24). Any attempt at a detailed integration is beyond the scope of this paper. Moving beyond prior theoretical polemics calling for integration, our empirical findings demand rapprochement among proponents of both camps. In simplest terms, the entrepreneurs we studied displayed identities related both to their roles and to their identification with specific social categories.

Despite the obvious fact that the creation of a venture by an entrepreneur represents a nexus of individual and organizational characteristics, research on entrepreneurship has typically focused on \textit{either} individual or social level constructs and variables, with a disappointing lack of work bridging these levels. IDT relates individual identity to expectations associated with the structure of roles. SIDT relates identity to perceptions of social positions and “in-groups” and “out-groups.” In this study, our development of theory using social psychology led to the bridging of individual characteristics in the form of a typology of identities to organizational characteristics in the form of a typology of resilience. We believe that the continued development of social psychological approaches to entrepreneurship holds a great deal of promise for integrating insights across individual, organizational and broader social theories (Carsrud & Johnson, 1989).

All of the firms in our study embraced the need to generate profits, but the centrality of the instrumental/economic identity that drove this motive varied greatly. In our explanation of \textit{why} entrepreneurs attempt resilience our theory is broadly consistent with a variety of other work that has suggested doubts about the centrality of economic motivations in entrepreneurial behavior and aspirations while suggesting the importance of other bases of entrepreneurial action and other non-financial motives as fundamental sources of their behavior (Sapienza, Korsgaard, & Forbes, 2003; Scheinberg & MacMillan, 1988). The model of identity-driven behaviors and firm level characteristics we developed in this study provides the beginning of a theory of entrepreneurial motivation that de-centers the drive for profitability and economic performance and supports a much more contingent view of core motives for entrepreneurship. Sometimes profits are a central motive, sometimes they are not: our research helps to make sense of prior findings and provides a platform for future research.

**CONTACT:** E. Erin Powell; erin_powell@ncsu.edu; (T): 919.513.0389; (F): 919.515.6621; North Carolina State University, 2401 Research Drive, Raleigh NC 27695-8301.
REFERENCES


Table 1: Identity

<table>
<thead>
<tr>
<th>Case #</th>
<th>Venture</th>
<th>High Congruence</th>
<th>Low Congruence*</th>
<th>Instrumental/Economic (undefined congruence)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Greener</td>
<td>environmental activist—dependable employer—profit generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Snowball</td>
<td>environmental activist—patriotic manufacturer—global citizen—community patron, EaE, profit generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Golden</td>
<td>global citizen—patriotic manufacturer, profit generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Denim Rocks</td>
<td>(EaE,) environmental activist, patriotic manufacturer, textile believer, profit generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Les Tech</td>
<td>community patron, religious servant, patriarch, patriotic manufacturer, dependable employer, profit generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Dogwood</td>
<td>(EaE,) profit generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Linthead</td>
<td>patriotic manufacturer, dependable employer, environmental activist, textile believer, profit generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Hotrod</td>
<td>(EaE,) patriarch, dependable employer, profit generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Lean Weave</td>
<td>patriotic manufacturer, profit generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Team Sports</td>
<td>dependable employer, (EaE,) environmental activist, patriotic manufacturer, textile believer, profit generator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Color Hide</td>
<td></td>
<td>profit generator</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>ITB Frocks</td>
<td></td>
<td>profit generator</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>O2 Tex</td>
<td></td>
<td>profit generator</td>
<td></td>
</tr>
</tbody>
</table>

*Tildes connect incongruent identities

<table>
<thead>
<tr>
<th>Description of Identity Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community patron</td>
</tr>
<tr>
<td>Environmental activist</td>
</tr>
<tr>
<td>Entrepreneur as Entrepreneur ((EaE))</td>
</tr>
<tr>
<td>Religious servant</td>
</tr>
<tr>
<td>Patriarch/Matriarch</td>
</tr>
<tr>
<td>Profit generator</td>
</tr>
<tr>
<td>Global citizen</td>
</tr>
<tr>
<td>Patriotic manufacturer</td>
</tr>
<tr>
<td>Textile believer</td>
</tr>
<tr>
<td>Dependable employer</td>
</tr>
</tbody>
</table>
### Table 2: Process Model Elements

| Identity congruence                                                                 | Identities are congruent when the expectations, values and aspirations associated with behaving in accordance with one salient identity do not – from the entrepreneur’s perspective – substantially impair his or her ability to behave in accordance with another salient identity. Congruence may be high or low when there are multiple salient identities; it is undefined for single salient identities. |
| Definition of the situation                                                         | Entrepreneurs defined the EDs as mainly either:  
1. **Challenges** to be countered,  
2. **Opportunities** to be embraced (and amplified), or  
3. **Threats** to be attenuated |
| Ideological narrative                                                              | Entrepreneurs built narratives that either:  
1. Validated the way they had built and run the business and suggested an authentic connection between who they were and how they managed the firm,  
2. Were critical of past choices and valorized new choices, around which they were constructing new role identity risks when the ideology about changed behaviors outpaced the behavioral changes, or  
3. Justified relative passivity and stoicism |
| Stakeholder moves                                                                  | Entrepreneurs either:  
1. Focused inward on strengthening existing ties and identities,  
2. Reached outward to build novel ties and support construction of new identities, or  
3. Focused inward and surrendered existing ties as stakeholders disappeared or severed relations |
| Strategic Response/ Forms of Resilience                                            | Organizations' strategic attempts to overcome shocks, blows and other negative circumstances: **Maintaining, Transforming or Conforming**. Our definition distinguishes responses intended to promote survival and overcoming challenges from the contingent outcomes of those responses. |
Table 3: Process Model – Firms’ Primary Patterns of Response

