© *Academy of Management Journal*
2022, Vol. 65, No. 2, 479–515.
https://doi.org/10.5465/amj.2019.0754

IDENTITY–SOCIETY (MIS)ALIGNMENT AND THE INSTRUMENTALIZATION OF FIRM CREATION: CREATIVE DESTRUCTION AND CREATIVE RECONSTRUCTION

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Research on founder identity has significantly advanced our understanding of entrepreneurship and related literatures. By departing from the widely held—though often implicit—assumption that culture defines the parameters of identity formation, this paper investigates how the alignment, or misalignment, between a founder's identity and their perceived sociocultural context influences new firm creation. We engage in an in-depth qualitative study of 49 founders in Taiwan that reveals how founders' identity structures can be (mis)aligned with their perceived social structures, and how the reinforcement or tensions generated by (mis)alignment can fuel the creation of fundamentally different types of ventures—including those that challenge the perceived sociocultural status quo with a social mission intended to push society toward a new equilibrium. Our theory of founder identity–society (mis)alignment is therefore able to specify a key mechanism linking the founder's identity with perceived sociocultural context. Furthermore, we advance the influential Schumpeterian theory of creative destruction beyond the purely economic context to address the broader sociocultural environment and to incorporate the concept of creative reconstruction, in which entrepreneurs seek to restore elements of society past.

Entrepreneurial venturing offers individuals freedom in choosing which activities they want to pursue, the way in which they want to pursue them, and the goals they seek to achieve with their new firms. In recent years, an identity perspective has allowed scholars to significantly advance our understanding of firm founders as enterprising individuals whose self-conceptualization has fundamental implications for new firm creation processes and outcomes (e.g., Cardon, Wincent, Singh, & Drnovsek, 2009; Crosina, 2018; Farmer, Yao, & Kung-McIntyre, 2011; Fauchart & Gruber, 2011; Gruber & MacMillan, 2017).

However, despite the major advances that the growing literature on founder identity has provided, an identity perspective has the potential to generate key additional insights for entrepreneurship research, as well as the broader management and organizational literatures. This is because extant studies have usually built on the widely held notion that identity is fundamentally shaped by the sociocultural context in which one grows up and obtains key life experiences (e.g., Grotevant, 1987; Kish-Gephart & Campbell, 2015), therefore adopting the mostly implicit perspective that the founder's identity is congruent, or aligned with, their sociocultural context—the "unwritten, decentralized 'rules of the game'" that govern social interactions (York & Lenox, 2013: 1). Yet, broader literatures in identity and organization studies have suggested that it is not uncommon for entrepreneurs' identities to be misaligned in some

We wish to thank Wendy Smith, Howard Aldrich, Eliana Crosina, Christina Hertel, Nettra Pan, Enrico Bergamini, Julia Binder, Jakob Kreutzinger, Anna Wagenschwanz, and participants of the Babson College Entrepreneurial Research Conference, Asian Academy of Management, and Taiwan Academy of Management annual meeting, as well as attendees of seminars at EPFL, ESADE, IE Business School, and TBS Business School for friendly reviews and useful feedback on prior versions of this manuscript. We are also grateful for the expert guidance from our editor, Jason D. Shaw, and the constructive feedback from the three reviewers of our study. Shirah Foy is the corresponding author for this article.

way with the sociocultural context they perceive around them, since we observe founders who seek to change institutional environments and societal norms (see Battilana, Leca, & Boxenbaum, 2009; Howard, 1969; Rao, Monin, & Durand, 2003). In other words, identity–society misalignment is a key underexplored issue that is likely to advance our understanding of founder identity and, more broadly, expand our knowledge of organizational emergence and innovation—especially since divergence from the status quo has always been considered a hallmark of entrepreneurial activity (Schumpeter, 1934).

Against this backdrop, we asked: *How does the alignment, or misalignment, between an entrepreneur's identity and perceived surrounding sociocultural context influence new venture creation?* In response, we conducted an in-depth qualitative study of 49 founders of new ventures in Taiwan—a particularly rich and diverse setting for the study given the island's evolving character (Foot, 2014; Huang, 2011; Kang, 2014) that offered the opportunity to observe founders interacting with multiple *social structures*—that is, normalized patterns of social interaction (Giddens, 1984), each with their own set of norms, values, and prescriptions for how individuals' identities should be defined. This variation in social structures provided meaningful juxtaposition with founders' *identity structures*—the filters through which information and experiences are deemed relevant, or not, to their individual identities (Marcia, 1993).

Our findings indicate that—in spite of sociology's suggestion that culture defines the parameters of identity formation (Côté, 1996a, 1996b)—misalignment between identity structure and perceived social structure[1] is, in fact, a frequent phenomenon in entrepreneurship. Moreover, our study shows that this (mis)alignment, via the ensuing reinforcement or tensions experienced by the founder, produces important outcomes that lead to the creation of fundamentally different types of ventures. In particular, we find variation in venture outcomes along two primary dimensions: first, the extent to which the founder imbued the venture with a sociopolitical dimension that challenged the perceived status quo; and second, the venture's temporal orientation toward inventing a new future or restoring elements of the past. On one hand, aligned founders venture within the existing rules of the game governing the sociocultural context, pursue economic objectives absent a sociopolitical dimension, and distinguish their firms from the competition through either forward-looking innovation or a past-oriented (e.g., legacy technology, traditional craft) offering. On the other hand, misaligned founders channel the tensions that they experience into venture creation activities that challenge the rules of the game: their new firms entail a dominant sociopolitical dimension and an orientation toward either the future or the past, as founders strive to build a new society that is in alignment with their own identities, or to restore elements of past society in that same vein.

By departing from the widely held assumption that an individual's identity and sociocultural context are in alignment, our findings generate several new insights for entrepreneurship, innovation, and organizational research, and for the literature on identity. First, our study identifies a fundamental mechanism that explains how founder identity–society (mis)alignment can act as a key driving force in entrepreneurship and lead to the creation of different types of ventures, including social ventures. Second, we advance the influential theory of creative destruction proposed by Schumpeter (1934) beyond the purely economic context to address the broader sociocultural context, and we provide an overarching framework that highlights how entrepreneurs may also engage in creative reconstruction as they seek to reestablish elements of a past sociocultural environment. Third, we add to a growing body of research on organizational emergence that has shown how early-stage strategic choices may, in fact, not be the outcome of a rational, choice-based decision-making process but rather based on a logic of appropriateness (March & Olsen, 2011) as founders strive to enact their selves in entrepreneurship. Finally, the ideas embedded in our theory of founder identity–society (mis)alignment are plausibly more widely applicable and may serve to explain how nonentrepreneurs can also be reinforced by their perceived social structure or thereby experience important tensions. In this vein, it seems to us that the entrepreneurship context is particularly well-suited for research by identity scholars, as the forces at work tend to become explicit (e.g., manifest in new firms), and thus more transparent and observable.

BACKGROUND

The identity of the entrepreneur has become an important subject of study, providing fresh insights on firm founders as enterprising individuals and on

[1] Throughout this article, we facilitate readability by referring to this relationship as "identity–society (mis)alignment" or simply "alignment" and "misalignment," and describe founders, respectively, as "aligned" or "misaligned."

their firm creation processes and outcomes. In particular, this quickly evolving body of research has not only indicated that heterogeneity in founders' identities will create heterogeneity in firm creation processes and outcomes (Fauchart & Gruber, 2011; Grimes, Williams, & Zhao, 2019; Zuzul & Tripsas, 2020), but also that founder identities are a key source of passion (Cardon et al., 2009) and resilience (Powell & Baker, 2014) in the entrepreneurial process, thus suggesting that identities—the ensemble of "who I am"—play an important role in shaping the ventures created and the implications these ventures have for the world around them.

A taken-for-granted assumption in theorizing on founder identities is the more general notion that "cultures set the parameters of identity formation" (Côté, 1996b: 418; see also Benedict, 1938; Mead, 1960, 1970; Riesman, 1950).[2] In particular, in arguing or assuming that a founder's identity has taken shape in relation to their context (e.g., Fauchart & Gruber, 2011), extant research has tended to adopt a (mostly implicit) perspective of *alignment* between the founder's identity and the perceived sociocultural context. Arguably, this perspective has been conducive to the advances that research on founder identity has made to date, as scholars have sought to understand how identity theory could illuminate entrepreneurship research and, consequently, has sought to uncover the crucial link between founder identity and entrepreneurial action—within a given environment. Similarly, we find the implicit assumption of alignment (i.e., that founders' identities reflect their sociocultural environments) built into literatures that have examined the effects of the environment on founders and new ventures; for instance, institutional logics have been said to "condition" actors' sensemaking, motivations, and identities (Thornton et al., 2012: 2). Likewise, Muhr, Cock, Twardowska, and Volkmann (2019) studied a founder's process of experimenting with, and adopting, various sociopolitical constructions of what it means to be an entrepreneur.

Yet, it is important to recognize that founders' identities may also be in *misalignment* with the prevailing social context. To date, this perspective has received only very limited attention in founder identity research, yet—judging from the rich advances that, for instance, sociologists have made by pursuing it—holds strong potential to increase our knowledge of founders and their new organizations. In particular, deviant sociopolitical motivations and the underlying misaligned identities have been of recurring interest to sociologists seeking to "better specify just how social structure constrains … or derails individual goal-seeking behavior" (Portes & Sensenbrenner, 1993: 1321). For instance, Howard (1969) recounted how collectives like the "lost generation" of young rebels in the 1920s, the beatniks of the 1950–1960s, and the hippies in the 1960s all challenged the sociopolitical status quo. In particular, the hippies sought to induce change in society by being exemplars of an alternative way of living in their own communities. Furthermore, the literature on sociology is rich with examples of individuals who have sought to transform society because of a fundamental misalignment between their identities and societal conventions—often studying prominent examples, such as Mahatma Gandhi in India (Liu & Khan, 2014), Martin Luther King in the United States (Worthington, 2013), and Nelson Mandela in South Africa (Lieberfeld, 2003). Similar patterns have been observed at the level of professional identities in a single industry (e.g., Howard-Grenville et al., 2017; Rao et al., 2003; Stryker, 1994).

Much like individuals rebelling against the sociopolitical status quo, entrepreneurs are often depicted as individuals who go against the grain and, in their own way, challenge the economic status quo with their innovative solutions (Corbett, Mitchell, Shelton, & Wood, 2018). As a case in point, going back to the influential analysis of Schumpeter (1934), scholars have frequently conceptualized entrepreneurs as individuals who, in their pursuit of economic rents, introduce new ways of production, new offerings, and so on—and thereby not only engage in the creative destruction of an existing status quo but push the economy toward a new economic equilibrium.

While a few studies have investigated the misalignment between entrepreneurs and their social environments, these works have stopped short of portraying a challenge to the status quo, rather focusing on how founders and their ventures tolerate, escape from, or are constrained by their sociocultural context. In a study of entrepreneurship as an embedded process, Jack and Anderson (2002: 483) alluded to how "failing to conform to expectations … may sour relationships" and how "social and moral obligations can also constrain" the founder and the venture. In the same vein, scholars have shown that entrepreneurs construct identities that vary in the degree to which they are embedded in, or

[2] Mechanisms by which the broader sociocultural environment is understood to influence individuals' identities are illustrated in prominent theories of anthropology, psychology, and sociology (described in Côté, 1996a, 1996b).

independent from, their cultural traditions (Bredvold & Skålén, 2016). Such an emancipatory perspective suggests that entrepreneurship may provide some individuals with "an escape from perceived constraints" in their sociocultural environment (Rindova, Barry, & Ketchen 2009: 480; see also Chandra, 2017; Jennings et al., 2016).

Another set of studies has focused primarily on *how* societal change is effectuated, including how cultural resources are employed in the process. In particular, studies on social entrepreneurship (e.g., Lumpkin & Bacq, 2019; Mair, Robinson, & Hockerts, 2006), institutional entrepreneurship (e.g., Battilana et al., 2009; Dorado, 2013; Hargadon & Douglas, 2001; Sine & Lee, 2009; Wittneben, Okereke, Banerjee, & Levy, 2012), cultural entrepreneurship (DiMaggio, 1982; Lounsbury & Glynn, 2019), and regional development (Berglund, Gaddefors, & Lindgren, 2016; Gill & Larson, 2014) have expanded on the use of new ventures to achieve both economic and societal change at the level of communities, regions, and global society at large. However, *why* social, cultural, and institutional entrepreneurs pursue such change can be further informed by an identity perspective and, in particular, explicit theorizing on how (mis)alignment between identity and the social context produces certain venture outcomes.

Taken together, the different bodies of work discussed above have provided key insights on various links between the environment, the founder, and venture outcomes, as they have focused alternatively on (a) how founders challenge the economic status quo, (b) how environments shape and constrain founders and their firms, or (c) how cultural resources are leveraged in effectuating change in society. What is still missing from these accounts, however, is an explanation of *why* entrepreneurs challenge the economic or social status quo and leverage economic or cultural resources to do so—that is, an explicit theorization of the founder's identity in relation to the prevailing sociocultural context—thereby enabling focused insights on (mis)alignment between identity and society, and the implications of such (mis)alignment for founders and their venturing activities. In effect, by seeking to develop new theory in this way we adopt a novel perspective that not only complements the aforementioned accounts but may also contribute to a more general understanding of how individuals may be reinforced by their perceived social structure or thereby experience important tensions.

In short, evidence suggests that it is not uncommon for entrepreneurs' identities to be at odds, or misaligned in some way, with their social environment. However, we know little about the nature of such (mis)alignment, associated intermediate psychological outcomes, and venture outcomes. In a qualitative, inductive study in the interpretive tradition—that is, seeking answers from the founder perspective—we therefore examine the question, *How does the alignment, or misalignment, between an entrepreneur's identity and perceived surrounding sociocultural context influence new venture creation?*

RESEARCH SETTING

We designed this study to investigate how founders' identities, in light of their perceptions of their sociocultural context—that is, the rules of the game—might influence their venture creation. To broaden the range of potentially observable contexts, we conducted our study on the island of Taiwan, which scholars have suggested contains multiple sets of rules for a game that is changing, or has even become a setting for multiple games (Clart & Jones, 2003; Lee, 2004; Huang, 2011). This multiplicity of games and sets of rules stems from fragmented structural progression of this society's various institutions, leaving some—such as education and, to a great extent, parenting—in the traditional roots of the past, while others—such as the post–original equipment manufacturing (OEM) economy—plummeted into a new set of rules governed by the game of consumer culture. The origins of this intertwining of tradition and modernity have been concisely articulated by Lee (2004: 576):

> From the three decades following 1949, Taiwan's leaders gradually erased the colonial influence of Japanese culture and revived Chinese cultural heritage and language, in particular Confucianism, in order to resist Mao's Cultural Revolution, which called for the destruction of the "four olds," namely old ideas, old culture, old customs and old habits (Kung, 2000). Taiwan became a meeting point for East and West and a repository of traditional Chinese culture. In the past few years, Taiwan has been also profoundly affected by the concepts of modernization and democracy imported from the USA and Europe. Hence, traditional culture and modern culture have become intertwined in Taiwan.

This coexistence of traditional and more contemporary social structures on a single island provides the unique opportunity to examine and compare multiple ventures that share the same regulatory context and occupy the same geographical area—but whose founders may diverge in their perceptions of their sociocultural environment.

To further delimit our research setting, we selected the cultural products and services industry. During the same period in which the trickling out of OEM contracts pushed many Taiwanese factory owners and entrepreneurs to build their own brands (Horng & Chen, 2008), a new market category of "cultural and creative" (*wen chuang*) products emerged, marrying culturally and historically inspired themes and objects with a contemporary design ethos (e.g., Haiyun, 2019). By 2015 the industry comprised 15 sectors, over 62,000 companies, and 25 billion U.S. dollars in annual turnover (Austrade, 2020). An implied awareness of and attention to the sociocultural context during the development and implementation of such offerings makes this a rich setting for studying founder identity in relation to perceived sociocultural context.

While this unique research setting enhances the opportunity to observe (mis)alignment, it is possible to differentiate in our analysis between the particulars of the cultural *content* and the *structural patterns* observed, allowing for generalizability in theorizing that extends beyond Taiwan. For example, while Confucian values may drive the *content* of a traditional Taiwanese education system, the top-down hierarchical *structure* is a hallmark of traditional (noncontemporary) education systems the world over. We discuss this distinction further in our methods (Stage 2 of the analysis) and further address generalizability in the discussion section.

METHODS

Given that the research topic we sought to address is highly nuanced and requires fine-grained insights, we chose a qualitative research approach. Below, we describe the sampling approach, our data sources, and our data coding and analysis.

Sampling Approach

A theoretically driven sampling method was employed, using a snowball strategy seeking to capture a maximum variation of social motivations driving founders (Brewer & Gardner, 1996; Fauchart & Gruber, 2011), as well as to capture a variety of perceptions of the sociocultural context (Hwang, 1987; Inglehart, 1997; Jahoda, 1993, 2012; Sumner, 1906). We chose the "cultural and creative" industry setting because (a) the nature of the industry predisposes founders to an awareness of their sociocultural context; (b) it is likely to attract founders with various social motivations—because, for example, there is some opportunity for creative expression accompanying the business opportunity; and (c) the starting capital requirements are not so excessive that they would predispose founders to an intensely (disproportionately) profit-oriented approach. Following prior entrepreneurship studies, we included new ventures in our sample that were (a) independently held and (b) eight years old or less[3] (cf. McDougall, Covin, Robinson, & Herron, 1994). All ventures had public-facing brands with a business-to-consumer (B2C) business model (in a few cases, a business-to-business [B2B] model as well).

We began by creating a database of new ventures (established between 2010 and 2017) in the Taiwanese fashion and textile sector based on media reports, industry blogs and awards, online stores, and social media. Cold emails inviting founders to participate were sent to 86 firms, receiving 18 responses (21% response rate). After completing a screening survey, where founders' demographic and venture data were collected to ensure that founders met the criteria for participation in the study, interviews were scheduled. The snowball strategy was then employed to gain access to other entrepreneurs while leveraging the *guanxi* (social capital and trust) of those making the introduction. This entailed asking founders, at the end of each interview, to recommend other entrepreneurs who would be interesting for us to talk to, especially those who might have different experiences and perspectives—in line with our theoretically driven aim for diversity in identities and perceptions of context. Furthermore, our sampling strategy took into account desired diversity in age, gender, and urban (e.g., Taipei) versus rural (e.g., Hualian) settings. The sample comprised mostly founders of the ethnic majority—"Han people" who make up 95% of the Taiwanese population—but also ethnic Taiwanese minority groups (2.3% of the population [CIA, 2018]) locally referred to as "mountain people."

Data Sources

We rely on multiple data sources to inform our research, with the main data originating from interviews with founders. Specifically, one of the authors conducted semistructured interviews with a total of

[3] Given the research setting, we found it appropriate to include new brands and new business units created for or by family factories that were taken over by a new generation of entrepreneurs who pivoted the ventures. We did so when the entrepreneur building the new brand had full control over the venture or brand in question.

58 founders at 46 firms, accompanied by one of two local interpreters engaged for the study. A set of questions to guide the semistructured interviews were developed, aiming to evoke narrative answers that would capture the founder's journey to starting up, self-conceptualization (along various dimensions of identity [Brewer & Gardner, 1996; Erikson, 1959]), venture attributes and business model, and their perceptions of the sociocultural context in which they live, interact, and do business. Our interpretive approach emphasized the importance of individuals' perceptions of their surroundings, as opposed to any formal or intersubjective measure of the environment (see also Haslam & Reicher, 2007; Reicher et al., 2005). We made special effort to employ phrasings that would reduce power distance and avoid evoking defensiveness in the founder. In every case, these questions were supplemented by spontaneously generated probing questions. Emergent themes and questions were added to the semistructured interview agenda throughout the data collection period.

Interviews were conducted in the language preferred by the interviewee. Audio recordings captured the researcher's questions, the interpreter's translation (when needed), the founder's response (usually in Mandarin), and subsequent comments in Mandarin between the interpreter and founder to clarify nuanced replies. Each audio file was transcribed, and all Mandarin and Taiwanese translated into English. As a more appropriate alternative to back translation, this allowed the "sufficient" simultaneous (spontaneous) translation of the live interpreter to be supplemented by the translation of a second professional who had the opportunity to carefully consider the most precise meaning. In the occasional cases where the meaning of the interpreter's and transcriptionist's translations diverged, these were resolved through additional discussion and, in one case, direct verification with the founder.

The resulting transcribed interactions with founders form the corpus of the data analyzed in this study. These were triangulated with data obtained from additional sources—founders' responses to a screening survey developed for this study, information from cofounders and employees, information provided on company websites, founder publications on personal social media accounts, newspaper articles about the firms, brochures and other strategic documents provided by founders, and notes about unrecorded interactions[4] that were kept in a research journal. Additionally, we conducted "immediate and informal" member checks with key informants throughout the data analysis process (Lincoln & Guba, 1985: 314), and with all founders in Stage 3 of the analysis (described below), inviting their reactions to a one-page rich description of our interview, observations, and subsequent analyses (in the preferred language) that employed the terminology of the first- and second-order categories explained in our findings.

Three firms were dropped from the sample as they did not fit the selection criteria (e.g., in one case, a venture was run by an intrapreneur who was hired to launch a new brand for a pivoting factory and, thus, did not have full decision-making power). The final sample comprised 49 founders at 43 firms (we interviewed founding teams at six ventures).

Data Coding and Analysis

The analysis took place alongside ongoing data collection and was highly iterative. Our coding and analysis unfolded in three stages, with the first two focusing on understanding the interaction between sociocultural context and individual identity. We employed a purely inductive approach in the first stage, complemented by an abductive turn in the second stage—upon realizing that meaningful variation in our data represented theoretically predefined constructs of social structure and identity structure. In the third stage we focused on firm-level implications. The empirical categories, second-order themes, and aggregate dimensions that emerged during these three stages are summarized in Table 1.

Stage 1. Data analysis began with two rounds of inductive coding (Gioia, Corley, & Hamilton, 2013), focused on uncovering how the founder perceived their sociocultural context, and how they perceived themselves (within that context). At this stage we coded identity-relevant material in multiple ways, drawing on elements of founder identity (Fauchart & Gruber, 2011) and social identity (Brewer & Gardner, 1996) as sensitizing concepts (Blumer, 1954). Among the initial themes to emerge was the concept

[4] Formal recorded interviews lasted between 45 and 120 minutes, generally preceded or followed by tours of the founder's store or workspace, with time to examine products while they were introduced, much informal storytelling (captured in two completely filled notebooks), in some cases a joint meal, for a total time of 2–6 hours of face-to-face interaction. Each interview was followed by 30–120 minutes of debriefing with the interpreter (when present).

TABLE 1
Data Structure

First-order categories	Second-order themes	Aggregate dimensions
• *What I am doing… is to make a change from the foundation [of society]* • *Combine business and community… adapt to more diverse environments* • *What I really want is the [indigenous] artist to get noticed*	Sociopolitical dimension in venture: Create the future	Creative destruction of sociocultural environment
• *[They lost] all the culture and even some of the songs* • *The thing I wanna do is to bring the sense of community back to the society* • *If I don't do it quick … our masters might not be here after 10 years*	Sociopolitical dimension in venture: Restore the past	Creation reconstruction of sociocultural environment
• *The society in general is changing, but in the worst way…* • *I have to do things a certain way because of my upbringing, otherwise I feel guilty*	Experience of tension (low to high)	
• *Blind filial piety causes one to follow the words of our parents without question*—Traditional social structure • *The power of young adults is rising dramatically*—Industrial social structure • *Lack of communication and interaction; a society devoid of personality and individualism*—Postmodern social structure	Identity-society misalignment	
• *The family business raised me up, so I have to pay back*—Tradition-directed identity structure • *My role model is my idealized self*—Inner-directed identity structure • *What you use reflects who you are*—Image-directed identity structure	Identity-society alignment	
• *We can use our strength to get what we want or to express ourselves to the whole society*	Experience of reinforcement	
• *Combine the futuristic things… to design and express something different* • *I will find a way out of the traditional type of business*	Strategic positioning: Future-oriented innovation	Creative destruction using new industrial techniques
• *Do something different from what's out there in the market… bring Taiwanese craftsmanship to the world*	Strategic positioning: Revive techniques from the past	Creative destruction using forgotten industrial techniques
• *Taiwan is not very supportive of artistic careers* • *Hard for them to find someone who can really help* • *Those from poorer families they would go back home and not know what to do next*	Empathy (low tension)	Middle ground—early adopters
• *Wanted to build an equal people-to-people relationship and that's how we interact with our customers* • *Raised employee's salary after he stole from the cash register*	Adoption of social best practices	

of *tensions*—held internally by the founder and embodied in social interactions between the founder and others—based on incongruence between the ideals they held for themselves and society, and the perceived ideals held by important social institutions.

Stage 2. At this point, we began "cycling between emergent data, themes, concepts, and dimensions and the relevant literature" (Gioia et al., 2013: 21). We sought to understand the nature and source of tensions experienced by founders with respect to perceptions of their social environment, with an initial focus on identity *content*—until the data suggesting sources of tension highlighted founders' identity *structures*. Identity structure is defined as the filter through which an individual determines what experiences are important to identity and how they are handled (Marcia, 1993). Sociologists have theorized that individuals' *identity structures* follow from (and thus are aligned with) a society's normalized patterns of interaction—that is, overarching *social structures*—that prescribe what kinds of information and experiences, and from which sources, are relevant to identity (Côté, 1996a, 1996b; Giddens, 1984). We employed these constructs to induce alignment or misalignment by comparing founders' statements about "who I am" and "how I define myself" with statements about "who society says I should be" and "how society says I should define (or find) myself." In line with existing theories of identity structure and social structure, three overarching themes or forces emerged: (a) "Tradition defines who I am, or who we are" (this included traditional values, traditional processes of inheritance, traditionally valued career paths and professions); (2) "I as an individual define who I am" or "We as individuals define who we are" (this included self-descriptions as "rebel" or "stubborn" in the face of traditional expectations, and descriptions of society as encouraging individual entrepreneurship); (c) "My image, the products I buy and use, and my friends define who I am and how I evolve over time" or "Our image, the products we buy and use, and our friends define who we are and how we evolve over time" (generally linked to descriptions of a postmodern, consumer society). The same core forces, then—that is, tradition, individual agency, or image or discovery—are represented at the levels of both identity structure and perceived social structure. Accordingly, we labeled the perceived social structures traditional, industrial, or postmodern, and the founders' identity structures tradition-directed, inner-directed, or image-directed or discovery-directed (cf. Côté, 1996b). Examples of quotes associated with each of these categories are provided in Table 2.