<table>
<thead>
<tr>
<th>Case #</th>
<th>Entrepreneur</th>
<th>Venture</th>
<th>Identity Congruence</th>
<th>Definition of the Situation</th>
<th>Ideological Narrative</th>
<th>Stakeholder Moves</th>
<th>Strategic Response/Forms of Resilience</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tripp Cotton</td>
<td>Greener</td>
<td>Low</td>
<td>Opportunity: Embrace/Amplify</td>
<td>Critical/Valorizing: Identity Construction &amp; Risks</td>
<td>Outward/New Ties</td>
<td>Transforming</td>
</tr>
<tr>
<td>2</td>
<td>Dale Ryder</td>
<td>Snowball</td>
<td>Low</td>
<td>Opportunity: Embrace/Amplify</td>
<td>Critical/Valorizing: Identity Construction &amp; Risks</td>
<td>Outward/New Ties</td>
<td>Transforming</td>
</tr>
<tr>
<td>4</td>
<td>Gene Rock</td>
<td>Denim Rocks</td>
<td>High</td>
<td>Challenge: Counter (attenuate)*</td>
<td>Validating: Authenticity Claims</td>
<td>Inward/Strengthen Ties</td>
<td>Maintaining</td>
</tr>
<tr>
<td>6</td>
<td>Crane Stevens</td>
<td>Dogwood</td>
<td>High</td>
<td>Challenge: Counter</td>
<td>Validating: Authenticity Claims</td>
<td>Inward/Strengthen Ties</td>
<td>Maintaining</td>
</tr>
<tr>
<td>7</td>
<td>Frank Pearl</td>
<td>Linthead</td>
<td>High</td>
<td>Challenge: Counter (Embrace/Amplify)*</td>
<td>Validating: Authenticity Claims</td>
<td>Inward/Strengthen Ties</td>
<td>Maintaining</td>
</tr>
<tr>
<td>8</td>
<td>G.T. Guy</td>
<td>Hotrod</td>
<td>High</td>
<td>Challenge: Counter (attenuate)*</td>
<td>Validating: Authenticity Claims</td>
<td>Inward/Strengthen Ties</td>
<td>Maintaining</td>
</tr>
<tr>
<td>9</td>
<td>Kim Handler</td>
<td>Lean Weave</td>
<td>High</td>
<td>Challenge: Counter</td>
<td>Validating: Authenticity Claims</td>
<td>Inward/Strengthen Ties</td>
<td>Maintaining</td>
</tr>
<tr>
<td>10</td>
<td>Eddie Fastone</td>
<td>Team Sports</td>
<td>High</td>
<td>Challenge: Counter</td>
<td>Validating: Authenticity Claims</td>
<td>Inward/Strengthen Ties</td>
<td>Maintaining</td>
</tr>
<tr>
<td>11</td>
<td>Justin Childs</td>
<td>Color Hide</td>
<td>Undefined</td>
<td>Threat: Attenuate</td>
<td>Justify: Stoicim</td>
<td>Inward/Surrender Ties</td>
<td>Conforming</td>
</tr>
<tr>
<td>12</td>
<td>Susie Phils</td>
<td>ITB Frocks</td>
<td>Undefined</td>
<td>Threat: Attenuate</td>
<td>Justify: Stoicim</td>
<td>Inward/Surrender Ties</td>
<td>Conforming</td>
</tr>
<tr>
<td>13</td>
<td>Lee Story</td>
<td>O2 Tex</td>
<td>Undefined</td>
<td>Threat: Attenuate</td>
<td>Justify: Stoicim</td>
<td>Inward/Surrender Ties</td>
<td>Conforming</td>
</tr>
</tbody>
</table>

* Main entries represent our primary observations for each part of the process model. Parenthetical entries represent secondary observations for a firm.
Figure 1: Process Model of Entrepreneurial Identity and Resilience

Extended Downturns (EDs)

IDENTITY CONGRUENCE
High

DEFINITION OF THE SITUATION
Challenge
Counter

IDENTOLOGICAL NARRATIVE
Validating
Authenticity Claims

STAKEHOLDER MOVES
Inward/Strengthen ties

STRATEGIC RESPONSE/FORMS OF RESILIENCE
MAINTAINING

Low

Opportunity
Embrace/Amplify

Critical/Valorizing
Identity Construction & Risks

Outward/Novel Ties
TRANSFORMING

Undefined (Instrumental economic)
Disband

Threat
Attenuate

Justify
Stoicism

Inward/Surrender Ties
CONFORMING

Disband
Disband
Disband
Disband
Disband
Disband

Frontiers of Entrepreneurship Research 2012