We derived (mis)alignment as follows: When the force(s) guiding identity structure were the same force(s) founders perceived to be driving their surrounding social structures, founders were deemed to be "aligned." Any divergence between the two meant they were "misaligned." In some cases, we observed founders who displayed elements of two identity structures, indicating that, for example, they themselves determined some of the experiences that were meaningful to their identity (i.e., inner-directed), and that tradition, or their consumption patterns and conformity with social groups, determined other experiences that were also meaningful to their identity (i.e., tradition-directed, or image- or discovery-directed, respectively). Similarly, founders sometimes perceived multiple social structures—for example, a traditional social structure in family life, and a postmodern, consumerist social structure in society at large.[5]

After grouping founders by alignment or misalignment, we investigated the nature of the interaction between identity and perceptions of society within and between groups; in so doing, we further investigated tensions experienced by founders—both internally as thoughts and emotions, and between the founder and other social actors—for instance, family members, industry partners, and customers. In the process of identifying the identity-related *tensions* misaligned founders experienced, we deduced that there were also important instances of *reinforcement* experienced in cases of alignment.[6]

Stage 3. Our goal in this final stage was to investigate the implications of founder identity–society (mis)alignment for the new firm. After coding each interview for the activities founders performed in

[5] This is not surprising in light of the Taiwanese context, and is actually a strength of this study, as the multiplicity of social structures in this transitional society further enabled us to observe both alignment and misalignment among founders in the same geographical area. We dealt with this "hybridity" of perceived social structures in the same way we did hybridity in identity structures—by inferring alignment or misalignment based on overlap or divergence in the overall range of forces to which the founder referred.

[6] Note that reinforcement received from alignment between some elements of identity and perceived environment can mitigate some of the tension resulting from misalignment between other elements. That is, a founder that is only partly misaligned may experience high tension, or only low tension (if some tension is mitigated).

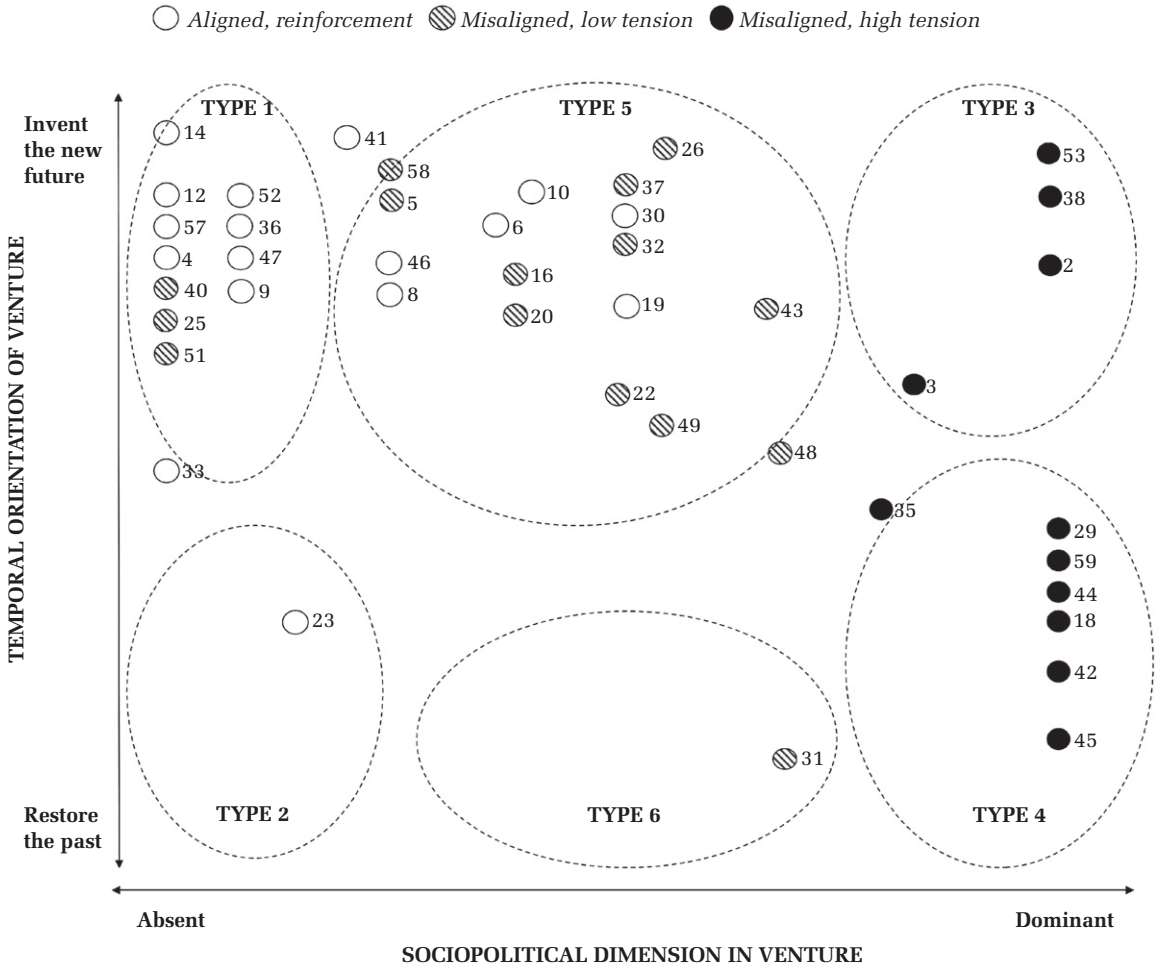
TABLE 2
Structural Themes Associated with Identity and Society

Structural Theme	"Tradition defines who I am," or "Tradition defines who we are"	"I as an individual define who I am" or "We as individuals define who we are"	"My image, the products I buy and use, and my friends define who I am and how I evolve over time" or "Our image, the products we buy and use, and our friends define who we are and how we evolve over time"
Sample quotes [founder ID]	"[I was really passionate about] more like design, but my parents, society wanted me to go to engineering." [25] "It really matters where I'm from … I need to have a sense of belonging. I am [tribal ethnicity]." [45] "Blind filial piety causes one to abandon logical reason, to determine whether a particular action is the best for you or your family, it just blindly requires us to follow the words of our parents without question." [23b] "My education—it was a painfully straight path … I just followed my parents' wishes." [26] "The Internet was not so common … not a lot people could tell you what to learn on the Internet about music or arts, so we could only learn from teachers or our parents. Agriculture is the major industry, so the parents mostly want their children to stay at home and help with the farming stuff." [44]	After describing a process of emancipating himself from family expectations: "What I am doing is follow[ing] my instinct." [3] "Perhaps I am a little more self-confident, so I would feel that my role model is my idealized self … who I wanted myself to become." [23a] "I was almost independent [as the child of a single mom], that's why I think I have the freedom to be curious about everything … I'm very lucky that nobody dominated me." [30] "The power of young adults is rising dramatically; they are leading the trend now … we can use our strength to get what we want or to express ourselves to the whole society." [52] Role model: "[My dad] started his own business so I think he's like a pioneer of the industry." [37] "The people I admire used their thinking to change the world, like Newton and Stephen Hawking. I have my own thoughts. I'm not as great as them … but I can do my part." [31]	"What you use reflects who you are." [44] "The consumer retail industry has created a society devoid of personality and individualism." [35] "Probably before [the] 1950s … people talk to each other, and there [is] some trust, there [is] some connection among people but right now we can't really see that 'cause people are just too busy now in our own lives … craving for let's say more money or higher ranking or more title or more whatever … and that's why society is so disconnected." [59] "I'm trying to explore something about myself in every stage … and adjusting myself, every step along the way." [42] Description of people obsessed with malls: "People tell you, you have to buy, buy, buy every day." [25] Description of "nobody caring" about Taiwanese designers' work unless they are "famous overseas." [53b]
Label attributed to corresponding identity structure	Tradition-directed	Inner-directed	Image-directed or discovery-directed
Label attributed to corresponding social structure	Traditional	Industrial	Postmodern

their venture, including *what* they produced, as well as *how* they did so, *with whom* they produced and delivered their offer, and *to whom* they marketed and sold, we employed a strategy called "stacking comparable cases" (Miles, Huberman, & Saldaña, 2013: 103), in which we wrote up rich descriptions of every case, followed by matrices that helped to identify cross-cutting variables.

Two key dimensions emerged. First, a pattern emerged with regard to whether founders operated within the prevailing social system in creating and delivering a competitive (i.e., innovative, differentiated) offer—or, alternatively, challenged the sociocultural status quo in addition to the economic status quo. For example, certain founders developed practices and processes—such as selling direct-to-

FIGURE 1
Overview: Ventures Created by Aligned and Misaligned Founders



consumers and offering education about social issues in the rural region—with the clear intent to challenge widely held values, consumer behavior, and notions of the rules of the game that govern the way things are typically done. We labeled this *sociopolitical*[7] *dimension in the venture*, creating a spectrum reflecting variation from "absence" to "dominance." Patterns in the data suggested that we further divide the misaligned group according to whether the data conveyed high or low levels of tension experienced by the founder. Second, a pattern emerged regarding ventures' orientations toward "inventing the new future" (with or without challenging the sociocultural status quo) or, alternatively, "restoring the past" (again, with or without challenging the sociocultural status quo). We labeled this *temporal orientation in the venture*, with the past and future as poles.

Once the two dimensions of venture outcomes had been identified, we revisited every case and wrote up another, more nuanced set of rich descriptions, triangulating the emerging narratives across multiple data sources, including member checks. We used these rich descriptions to map each venture along the outcome dimensions (presented in Figure 1).

Table 3 provides an overview of each case, including the assignment of each founder and venture to

[7] While the term "sociocultural" is used primarily descriptively and aims at developing understanding, the term "sociopolitical" is associated with using knowledge, power, and identity to expose or raise awareness of social issues or injustice with the intent to convince others of similar views (see Jurdak, 2020).

TABLE 3
Overview of Full Sample of Cases

Founder (Mis)Alignment					Venture Outcomes		
Venture or Founder[a]	Identity Structure(s)	Perceived Social Structure(s)	Identity-Society (Mis)Alignment	Tension or Reinforcement associated with (Mis)Alignment	Sociopolitical Dimension to Venture	Inventing the Future or Restoring the Past	Venture Type
4	Inner-directed	Industrial	Aligned	Reinforcement	Absent	Future	Type 1
9	Inner-directed	Industrial					
12	Inner-directed	Industrial					
14a	Inner-directed	Industrial					
14b	Inner-directed	Industrial					
33a	Inner-directed	Industrial					
33b	Inner-directed	Industrial					
36	Inner-directed; tradition-directed	Industrial; traditional					
47	Inner-directed	Industrial					
52	Inner-directed	Industrial					
57	Inner-directed	Industrial					
23a	Inner-directed	Industrial				Past	Type 2
23b	Inner-directed	Industrial					
6a	Inner-directed	Industrial		Reinforcement; Perception of others' tensions	Limited	Future	Type 5
6b	Inner-directed	Industrial					
8	Inner-directed	Industrial					
10	Discovery-directed	Postmodern					
19	Inner-directed	Industrial					
30	Inner-directed	Industrial					
41	Inner-directed	Industrial					
46	Inner-directed	Industrial					
5	Inner-directed	Traditional; postmodern	Misaligned	Low tension			
16	Inner-directed	Traditional; industrial					
20	Inner-directed	Traditional; industrial; postmodern					
22	Inner-directed	Traditional; industrial					
26	Inner-directed	Traditional; industrial; postmodern					
32	Inner-directed	Industrial; postmodern					
37	Inner-directed	Traditional; industrial; postmodern					
43	Inner-directed	Traditional; postmodern					
48	Tradition-directed; inner-directed	Traditional; industrial					
49a	Inner-directed	Traditional; industrial; postmodern					
49b	Inner-directed	Traditional					

TABLE 3
(Continued)

Founder (Mis)Alignment					Venture Outcomes		
Venture or Founder[a]	**Identity Structure(s)**	**Perceived Social Structure(s)**	**Identity-Society (Mis)Alignment**	**Tension or Reinforcement associated with (Mis)Alignment**	**Sociopolitical Dimension to Venture**	**Inventing the Future or Restoring the Past**	**Venture Type**
58	Inner-directed	Traditional; industrial	Misaligned				
31	Inner-directed; tradition-directed	Industrial; postmodern				Past	Type 6
25	Tradition-directed	Postmodern			Absent	Future	(Type 1)
40	Inner-directed	Postmodern					
51	Image-directed	Industrial					
2	Inner-directed	Postmodern		High tension	Dominant	Future	Type 3
3	Inner-directed	Traditional					
38	Inner-directed	Traditional					
53a	Inner-directed	Traditional; postmodern					
53b	Inner-directed	Traditional; postmodern					
18	Inner-directed	Postmodern				Past	Type 4
29	Inner-directed	Traditional; postmodern					
35	Inner-directed	Traditional; postmodern					
42	Discovery-directed	Industrial; postmodern					
44	Inner-directed	Traditional; postmodern					
45	Tradition-directed; inner-directed	Industrial; postmodern					
59	Inner-directed	Industrial; postmodern					

[a] In case of venture team, individual founders denoted with (a) and (b).

emergent categories. We provide transparency regarding how we induced alignment or misalignment; however, the focus of our analysis in this study is not on particular configurations of identity–society structures, but rather on the link between identity reinforcement from alignment and venture outcomes, in contrast with tensions from misalignment and venture outcomes.

Finally, grouping the interviews and venture profiles by identity–society alignment or misalignment, we employed constant comparison within and between cases (Miles et al., 2013). Six distinct types of ventures emerged, varying along the dimensions of sociopolitical dominance in the venture and temporal orientation. After having iteratively coded and compared 38 interviews, no further insights emerged from each additional interview with regard to the identity–social structure configurations and venture types; we had reached what Strauss and Corbin (1998) referred to as theoretical saturation.

FINDINGS

In this exploratory study, we sought to understand how founders' perceptions of self and of society affect the nature of the ventures they create. In a nutshell, our first core finding reveals important variation on the level of the individual, as founders differ in the extent to which they experience (mis)alignment between their identity structure and perceived social structure(s). Our second core finding indicates that founders experience reinforcement or tensions: on one hand, alignment was associated with a sense of societal reinforcement for founders—emotional, cognitive, and social. On the other hand, misalignment was associated with tensions regarding the way founders feel, act, and interact with others. Notably, these identity-related tensions represent fundamental dissatisfaction on the part of the founders with regard to the rules of the game they perceive to be governing their sociocultural context. Finally, our third core finding indicates that these individual-level differences among founders are reflected in important variation in the types of ventures they create—as evidenced by the extent to which the venture pursues sociopolitical goals that challenge the societal status quo, and as evidenced by the venture's temporal orientation—that is, whether the venture is geared toward inventing the new future or restoring the past.

We present these findings in detail below. In order to facilitate their discussion, we map all ventures in our sample in Figure 1. Specifically, each of the ventures is positioned in Figure 1 according to its sociopolitical dimension (*X*-axis) and temporal orientation (*Y*-axis), and identified by its ID number. For each venture, we add founder-level information by depicting the founder's identity–society (mis)alignment and the associated level of tensions experienced by the founder (see white, gray, and black circles).[8]

Figure 1 reveals important variation among the ventures in our sample with respect to their sociopolitical dimension and temporal orientation. We use dotted lines to group ventures with similar characteristics, and to delimit six zones, in order to be able to compare and contrast the nature of ventures spanning these dimensions. In the following, we analyze each of the resulting six types of ventures, first presenting a prototypical case and then corroborating evidence from additional ventures of a given type.[9] For the sake of parsimony, we combine our discussion of Types 5 and 6, and thus discuss a total of five prototypical cases.

Identity–Society (Mis)Alignment and Venture Creation

The five prototypical cases used in this section to depict our main findings are introduced in Table 4. For each case, we first examine the founder's identity–society (mis)alignment and experienced reinforcement or tensions, and then discuss how these individual-level features are reflected on the venture level in terms of sociopolitical dimension and temporal orientation.

Our analysis will begin with the ventures on the far left of Figure 1, proceed with the ventures on the far right, and end with those in the middle of Figure 1.

[8] As reported in the methods, we interviewed six venture teams: numbers 6, 14, 23, 33, 49, and 53. For other ventures, we interviewed the sole or lead founder. Among the founding teams we interviewed, cofounders were homogenous in terms of their (mis)alignment, allowing us to add founder-level information to Figure 1. We comment on findings related to venture teams in the extension to our main analysis.

[9] Selected cases convey the prototypical characteristics of each group of ventures and their founders in a particular category. Due to the nature of complex human and social phenomena, there is some degree of variation even within groups; our framework is not meant to be prescriptive, but rather descriptive of the essential dimensions that represent the shared qualities of a particular group (type), and distinguish them from other groups.

TABLE 4
Overview of Prototypical Cases

Identity-Society	Aligned, Reinforcement		Misaligned, High tension		Misaligned, Low tension
Sociopolitical Dimension	Absent		Dominant		Middle Ground
Temporal Orientation	Future	Past	Future	Past	Future
Type	Type 1	Type 2	Type 3	Type 4	Type 5
Venture [ID]	Adam [12]	Jason and Sirena [23]	Jeff and Stella [53]	Lu [42]	Lina [26]
Venture Description	Lifestyle objects	Handmade shoes	Designer furniture	Custom shoes	Wedding gown design
	Clocks, watches, pens, and statement items in the urban aesthetic of high-performance concrete	Taiwanese-designed footwear for women, produced in the tradition of quality handmade shoes	Introducing a new relationship with furniture—affordable designer pieces that let you design your life	Reviving traditional craftsmanship in footwear; a transparent process for custom-made shoes	Original designs for wedding dresses that are functional, modular, and repurposeable, using innovative materials
Established	2005, pivot 2015	2016	2015	2014	2014
Founder Age(s)	35	36 and 33	31 and 31	32	36

Specifically, we begin with Adam[10] (who represents the top-left group in Figure 1), contrasting his innovative design venture that pushes the boundaries of aesthetically using high-performance concrete with Jason and Sirena's handmade-shoe company that couples original design with traditional craftsmanship (bottom-left group in Figure 1). With this baseline of alignment and reinforcement set, we then move to misaligned founders experiencing high tensions and building a dominant sociopolitical dimension into their venture. In particular, we contrast Jeff and Stella's future-oriented designer furniture company that pushes customers into a future of increased self-knowledge (top-right group in Figure 1), with Lu's custom shoemaking venture that seeks to restore and revive the master–apprentice system of traditional craftsmanship (bottom-right group in Figure 1). Finally, we discuss ventures situated in the middle ground of Figure 1 by introducing Lina and her brand of original wedding gowns.

Type 1—Nonpolitical future-oriented ventures. In this group, we find ventures that represent the mainstream conceptualization of entrepreneurship—that is, ventures that pursue economic goals and seek to differentiate themselves in the marketplace via an innovative solution. Yet, still, several intriguing insights emerged with respect to founder identity. Adam's design and lifestyle objects venture [12] typifies the ventures in this group.

Adam displays an inner-directed identity aligned with his perception of a supportive, industrial social structure. He faced his share of entrepreneurial challenges—including being chased away by police in the early days of selling his jewelry without authorization at the entry to a large shopping mall. He also realized that "in Taiwan, there was no creative industry [before 2005]" and built his own market: "Everything was very organic to me. I needed to find my customers." Yet, these challenges did not represent fundamental tensions with society; as an inner-directed individual who had decided he wanted to be an entrepreneur, he perceived legal, accessible paths to do so and experienced support from his industrial social environment. In fact, one of his friends had raised over 4 million Taiwanese Dollars (about USD 140,000) for a new product on a crowdfunding

[10] Founders in our sample presented themselves in three ways: Some provided only their Chinese name; others provided only their Western or English name, and some provided both. Pseudonyms were selected to reflect the origin of the founder's preferred name (in this context of interacting with a foreign researcher).

platform. The founder of the platform was a classmate of Adam's and "these people, who are doing great projects are my friends—my closest friends." Within this group of entrepreneurial friends, they talked about "the future … the dreams," and supported each other. Adam went on to raise 6 million Taiwanese dollars via the platform, and these experiences contributed to his perception of an industrial society that reinforces inner-directed individuals who are out to fulfill their identity aspirations.

The dynamic generated by Type 1 founders' identity–society alignment is one in which they perceive a society that reinforces their identity structures; consequently, these founders experience no fundamental identity-related drive to challenge the status quo. For example, a founder with an inner-directed identity structure experiences reinforcement from a society that supports individual activism (as is the case, for instance, in venture [52]—see Table 5).

Adam's design inspiration tends to spring from items he wants but is unable to find on the market. His product lines include clocks and watches, pens and pencils, paperweights, and other design objects made primarily from a signature high-performance concrete material. His website reads, "We believe that the ultimate pursuit of design is not the object itself, but the interpretation and manifestation of lifestyle." His products are meant to be purchased and carry the respective meaningfulness that the customer intends; they fit into the world they are brought into, rather than challenging the status quo: "The things I make are things you can show off. Asian people like to show off, like Louis Vuitton, these kind of things. So the things I make are all related to this need."

Type 1 ventures are primarily economic enterprises. They serve as vehicles to realize the founders' own aspirations to bring a design into the world, distribute it into the market, and make a good living. These founders certainly imbue personal meaning into their products, but these are framed as issues of quality and differentiation as they seek to carve out promising niches to compete. The ventures are apolitical, serving as mirrors—an "interpretation and manifestation" [12]—of society, reproducing the sociocultural status quo without attempting to challenge it.

Adam pushes the boundaries by pioneering new uses and ways of working with the unique material of high-performance concrete. His use of this material is a design choice, but also a tool to differentiate and compete in the market; he sees his job as working this material into something that attracts other people.

> Our own technique is very unique on the market, and the design I think is quite like architecture … We've been working on these things like 10 years … I like exposed concrete because it is an honest material. Because … after you take it out of the mold, you cannot modify it anymore. It's done for. It's finished. I like this process. If you see this item, you can see the whole process behind how the material is made and how the material is different from other material. Because what is concrete? Concrete is a material that's heavy, with a lot of imperfections, like bubbles, and uneven colors. And this is the beauty of the material. My job is to make these characters present on the item. I think it attracts people. That's my work.

More generally, among Type 1 founders we find temporal orientation to be primarily a strategic choice that allows these founders to be innovative with their solutions. These ventures are reflective of the Schumpeterian notion of innovative advancement through creative destruction.[11] They are inherently forward-looking, engaging in innovation in various forms, including their offering [14], production [52], and market channels [12]. In order to further illustrate our findings, Table 5 provides insights on three additional cases of Type 1 ventures.

Type 2—Nonpolitical past-oriented ventures. Type 2 is in many ways similar to Type 1—we see the same alignment and reinforcement in these founders, and the absence of a sociopolitical dimension—yet these founders chose a strategic position oriented toward the past. We illustrate this type with Jason and Sirena [23], who, after almost a decade in insurance and accounting, decreased their workload with their employers and ventured into the world of traditional shoemaking.

Both Jason and Sirena display inner-directed identities that are aligned with their perceptions of an industrial social structure that is supportive of entrepreneurship. When asked who his role models are, Jason replied, "I would feel that my role model is my idealized self—it would be myself, who I wanted myself to become." Despite viewing his family as somewhat traditional, they were also "very

[11] The prototypical founder of a Type 1 venture experiences identity-society alignment and reinforcement, as we have presented here. We also found a second category of founder that created Type 1 ventures; these represent outliers with respect to the overall patterns in our study. However, we address these three founders [40, 25, 51] in an extension to the main analysis.

TABLE 5
Type 1—Nonpolitical Future-Oriented Ventures: Corroborating Evidence

Venture	Founder Alignment and Reinforcement	Absent Sociopolitical Dimension	Future Orientation
14	Founders *A* and *B* knew each other for 10 years, were high school classmates, and worked together in a brand design company before starting this venture. They experienced reinforcement from their families and education, which supported their artistic bent (e.g., for industrial design) and creative, inner-directed identities. They started the venture because *B*'s family had a factory where they could manufacture bags, and they wanted to do something of their own rather than just working to build others' brands.	The purpose of the venture is to provide a framework for the designers to continue doing what they love and bringing new designs into the world. In their view, money is "what lets us keep doing this [designing and selling the brand]." Their core pursuit is not money, but neither is it sociopolitical change: "Of course, we want more people, and the whole world, to know about us, but we don't want to change it." "I'm just creating a style. This style is not for everyone. Our goal is to … be accessible to people who would like our style."	"We are city dwellers … we have a city wander concept. And then we wanted to combine the futuristic things that we loved growing up with city life... We also looked at the bags already in the market, and we wanted to design and express something different from them." Their future orientation stems from a combination of differentiation strategy and design inspiration.
36	Founder was able to balance both an inner-directed identity structure alongside a tradition-directed one while growing up in traditional and industrial structures: He made early decisions on his own, regarding his studies and his decision to become an economist and work abroad; however, when "my father ask me if I wanted to come back to the family business to do something different and I was a little bit, actually I was reluctant, but I came back." His reluctance was short-lived; in the face of a perceived obligation, he ceded to the "very traditional" logic "that the family business raised me up, so I have to pay back, it's in our culture." He explained, "I won the lottery with my birth. I come from a rich family and my father grabbed the chance when the economy in Taiwan boosted; I don't really have many failures during my student life or my work life … I see the whole world as a zero-sum game, but still if I am lucky enough to win then I can."	The venture is purely a profit-oriented enterprise and is run as such. Founder has a very calculated, corporate-style price leadership strategy offering good prices for value to South East Asian B2C visitors as well as to B2B customers, "still delivering something relatively cheap that they cannot find in Canada or Mexico, the North American Free Trade Agreement (NAFTA) countries. … We want you to buy Calvin Klein clothes with an H&M price." He is committed to a certain quality, using "only organic materials, not manmade or synthetic," which he juxtaposes with China's market, and uses marketing narratives playing to "the uniqueness of you." This profit orientation takes precedent over any artistic preference: "There's no good designs or bad designs for me, there's only designs that will make money or lose money, that's all."	"I will find a way out of the traditional type of business." Founder modernized the company processes and launched a new brand in 2012, bringing the organization out of "the traditional type of business" and growing it into "the second largest independent silver website" in Taiwan, with around 1,000 unique visitors every day.
52	Founder has an inner-directed identity structure that is reinforced by perceptions of a primarily industrial environment. He decided to study design, while his whole family hoped he would study medicine, like them (this did not create tension). After finding he "didn't really like the	Founder has pioneered the application of "wood skin" and "wood leather" in accessories, such as wallets, and—already being an expert in brand design—he started the venture as an experiment. What began as a creative project to make himself a wallet became something that	A future orientation is built into the founder's worldview—a vision of the world as rapidly changing. A priority is keeping up with that change. "Money is important too. But learning is more important for me … I hope I can learn more to adapt to the change of the world."

TABLE 5
(Continued)

Venture	Founder Alignment and Reinforcement	Absent Sociopolitical Dimension	Future Orientation
	workplace and ecology of architecture," he "wanted to do something different" and so switched to branding. He sees the world changing, rapidly, into one that supports individual activism (and, by extension, his own individual agency). "The Sunflower [student political] movement shows the power and influence of young people, so now the government tries to have more interaction with young people and encourage them to start their own business."	many of his friends wanted to have, and since "my friend is a crowdfunding consultant," he decided to try this market entry strategy as he perceived no risk. He has no particular goal for the venture, other than to learn by doing. "[This venture] is for me just a link to how to start up … just to *think* how to start up … At the moment, if the company is shutting down tomorrow, I think I will be fine."	He thus continues to pioneer innovative methods and materials in his venture.

democratic" when it came to Jason, thus providing him the freedom to explore his sense of self. Sirena painted a similar picture of a family environment that was "very open-minded when it came to our upbringing. I felt that I had the freedom to voice really strange thoughts without fear of being put down." The support for inner-directedness at home shaped both Jason's and Sirena's steps out into the world as young professionals, then entrepreneurs. Sirena describes, "I … eventually decided to start my own brand, to pursue my own passion. Mostly it's because of wanting to live my life on my own terms, to live life for myself." The tensions that Jason and Sirena encountered when trying to break into their industry were not identity-related, but rather purely around competition, as incumbents "would place barriers along the way and keep a distance from us … perhaps out of unfounded fear of competition." Overall, their challenges resemble those experienced by Adam [12] (Type 1).

Their brand offers upscale women's footwear designed by Sirena, produced in the traditional craftsmanship method of quality handmade shoes. Jason explains that they "built this brand as a startup, to make money … Our purpose is to make money, but because we want to make money, we thought about why don't we use [traditional methods that interest us]." When asked about his thoughts on entrepreneurs who aim to change the world, he pointed out that "I don't need to change the world. For me, for our brand … why not rather—fit into the world as it changes." Sirena responded positively to the idea of changing the world, but her response was not rooted in enthusiasm for the potential change that could be effectuated, but rather the dynamic that setting such a big goal has for one's own motivation.

> I feel that you need to set yourself a goal, which will become your motivation to achieve it. That's because when you … if you set a goal that's too easy to achieve, first of all you wouldn't have any sense of achievement after you achieve it. Secondly, it would become my life goal, so that's why I would willingly set a really huge goal. Yes, I set such a huge goal not just for fun, but I feel that you need a huge goal in order to spur yourself forward.

Though Jason and Sirena are oriented toward reviving traditional processes of manufacturing through Taiwanese craftsmanship, this was also a strategic choice—the result of wanting to "do something different from what's out there in the market." They see an opportunity to reach an international market where others have failed.

> My biggest wish is … to bring Taiwanese craftsmanship to the world … and spark a revival for crafts in Taiwan. Because we see too many small startups in Taiwan, or mini startups, they dedicate themselves to their brand, but they are too weak in sales and marketing, so foreigners don't get a chance to see their goods.

For Jason, traditional craftsmanship is more a question of conquering the market and perfecting a global brand strategy—his reference to Taiwanese craftsmanship is not so much about the sociopolitical dimensions of Taiwanese culture and design, but about Taiwan's technical capacities to produce excellent work.

As entrepreneurs usually make use of (technological) advances to be competitive in the marketplace rather than looking back at past or even ancient solutions as Jason and Sirena do, it is hardly surprising that their venture was the only one in our sample to pursue a past orientation out of a primarily economic logic. Type 2 ventures are a relatively less common example of niche differentiation through traditional—less efficient but more romanticized and sometimes higher-quality—production means. Adopting a past-oriented niche strategy (see also Carroll & Swaminathan, 2000; Raffaelli, 2019) signals the success of Taiwan's cultural and creative industry that has revealed traditional craft products to be a lucrative business. Such products have been well-received by a hungry market of *wenqing*—"cultured youth" that are often referred to as "Chinese hipsters" (Schmitz, 2016).

Type 3—Sociopolitical future-oriented ventures. Whereas Type 1 and 2 founders experienced reinforcement from their social environment, the next group of founders described fundamental dissatisfaction with their perceived sociocultural context.

Jeff and Stella [53] exemplify founders who sense an inherent misalignment with the society around them, experience internal as well as social tensions because of this misalignment, and express them through a dominant sociopolitical dimension in their venture. We can better understand their actions by looking at the strength and nature of tensions resulting from their inner-directed identities being misaligned with their shared perceptions of traditional *and* postmodern social structures in their environment. For both founders, tensions arose early in elementary school, where they defied the traditional structure of rote memorization in pursuit of their own curiosity.

> It was not allowed to ask questions when we were in school. (Jeff)

> [The] teacher always wants you to follow them, you just sit there and listen. I [was] always asking questions and the teacher hated me. (Stella)

Their early interactions with society showed them that they were expected to go with the flow. Later, upon returning from university studies abroad, they saw the contrast between the many different styles and price points of furniture in Europe and the very limited options for the middle class in Taiwan; because of import fees and the fact that Taiwanese factories have traditionally produced for foreign brands and have not developed their own designs and brands, Jeff explained, "in the middle part [of the market], people can only buy fake products … Every furniture shop in Taiwan you can see on the street—they [are] all selling fake products." Most people do not know this, Stella clarified, because "we prefer [an] interior designer to do everything for us or we don't think [about] what we want." She went on to lament that people "shouldn't just care about the appearance. We have the fancy clothes [to] go out, but when you go home, everything is very low quality in your daily life."

They tied this to another "society problem" around Taiwanese designers only being appreciated after they have become famous overseas; for Jeff, this represented a confidence problem. Stella concurred: "Why do they care about the Japanese commenting [on] it? If you feel [you] yourself [are] good, then you are good." Thus, these founders perceived that Taiwanese consumers not only care little about their own personal home environment relative to the image they want to present to the world, and tend to defer to others in creating their home spaces, but also that consumers receive lower-quality, false replicas of the brands with which they seek to associate themselves (i.e., by owning, consuming them).

Jeff and Stella linked these tensions to issues of identity: first, because they perceived social structures that emphasize external determination without encouraging individuals to explore their own tastes and individual choice, and second, because they personally felt embarrassment for their society when foreign colleagues arrived and could not find any original-design furniture in Taipei. In sum, these inner-directed founders experienced tensions with both the traditional and postmodern social structures around them; despite experiencing different sources of tension (e.g., education system, consumer culture), the tensions embodied the struggle of a self-determined individual being told by society at every turn that forces outside of them will decide who they become.

These identity–society tensions were clearly expressed in Jeff and Stella's designer furniture venture. Jeff said that his family is "very against us," and Stella indicated that she could have made more money by working in her relatives' successful family business; however, they chose to stick with building their own new brand. Stella explained, "The main purpose of running this shop is not to make money—[it] is to correct people's inappropriate concepts … [to] educate Taiwanese people" about individual choice instead of deferring to tradition or the

mainstream—a theme that was repeated across cases of misaligned founders [18; 29; 35; 44]. "You should care more about yourself, not just letting the interior designer do everything for you. You have to think more like, what you want in your life" (Stella).

These clear statements of desiring to challenge the sociocultural status quo are made manifest in Jeff and Stella's venture in multiple ways. First, they prevented their family and friends from supporting their initial crowdfunding campaign, because they wanted to make sure there was real market demand and that they would be able to reach a larger number of people in order to achieve their desired societal impact. Second, as a Taiwanese company creating original design for the Taiwanese market, Jeff and Stella oversee the process from beginning to end. They cut out intermediaries in the traditional industry structure and created new types of relationships with local factories in order to have more control over production quality and offer their products at a price point for the middle class, who are the target of their design and individual-taste messaging. Third, on their website, educational information—on the production process, their new "design direct delivery" industry model, as well as furniture culture, how furniture creates a space, how they have collaborated with brick-and-mortar shops to create a specific ambiance in their dining areas, and information on where consumers can interact with their furniture—is all given at least as much space as product pages that enable purchase.

While Jeff and Stella's furniture offerings incorporate new, original designs for the Taiwanese market with the goal of helping people emancipate themselves from external determination to develop and pursue their own, individual tastes, they have also introduced a novel way of displaying their furniture, creating a customer experience that allows people to see and use their furniture in a friendly environment. Instead of following the conventional practice of establishing their own showroom, they collaborated with cafés and stores that cater to the same target customer segments, allowing people to interact with the furniture, and even to attend periodic free design talks hosted by the founders and then use a QR code to visit their site and buy if desired. The purpose being that,

> people can go there and really experience our product quality. They don't have to worry about the price, worry about the staff asking [them] to buy something … [They can] relax and really enjoy, experience our product. They can buy it online, and we have transparent prices so [they] don't have to worry about being scammed. (Jeff)

This live-in showroom was a model they had seen in Europe, but represented another industry innovation they brought to Taiwan. They are particularly proud of this creative way of getting close to their customers, especially as it allows them to gently, in a nonthreatening manner, convey the message that confidence in individual choice can free one from societal prescriptions.

Table 6 provides additional examples of Type 3 founders, exhibiting this link between identity-related tensions and expressions of challenging the sociocultural status quo in a future-oriented venture. The deep tensions we observe result from a misalignment between what these founders feel determines who they are, and how they sense their social environment is telling them they should develop a sense of self; these tensions often take the form of lifelong struggles, such as feeling like a misfit, repressing their identity exploration [3], or carrying a sense of inhabiting a disconnected or deteriorating society [2]. We find these identity-related tensions to be directly connected to a dominant sociopolitical dimension in each founder's venture that is characterized by a sense of building the new future. Despite not employing the label of "social venture" (which is not a strongly established concept in Taiwan), these founders bring an inherent dissatisfaction with the status quo and build into their ventures various elements that intentionally challenge what they perceive as the societal status quo—and often guide customers or partners through the process of doing the same. Interestingly, these founders did not set out to create "social ventures" per se, but achieved this by simply being who they are.

Type 4—Sociopolitical past-oriented ventures. Like Type 3 ventures, Type 4 ventures are infused with a dominant sociopolitical dimension; however, they differ in that they look to restore or revive elements of the past (see Figure 1). We illustrate this type with prototypical founder Lu and his custom shoemaking venture [42].

Belonging to what he described as the "new generation," Lu's discovery-directed identity (based on the idea that identity is not fixed or limited) is aligned with and reinforced by certain elements of a postmodern structure he perceives, yet these do not mitigate the deep tensions he experiences as a result of misalignment with the perceived industrial social structure: "I don't really like to label myself. I think I'm doing what I like to do … I'm trying to explore something about myself in every stage."

Yet, although he does not like labels (e.g., businessman, entrepreneur, designer) and just wants to

TABLE 6
Type 3—Sociopolitical Future-Oriented Ventures: Corroborating Evidence

Venture	Founder Misalignment and Tensions	Dominant Sociopolitical Dimension	Future Orientation
2	Founder's inner-directed identity leads him to live in a way that he feels is very countercultural in the postmodern world he perceives. "I think the society in general is changing, but in the worst way … The government has rules and regulations and laws, but even within that [framework], you can still make morally unethical decisions as a business. … We don't have a firm belief in principle." His practice of Fa Lun Gong (a school of Buddhism) influences "the way I make decisions … I think I have to remind myself to think about am I doing the right thing on the right track. Otherwise it's very easy to go astray like the Wall Street wolf." He had a transformational experience while serving a rural community during his military service, giving him new perspective on how disconnected city life is, and how valuable community is. This new understanding flavors his perspective on entrepreneurship and the plight of small entrepreneurs. Having been a freelance designer himself, he empathized with the challenges of maintaining freelance work while saving to start his own company, "actually, it's not sustainable, because you do this project and then it doesn't guarantee your next project … and if you happen to get too [many projects], you want to hire more people and then you hire people, you get more pressure on your finances … almost all the designers I know … eventually want to design their own products, have their own brand, but it all cannot be realized because of the reality, you know, money."	Motivated by the founder's desire to allow other designers like himself to realize their dreams in creating their own brands, "The initial intention of this hotel is to … help designers to connect [with] travelers … I myself am limited in help[ing] them … but at least I can find a better solution like … this position can also contribute something for them [the product designers], especially." Everything about the way in which he does business is designed to promote and support local designers (i.e., his suppliers). Visitors to the hotel have a vast inventory of local products to choose from and virtually arrange in their room (via interior design software on his booking website), so that they can experiment with any products they might like to buy. Whereas he could have negotiated to get free samples, he pays full price for the design products he "demos" in the hotel; in the local context, this is extraordinary. "I spend more time on the hotel, because it kind of combines business and community." His desire to connect business and community is seen in his communications—his hotel feels more like a local tourism office than a business. He gathered data and designed a beautiful map of the design district, as well as a booklet featuring 50–100 local businesses (best things to try, background story of the company or product) printed in color on quality paper, which he gives out free to guests and visitors.	Founder's "live-in design museum," where hotel guests can design their suite and interact with local culture in a new way, has disrupted the industry, earning him media attention from CNN and other national and international outlets. Involved with IXDA, an international interaction design association, he is constantly seeking new and improved ways of interacting with guests and clients. He feels he is part of the new generation creating the new future: "[Previously, during my] parents' generation, OEM was the way it worked. Now, we want to do our own thing, so there is this generational gap. … That's the difference with this generation. We're idea-driven. We want to realize some dream."
3	While founder has an inner-directed identity structure, his family had a very traditional perspective of what it means to be a man; in his youth he had his artistic and creative ideas quashed with regard to not being able to dye his hair, not being able to wear any jewelry, etc. "Practicality" was the value dictated for his "style and	This tension is very evident in the founder's venture, expressed in his motivation for having started the venture to "make something … not influenced by any others," to "make something very cool for myself." Even after starting the venture, the tension persists, displayed in his feeling like a "selfish man" because of	An important aspect of the founder's design is consideration of "a future full of variables." "I don't really like traditional elements, because it is sort of out of date, it is not in our daily life anymore; there is no need to include it in the design deliberately." Instead, he explores the concepts of "adapt[ing] to

TABLE 6
(Continued)

Venture	Founder Misalignment and Tensions	Dominant Sociopolitical Dimension	Future Orientation
	personality," causing him to "always think in a rational way—things have to have their logic and make sense, otherwise I feel guilty." This same tension is reflected in his description of Taiwanese as not paying attention to aesthetic qualities of things (e.g., when using sheet metal roofing). He is frustrated that they just want to get the job done, at the expense of an attractive design.	the traditional Taiwanese "kind of idea that in doing something for your own pleasure, for your own satisfaction, this is not a good thing." He challenges these socially programmed conventions: "Rather than looking for the answer to what is the standard of Taiwanese style, it is better to start from exploring the self itself from the inside out. What is the design style of Taiwan? Who are you?" It is okay to be "distinctive."	more diverse environments" and "shrinkage of resources."
38	As an inner-directed founder, he began to feel a misalignment and frustration with the tourism industry because the local and national actors—including the government—try to replicate what other countries have (e.g., tallest towers), buying into the postmodern consumer image of what tourism "should be" as portrayed in international magazines and advertising rather than digging into who they are and what they have in Taiwan. He sees a lot of copy-cat businesses, little original innovation, little incorporation of authentic local identity into tourist accommodation and activities. He is also frustrated by the lack of collective mindset at the local industry level. He spent the first years connecting with "over 500" local entrepreneurs in tourism: "it takes time and it takes so much work, and sometimes it gets really, really frustrating because people tend not to work together."	"When I opened this hotel I realized I needed to bring the awareness of this; I want people to understand that you have to be your own, you can't just be copying other people, or what's the point of other people coming over to visit you and seeing all of that?" The founder challenges the prevailing notion that the surest route to success is in copying a foreign model that worked, rather opting to encourage—and challenge—industry peers (local tourism professionals) to reflect on their region's collective heritage and identity and mobilize this in their offerings. "I just thought why are you guys so narrow-minded? Open your hearts, together we can do greater good … and that's why I have the [art] gallery like that, that's why I have a lot of [local] Taiwanese artists come in and build for us … I hired four different artists from Taiwan and have them go in to actually create all my rooms."	Founder takes an experimental approach to implementing new ideas, from transforming a garage into a chic coffee bar, to hosting concerts and other events to bring new attractions to the local city. He is at the forefront of the tourism industry in the region, attempting to introduce new ways of collaborating, even if they are not always well received. "At the beginning my motivation and intention was really simple, I wanted a cool hotel that gave me a lot of newspaper [mentions], but not anymore. I got a lot of interviews, a lot of magazine [spots], a lot of radio shows, but what I really want is the artist to get noticed—which some of them did, which I'm very happy with." He is consistently oriented toward building a future of increased regional identity.

do whatever he finds enjoyable, he perceives that society—in particular, the manufacturing industry—assigns value judgments to the type of master craftsman he is becoming: "In other countries, highly skilled workers … wouldn't have such low social status. … Right now in Taiwan, masters are paid a very low salary and they have to work long hours. They're just like workers."

Thus, as he discovered part of his identity as a craftsman, he also discovered that aspects of this emergent identity are at odds with what society expects; furthermore, this tension acts as fuel for the fire with respect to a profound empathy he feels for underappreciated master craftsmen he had encountered as a child. Despite the fact that his traditional family structure provided what he sees as unusual levels of personal freedom to explore who he was and what "made me feel like myself," he encountered deep tensions with social and industry structures from a young age.

Lu's background shows how the complexity of identity dynamics can generate a sense of

reinforcement from certain segments of one's social environment, as well as deep tensions with others. In line with his discovery-driven identity structure, his venture began as an exploratory experiment.

> I just tried to learn how to make shoes. Because shoes, for me, [are] very interesting. When I first started to design them, my friend asked me why not make a pair. So I made one pair of shoes, and gave it to someone's store to sell them. Some people said that my shoes were something I bought for a lower price somewhere else and then I sold them here for a higher price—they were not original. I was a little angry, so I wanted to figure out a way to let people know that these are my own shoes. That's why I decided to let my customers pick every part of their shoes, so they would know that it's original; I make them. That was the beginning. Later, I made the customization into a complete service.

His experiment quickly became infused with a sociopolitical aspect of using the venture to address what he saw as socioeconomic inequality.

> In the future, I want to build a big factory in downtown. Right now we have a size *M* factory, before it was size *S*. Later I want an *L* size. We'll have our entire production line in there. Clients can come to the factory and choose their customized products. We'll have our production line, and we'll train our own young masters so this industry continues to grow. Factory and showroom. Maybe coffee shop and maybe bookshop. And my customers can order shoes, can drink coffee, and read a book, just easy. And in the waiting time, the shoe is finished … and my customers can see every process. I was just thinking about how to make this [craft industry] continue. It seems that this is the only way to go. If I don't do it quick and make young people join and learn it, our masters might not be here after 10 years. The things I want to do in the future are probably very different from what other brands would consider. They normally make a product, see if it sells well, and adjust it based on feedback. It's the traditional [industrial] way. What we're trying to achieve is very different from them. I don't care so much about profit.

In introducing a new, transparent, open factory format for the public to select custom footwear and witness the skilled craftsmanship of master shoemakers, Lu intends to improve "not necessarily economic development, but I want to see a friendlier environment towards the young generation"—an environment in which creative, low-volume producers are valued in society, because their value contributions are put on display where consumers can "see and compare." He conceives of his venture as a "bridge" linking master shoemakers to the market, and strengthening that link is something he prioritizes over profits.

While there is an innovative aspect to his venture, the clear emphasis is on maintaining and restoring elements from the past; he takes some aspects of traditional craftsmanship—both social and technical—coupled with progressive social change to form a "good business cycle." One of the social aspects of his revival has to do with the way knowledge is passed down and the relationship between artisans: "Like Japan, they always have a young apprentice learning by the side of an old master. In Taiwan, we don't have any young people following the old masters."

Reinstating this master–apprentice relationship is a common theme among founders who want to restore elements of the past; within this sociopolitical expression, we see the reflection of tensions with a postmodern society that they perceive as increasingly disconnected [31; 44; 59]. Yet, even past-oriented ventures have some aspects of future vision; a certain nostalgia for the past—what they perceive as the golden days—is built into their vision of an improved future.

Table 7 provides information on additional Type 4 cases. The cases of Jeff, Stella (Type 3) and Lu (Type 4) indicate how complex dynamics around founders' identity–society misalignment translate into venture decisions. Stella, Jeff, and the founders clustered in the top-right group of Figure 1 perceived that society had yet to meet the needs of its members (such as themselves), and they actively engaged in inventing the new future. In contrast, Lu, along with the other founders clustered in the bottom-right group of Figure 1, experienced tensions due to the perception that something—be it communication, history, important industry structures, or relationships—had been lost or was actively being lost in society. Accordingly, their ventures were structured to restore or maintain these sociocultural elements, *alongside* their profit-seeking operations. While the nature of the misalignment and tensions create distinct perspectives of the world that orient founders toward specific types of desired change in society, we see strong patterns in how the relative importance of identity-related tensions in the life of each founder translates into the extent to which they use their venture to challenge the sociocultural status quo. Note that in contrast to these misaligned founders at the right side of Figure 1, the previously discussed aligned founders (on the left side) may also want a better future with their innovations, yet they do so without challenging the extant sociocultural system.

TABLE 7
Type 4—Sociopolitical Past-Oriented Ventures: Corroborating Evidence

Venture	Founder Misalignment and Tensions	Dominant Sociopolitical Dimension	Past Orientation
44	Having an inner-directed identity structure, the founder describes tension with "the current social situation" in both traditional and postmodern bubbles in society. "It is really isolated [where I am from]. There are few ways for kids to learn. Moreover, the Internet was not so common and there is not a lot people can tell you [about] what to learn on the Internet about music or arts, so we can only learn from teachers or our parents. Agriculture is the major industry, so the parents mostly want their children to stay at home and help with the farming stuff." In the urban spheres, he noticed "nowadays people don't read and think much … [there is a] lack of communication and interaction."	"I was thinking how can I combine my desire [to run] a shop [with that] of tackling the problems I mentioned above." Founder created an upscale stationery and fountain pen shop that serves as a two-sided platform with a sociopolitical message for each side. "What I am doing … it is to make a change from the foundation [of society]." His customers are "people who are well-educated and influential … mostly doctors, nursing personnel, public servants, teachers, and professors. My concept is that I have interaction with those people who are the top influencers one on one, then they will pass my influence along … At the moment, I talk about the current social situation with them and I share my story with them. Then I ask them some questions." He solicits donations from his most influential customers in the form of books for rural libraries, and hauls a machine from his shop into rural communities where he teaches youth to use machines to make their own fountain pens. His goal is to "share resources with rural areas and promote education resources, hoping that the next generation will have the ability to think independently."	While the founder's efforts to invest in the next generation reveal hope for the future, the future he hopes to see created is one that restores important elements of past human interaction that he sees deteriorating in the present. He describes the way he engages with the influential clients that enter his shop, asking them, "for example, 'If you [had] a pen and a piece of paper in your hand, what would you write down?' Because nowadays people don't read and think much. So mostly they [my customers] just write down what they have eaten today, the name of the restaurant and some other small stuff in life. However, this is not meaningful." In another example, "you will see a family dining in a restaurant and the children are playing with their phones or tablets, they won't ask their parents questions like what is this pen made from, how is this dish been made, or Mom, do you know how to cook? You can see there is a lack of communication and interaction; as a result, there will be less emotion in our life and the feeling of love is weaken[ed] as well. This is part of education as well. After I discuss this with them [my customers], then they will consider what we can do [about] such a problem." His aim is to see human communication restored.
45	Founder was born as the daughter of the (democratically elected) chief of one of Taiwan's native tribes. Because much of aboriginal tribes' history was lost during the 300-year rule of the Japanese, her family was mistakenly identified with the wrong tribe; she found out only as an adult that she came from tribe *B*, not tribe *A*. This is critical for her own personal identity: "It really matters where I'm from … I need to have a sense of belonging. I am [tribe *B* ethnicity]."	The tribespeople "asked [the founder] to design the uniform for the [tribe *B*], but she [didn't] know how to do it. We don't have any photos that we could go back and see uniforms. So she [prayed] to God. At night she [drank]. And she [went] back to her village to talk to her father … Then ... came out a whole idea, so now the uniform for the whole group [is] all designed by her." She describes that, "When I started helping [tribe *B*], I was still [tribe *A*]. When they came to me for the clothes design, I	In her past work, the founder had a more "progressive design," but "my interests in culture started because in 2005, my aunt came and asked me to design [tribe *C*] traditional clothes. [They were] the first traditional clothes I designed." In 2010, she met her future husband, a senior McKinsey consultant in charge of the Asian market. Together, they launched the current venture focused solely on promoting Taiwanese aboriginal culture. Her work is a recreation of history. This is

TABLE 7
(Continued)

Venture	Founder Misalignment and Tensions	Dominant Sociopolitical Dimension	Past Orientation
	As an individual within her tribal society, her identity is aligned—providing important reinforcement for her identity (evidenced by the nonissue of her choice to convert to Christianity while her tribe primarily practices a folk or animist religion; she describes the tribe as democratic). However, as an aboriginal within the larger Taiwanese (and even larger East Asian) society, she perceives 300 years of her people being denied their identity—fearing for their lives so much that they lost "all the culture and even some of the songs" of their oral tradition. It is deep tension at this level that affects her venture activity as a fashion designer.	insisted that they must have a traditional outfit that belongs to their own culture, and not with [tribe *A*] colors." "At first, my goal [for my venture] was to make money. But when I reached my first goal, I started to value my identity. Then I started to research other tribes. I want to give them my respect … The most important thing is to let [tribe *C*] know that they can pass on their culture and it can bring them economic income. They're not my tribe, but I studied [them] for 14 years … I want to bring it to the world. I want to introduce the 16 tribes in Taiwan."	expressed in design—intentionally historical in meaning, meant to restore a sense of tribal identity. She uses specific production processes that have historical meaning: "Every tribe has different ways of weaving and knitting, so we do care if it's done the right way." She uses natural plant dyes, researching, for example, how to use yellow ginger as dye and banana fiber material—"I spent 10 years researching and we can finally manufacture it [on a] mass scale next year."
59	Founder clearly comes from a family that supported a self-directed atmosphere, and has an inner-directed identity himself. However, after joining the military, he experienced a deep disconnection with the postmodern society he perceives and began to reflect on this: "The whole community here in Taipei is kinda disconnected, probably not only in Taipei, in most of the major cities … Hong Kong, Shanghai, Tokyo, all the people that I know, we kinda suffer under the same thing." He describes a society in which people work "80 hours" a week, trying to get their careers going, obsessed with more money and social rank, and sending money back home to family members, keeping them so busy that they do not have time to connect with others. He has experienced this himself. He compares this typically postmodern society with "before the 1950s" when he feels that people had more "trust" and "connection."	Founder's coliving apartments have a "fair price" inclusive housing policy: "We are accepting people from the whole spectrum, not only people who are wealthy enough." They also pride themselves on a "transparent platform, transparent contract, … [and] process of application." Their housing application includes questions about willingness to engage with others and share life—which are deeply connected to their sociopolitical aim. They see the spaces they create as a "medium" for members and tenants to craft and develop community in line with their own interests. "We put this place as a medium, we let you do whatever you want to do in this space, sometimes we even … fund you or something, we support you, not only financially support but with like human resources, human power … help you to grow the community."	"The thing I wanna do is to bring the sense of community back to society, 'cause probably before [the] 1950s, like people are not really living like modern society, people talk to each other, people trust and there … are some connections among people. But right now we can't really see that 'cause people are just too busy … craving for, let's say, more money or higher ranking or more title or more whatever, we kinda forget the things, the, let's say the way we live. And that's why society is so disconnected, so I feel like once we can build up a culture of a community … at least you are feeling good with a lot of people living together and sharing your own life … I consider it as [a] really, really important thing."

Types 5 and 6—The middle ground: Ventures with limited sociopolitical dimensions. So far, we have discussed four prototypical cases that are either aligned or misaligned with high tensions in order to reveal the stark contrasts that exist in what the founders perceive about themselves with respect to the sociocultural context, and how this affects the ventures they create. Having established the two poles—distinguishing founders that experience reinforcement from alignment (Types 1 and 2) from those who experience deep tensions from misalignment (Types 3 and 4), we now turn to discuss founders whose ventures fall in the middle ground (see Types 5 and 6 in Figure 1). We use this section to primarily explore a single middle ground case in depth—that is, Lina's, from Type 5—since Type 6 differs only in its temporal orientation toward the past, which has already been thoroughly conveyed in the cases of Jason and Sirena, as well as Jeff and Stella. We comment further on Type 6 at the end of this section.

We introduce Type 5 prototypical founder Lina, a future-oriented wedding gown designer bringing functional, modular, repurposeable (i.e., more sustainable) gowns to a traditional industry [26]. Her holistic perspective on the role of business in society reflects many of the themes that arose in interviews with founders of ventures in the middle ground.

Lina described elements of all three social structures, and, as an inner-directed founder, is aligned with those in the industrial social structure while being misaligned with those in the traditional and postmodern social structures. We break these down, demonstrating links between tensions she has experienced—or, alternatively, the tensions of others she perceives—and venture decisions. First, she has an overall understanding of misalignment—"when I'm working with people who are fundamentally different in mentality [from] myself, it becomes a very draining process"—as well as an experience of "ample space to flourish" in instances of reinforcement.

> I feel that my family has a background in fine arts and culture, so I was always the arts group leader back in school since I was very young, I was always doing stuff related to art and beauty. However, I never thought that I would be into fashion design, much less start my own company and brand … My parents … actually didn't want me to do any of those ideal jobs in the eyes of society, so when I chose to pursue fashion design, they were extremely supportive, and gave me ample space to flourish in my career, so it was pretty amazing.

Second, Lina perceives a traditional environment in which there tend to be socially accepted "right" and "wrong" answers; this not only causes friction with her own inner-directed identity structure, but she empathizes with students who are trapped in such a system, and makes a point to teach freedom of expression during her time in the classroom.

> There's the concept of a "right answer" in Asian cultures. I really don't like this style of education, which undervalues individual opinions. I realize that when there's a fixed right or wrong answer, it kills our confidence naturally when we get things wrong. So when I'm teaching in schools, I emphasize that there's no right or wrong answer, that everyone has their own views and should feel free to express them.

Third, Lina also perceives structures in the business world that she feels do not properly value and relate to employees. When the issue is brought up, for example in her Executive Master of Business Administration classes, she voices strong views of business being in a "symbiotic relationship" with society and the corresponding effects of undercompensating employees or abusing their work-life balance: "As each company is a micro version of society, how it affects its employees [will] eventually affect society. … Every level of society is interrelated and interdependent in an endless cycle."

Fourth, she perceives a decline in traditional craftsmanship, but does not experience identity-related tensions because of this (in contrast to Lu)—rather than social concerns, her concerns regarding this are more about product quality and continuity of the industry.

> Wedding gowns still belong to a very technical industry, so it will always require dedicated craftsmen … design and crafts is not a common career choice in Taiwan, so a lot of the skilled craftsmen are already getting old and past the age of retirement, so I'm also quite worried that one day there'll be no one left to produce our gowns.

None of Lina's reactions to these four sources of tension have become the heart of her venture, or otherwise dominated her operations. Her for-profit venture has the primary mission of reimagining wedding gowns in functional, modular, and multiuse ways to meet the needs of brides' present and future lifestyles.

> Where we [my brand] depart from [another company's] philosophy is that while their gowns are meant for a spectacular one-time use, [my brand] aims to be flexible in our designs. I would like for my designs to be flexible, to be usable for different events and settings, perhaps just by adding an accessory or making simple variations. So, for example, something I once designed was a dress that could be worn in three ways for different settings and occasions. You just need to match it

> with the appropriate accessories, the same dress you wore for a wedding can also be worn daily. And they can all be separated, the top and bottom can be two separate pieces that can be worn differently. … I feel that a lot of people are doing what's traditional, so if I want to build a brand I will need something which lets me stand out among the crowd.

While the venture is a primarily economic entity, Lina brings a heightened awareness of sociopolitical issues to her venture, making informed decisions about the touchpoints her venture has with stakeholders including customers, production and marketing collaborators, and employees. She speaks up when given the opportunity, considering her teaching in design schools as "doing her part" to promote the continuation of the industry.

> I feel that business is the foundation for society. However, businessmen and entrepreneurs are different; entrepreneurs take into consideration societal responsibilities, while businessmen set their sights on profits. I hope for society to develop more entrepreneurs rather than businessmen.

Lina's venture has a clear future orientation, departing from traditional conceptualizations of a wedding gown to reimagine garments that can be worn more than once because of their multiple functions or configurations and innovative raw materials.

> For example, Taiwan is a market leader in textiles, so I've considered making use of new innovative fabrics, perhaps wearable LED fabric, and I can create a truly dazzling party dress using such a unique material.

She also keeps up with latest industry trends and business models, showing a readiness to engage with others in new ways, such as "crossover" branding with other firms to offer jointly developed products to both brands' customers.

> Right now we are talking about a sharing economy, so as a brand I can try to collaborate with other strong brands, and through a collaborative effort create mutual buzz among the fans of each respective brand.

Finally, her awareness of the precarious situation regarding traditional craftsmanship influences the way she engages with students in a design school where she is brought in to teach as a designer-entrepreneur. "That's part of the reason why I try to play my part in addressing this by teaching design to the younger generation."

Just over half of the ventures in the middle ground (i.e., Types 5 and 6) were created by founders like Lina who experienced some level of misalignment with society—generally alongside some level of alignment, hence our term "partial misalignment"—and experienced a certain degree of identity-related tensions, but did not express being deeply affected by these. We found heightened awareness of the sociopolitical status quo among them, as well as expressions of adopting best practices to support social progress in their businesses when the opportunity presents itself. The other half of the ventures were started by aligned founders who did not convey experiencing identity-related tensions of their own, but who empathized with others whom they observed experiencing such tensions, and also adopted best practices toward righting these perceived wrongs. We provide examples from three additional Type 5 ventures in Table 8.

With regard to Type 6, we observe a similar mix of tension and reinforcement due to partial misalignment, as well as the adoption of best practices to support society alongside a primarily for-profit mission; however, rather than looking to invent an entirely new future, there is an orientation toward reconstructing and keeping alive elements of the past. We see this manifested in venture [31], the sole venture in our sample that fell into the Type 6 category, wherein the founder brought his strict training in classical Japanese cuisine—a full immersion master-apprentice relationship in Japan—back to Taiwan. His restaurant, whose name alludes to playful experimenting, is both a late-night hangout where one can order the chef's innovative fusion dishes at the bar, as well as a very traditional 19-course banquet feast during dinner hours. His desire to correct misconceptions of traditional dining during the Edo period—and to mentor young chefs as apprentices in traditional techniques—are important to him but do not overwhelm his core business purpose of providing delightful dining experiences.

For founders in the middle ground, the sociopolitical dimension was by no means the *raison d'être* of the venture, but—once established—the venture was seen as a natural means by which the founder would extend their vision for society, alongside their profit-making activities. Their adoption of best sociopolitical practices reflected their vision of business becoming increasingly sustainable—socially, ecologically, and economically.

Extension to the Main Analysis: Founder Teams and Founder Disengagement

In this extension to the main analysis, we address some of the complexities of our analysis by

TABLE 8
Type 5—Middle Ground Ventures: Corroborating Evidence

Venture	Founder Alignment and Reinforcement, or Misalignment and Tensions	Adopted Sociopolitical Best Practices	Future Orientation
16	Founder has an inner-directed identity and perceives both traditional and industrial social structures. While her democratic family environment protected her from deeper tensions with a traditional environment, she is keenly aware that most young artists are not so fortunate. With empathy, she acknowledges that "Taiwan is not very supportive of artistic careers," pushing people toward careers as "doctors or lawyers." She feels lucky, though: "Because my own family, my original family, we are very democratic. My mom just always says, okay, just do it, you can try. Very free. Although she [is] a little bit traditional, but she supports me to go to London [to study fashion design]."	Founder's fashion design venture exists primarily as an economic enterprise to support her family and provide an outlet for her creativity. Alongside this economic rationale that guides her core venture decisions, she and her husband are important role models for artistically inclined youth in her community, whose parents and other authority figures do not see creative career options as valid. "If they want to do interior design, their parents won't give an opinion. They want them to become doctors or lawyers. It's hard for them to find someone who can really help. They hear about our stories, and hope that we [can] give them advice. Often when I'm working, they come, and we have to spend an hour talking. It sometimes delay[s] our own work."	She originally designed extravagant "luxury" fashion for young, professional "single women," but concedes that she had to compromise her design preference in order "to survive," establishing a line of "common, everyday clothes" catering to the desired functions of older people with more purchasing power. She relies primarily on word-of-mouth from her friends and customers to gain clients for unique and customized, but expensive, tailored items. She has an implicit future orientation.
48	Founder has both a tradition-directed and an inner-directed identity, and is also very conscientious with regard to respecting others; he knew he would open a café someday, but was willing to delay it for years because "Another important thing is to have my family's approval" and "they wouldn't have been okay with me opening a coffee shop [when he was younger]. Back in the day, coffee shops didn't seem like something that would be successful." From the standpoint of his traditional worldview, he perceives tension with the industrial environment in the form of asymmetrical power relations: people see "upper–lower power distinctions in the service industry." Some clients "think that they're paying so they're the boss, and they should be able to do whatever they want." After working for a year as a counselor, he found that "students [with disabilities] who came from families with resources, they could get into	The café is primarily a fulfillment of the founder's childhood dream to curate a relaxing space, but it is also an important project for him and his wife—in particular, a place for her to spend time so as not to be constantly under the watch of her mother-in-law (which he describes as a traditionally drama-filled relationship dyad). He brings multiple aspects of his identity into running the café. "We wanted this café to build an equal people-to-people relationship, and that's how we interact with our customers." His traditional values, as a devout Buddhist, are expressed in how he does everything he can in the most humane way: from going out of his way to seek a farm with eggs from free-range chickens "raised in a more humane way," to using his café as place to practice equal power relations, to employing people with disabilities (e.g., autism) and wanting to do so more in the future. "We actually have a lot of expectations [for] this shop. For example, we want to be able to host some workshops here. They could be related to counseling …	There is no talk about anything great from the past that has been lost in society, just this positive idea that the status quo in society continues to be "challenged." Founder's venture does not exist for the purpose of challenging the status quo, but when he is faced with options (suppliers, employees, etc.), he opts to look ahead to the future he wants to live in and makes choices accordingly. He speaks positively of feminist progress: "Like our current president is a woman. Women's rights are being more recognized by society … . We've been challenging [the] outdated view."

TABLE 8
(Continued)

Venture	Founder Alignment and Reinforcement, or Misalignment and Tensions	Adopted Sociopolitical Best Practices	Future Orientation
	society after graduation, but those from poorer families would go back home and not know what to do next." He empathizes with their situation of having limited options for their future. He started the "cultural and creative"–oriented café with his wife after they met in community college where they were training to be professional baristas.	so that people [get to] know themselves better … We also want to stably employ people with disabilities."	
49a	This psychiatrist-turned-famous-barista has an inner-directed identity structure: "it's hard to influence me." The mantra the founder lives by is "Brave as a lion, free as a bird." She experiences tension with the traditional environment: "Sometimes I would tell my parents yes [that she would follow their suggestions about how to run her business], but don't actually do it." "Too many people [are] giving opinions. They're in their 70s and I respect them as the older generation. I can't really say that I just won't listen to them … My mom told me to go study abroad so I would stop thinking about starting my own business." There is also evidence of tension she experiences with postmodern aspects of society: "Many people just text all the time, whether they're outside or having dinner," always on their phones, barely looking at each other. "If I [can], I want to change that. It's a first step."	Expressions of the founder's reaction to these tensions are in her motivation: "I kind of want to prove it to the big family" (that she can make money herself). We see this reiterated in her goals: When she didn't have much business, she wanted to "become a famous shop on [main street of the foodie district]," which she did. "After that I started roasting coffee beans, so my goal became that I wanted people to know that I'm good at it." After beginning to compete as a barista, she wanted to "get certified internationally, so I can teach people … Now that I'm more well-known, I want to become world champion." There is a sociopolitical dimension to this venture; it was not the driving purpose of founding, but in whatever capacity she is able, she strives to improve the status quo. One of the key ways she does this is through employee salary. "There is a big wage gap, it's an *L*-shaped society now … I hope I can raise the salary of my employees. They all know how much we're making. They sometimes think of ways to help the business make more money." She even raised an employee's salary after he stole from the cash register, reasoning that he must have needed the money badly. She also coaches and helps coffee entrepreneurs, even when they do not buy or use her beans or compensate her in any way. "They want to open a store, so I go help them and see if I can provide anything for them. My employees think this is charity work."	"We just hope the society gets better. For us, it means that we make good coffee here in this shop." Founder is somewhat future-oriented in terms of supporting other future entrepreneurs, but her business is really about pausing and connecting with others in the moment. "Running a café business is more about the interaction between people … I hope customers who enter [our café] can feel happy and calm in the space we created. In order to do so, I should be the one who is happy and calm so that I can create such an environment for them." She also encourages others' inner-directedness within her venture (especially with reference to her employees). "If I come across any opportunities, I tell everybody. They might open their own shops one day, so this is very important."

examining founding teams as well as outliers (i.e., founders who disengaged from their misaligned status).

Founding teams. Six ventures represented founding teams in which we interviewed both members (individual founders, when quoted, are identified by their venture number followed by the letter "a" or "b" to identify the individual. Names are provided only for those founders who are among the five focal cases featured in the study). In each of these ventures, founders were both aligned [14, 23, 33], both misaligned with high tension [53], or both misaligned with low tension [6, 49]—this allowed us to represent both founders with a single venture ID in Figure 1. While this homogeneity within the founding team is evident in the two focal cases of Jason and Sirena [23] as well as Jeff and Stella [53], the four other team cases in our sample allow us to expand on this theme. For instance, cofounders and friends since college, [14a] and [14b] practically completed each other's sentences while introducing themselves and their venture.

> [14a]: We are city dwellers … we wanted to combine the futuristic things that we loved growing up with [in] city life.
>
> [14b]: We don't really have to be a multimillion-dollar company. We just need to be able to do what we want to do and in an environment that we enjoy.

Based on our findings regarding the way founders' identity–society alignment so fundamentally orients the underlying purpose of venturing, we suggest that founders would be less likely to come together if they had quite different visions of the role of a venture in society; in the cases where they do, we would anticipate tensions within the founding team with regard to key decisions. Sister team [49a] and [49b] are one example. Both sisters experience some (low) identity-related tensions, but not necessarily the same ones. They are aligned with each other in the desire and practice of adopting best sociopolitical practices—for example, with their progressive approach to employee treatment and relationships—but one of the sisters [49b], who was convinced by the other to be a cofounder, went through a process of concession, ultimately finding another outlet for her own desire to see change in society.

> In the first couple years of the business, we argued a lot due to the difference of our expectations. … [but] I have a value in my mind that once I start doing something, I won't let it fail; failure is like a smack on my face. Even though the business wasn't like what I expected and I felt frustrated, I can find fulfillment in it. [49b]

When she realized that the reality "wasn't like what I expected"—with regard to managing the coffee shop that was supposed to double as an interior design showroom run by herself [49b]—she felt that she could "either compromise"—that is, resort to defeat, like founder [25]—"or try to figure out a new way to do it." She began to blog on the side for an audience of inner-directed (and aspiring) readers; that is, "a group of people who are overcoming challenges in our life to make our life better and to make ourselves a better person … [the] likes, comments, and shares compensate for the loss of me being not able to do what I want, [and] meanwhile motivate me in running the café." This case demonstrates how a founder may choose to pursue sociopolitical change within or alongside their venture, and how doing so can alleviate tension within a founding team, thus providing an interesting opportunity for future research (see below).

Outliers: Founder disengagement. As can be seen in Figure 1, our sample also contained three misaligned founders with low tension [25, 40, 51] whose ventures do not comprise a sociopolitical dimension—rather, they created Type 1 ventures that are more characteristic of aligned founders. While remaining outliers with regard to the general patterns in our data, these three cases suggest that some founders, despite experiencing identity-related tensions in light of their perceived societal context, completely disengage from challenging the sociopolitical status quo in the context of their venture. For instance, founder [25] described his response to questions he receives about the philosophy behind his design: "[They ask], 'Is anything special with this bag?' I say, 'It's a bag, it carries things. Put your stuff in, I don't know what's left.'"

His overall attitude is one of "checking out" from society rather than engaging the status quo.

> Once you get born, you have to learn how to get money, that's the major goal of life. That's really sad … we have to get out of [this] money trap, to get to another world, but I don't know how to do that, we're stuck in this trap … I went to the small island [in Hawaii, where they], have a straw house, catching fish. That idea is right for me. You have to get out, it's just right for me. [25]

Likewise, founder [40] with a trendy, contemporary-themed fashion brand, explained, "I think everyone wants to be [an entrepreneur], because the environment is so sh*tty, but it's just like when you do it, you just get a lot of disappointment."

While he has his own identity-related tensions, he downplayed founders who he feels address their tensions (of a different nature than his) through their venturing, suggesting that local brands are focused on Taiwanese culture because they are having a "political identity crisis": "I feel like a lot of Taiwanese designers; they're talking about their culture. I think that's bullsh*t, … they need to use the Taiwan essence elements and then [just] make it into like a clothing brand." [40]

Taken together, these observations show how misaligned founders may build primarily economic ventures while expressing their dissatisfaction with society in attitudes of defeat and indifference [25, 51] or disdain [40]—perhaps because they have not understood, or been convinced of, the potential of entrepreneurship for addressing sociopolitical aims. We open this up further in our discussion of future research directions.

DISCUSSION AND CONCLUSION

In recent years, an identity perspective has allowed scholars to significantly advance our understanding of enterprising individuals and the organizations they create. In this study, we have departed from the widespread—and often implicitly held—assumption that an individual's identity and the sociocultural context are in alignment given that culture is considered to define the parameters of identity formation. In effect, by demonstrating that the identity of the founder can be at odds with their perceived social structure, our work enables new insights into fundamental mechanisms driving entrepreneurial behavior and how they manifest in the creation of different types of ventures—including ventures created by entrepreneurs who challenge the sociocultural status quo with their new firms. Furthermore, by revealing this potentiality of misalignment, we are also able to take an interesting theoretical vantage point on entrepreneurship—one that is evidently more encompassing than a purely economic perspective as it captures founder identity and entrepreneurial activity in the broader sociocultural context. For this very reason, the vantage point adopted in our study allows us to situate and extend the Schumpeterian (1934) notion of entrepreneurs as challengers of the economic status quo within a broader theoretical perspective that allows entrepreneurs to be understood as agents that can bring change to not only existing economic structures but also to sociocultural structures.

In the following, we discuss the implications of our findings for several research streams in the entrepreneurship, innovation, and organizational literatures, as well as for identity research.

Identity–Society Misalignment as a Driving Force in (Social) Entrepreneurship

Our findings contribute to extant research on entrepreneurship and organizational emergence as they identify and specify a fundamental mechanism that explains how founder identity–society (mis)alignment can act as a key driving force in the creation of new firms, including social ventures. In this regard, our study shows that *alignment* between the founder's identity and the perceived sociocultural context, and the ensuing reinforcement experienced, produces important outcomes on the venture level, as evidenced in both a primarily *economic focus* of the observed ventures—absent a sociopolitical dimension, and *economic rationales* guiding the founders' choice of how to distinguish the venture from the competition (i.e., through forward-looking innovation or through the pursuit of a past-oriented offering and choice of a corresponding market niche). Although ventures driven by an economic rationale correspond to the grand majority of new firms examined in the entrepreneurship literature, we have lacked explicit theorization on the role of the founder's identity relative to the perceived context and corresponding effects on firm creation. In other words, the insights pertaining to aligned founders and their ventures advance knowledge on the emergence of new organizations within their environments, and the role of the founders therein (Aldrich, 2008; Baker & Welter, 2020).

Yet, of greater importance are our findings with respect to *misalignment* between the founder's identity and perception of their surrounding social structure(s), as these insights reveal key tensions within such founders. Such tensions serve as a driving force in new firm creation and find their distinct expression on the venture level in the form of a strong—even dominant—sociopolitical dimension and an orientation toward either the future or the past, as founders strive to help create a new society that is in (better) alignment with their own identities, or to restore elements of the past society in that same vein. Our findings thus allow us to theorize how misalignment gives rise to the pursuit of sociopolitical activities in entrepreneurship and shapes the creation of distinct types of firms that serve as sociopolitical objects—or tools—of their founders. These ventures are especially significant if one wants to better understand entrepreneurship and the enterprising behavior of individuals as phenomena that are not only focused

TABLE 9
Creative Destruction and Creative Reconstruction (Extending Schumpeter, 1934)

	Identity–Society Alignment	Identity–Society Misalignment
Future-oriented	*Creative destruction* of the industry status quo with *novel* solutions (in order to achieve competitive advantage) • Founders operate within the existing sociocultural system without challenging it • Pursuit of economic goals	*Creative destruction* of the sociocultural status quo with *novel* sociopolitical measures • Founders challenge the existing sociocultural system • Pursuit of primarily sociopolitical goals, coupled with economic goals
Past-oriented	*Creative destruction* of the industry status quo with *past* solutions (in order to achieve competitive advantage) • Founders operate within the existing sociocultural system without challenging it • Pursuit of economic goals	*Creative reconstruction* of the sociocultural status quo by reinvigorating (elements of) a *past* sociocultural setting • Founders challenge the existing sociocultural system • Pursuit of primarily sociopolitical goals, coupled with economic goals

Note: These "choices" in new venture creation were not true rational design choices in our study, but rather were *prescribed* by the nature of the founders' fundamental (dis)content with the prevailing sociocultural context.

on economic goals but embrace a broader societal vision—as depicted in the burgeoning literature on social entrepreneurship (Lumpkin & Bacq, 2019; Markman, Russo, Lumpkin, Jennings, & Mair, 2016).

From Schumpeterian Creative Destruction to Creative Reconstruction

The novel vantage point adopted in our study and the perspective enabled by our theory of founder identity–society (mis)alignment allow us to offer a succinct view of Schumpeter's (1934) highly influential theory of creative destruction and, more importantly, allow us to reframe and extend this traditional perspective in a systematic and theoretically grounded manner that—beyond an economic context—encompasses the broader conception of sociocultural context, and entrepreneurs as agents driving innovation and restoration therein (see Table 9).

More specifically, in Schumpeter's (1934) perspective entrepreneurs are viewed as agents who engage in the creative destruction of an existing economic status quo by introducing innovations (e.g., new means of production, new offerings) and, in the process, establish a new economic equilibrium. We have seen evidence of this type of innovative activity with the aligned founders and their ventures, as depicted on the left side of Figure 1. Most of them introduce newly developed solutions (i.e., creative destruction via novel solutions; see Table 9), and two interesting cases resort to solutions from the past to offer new, differentiated (and competitive) products or services in the marketplace (i.e., creative destruction via past solutions; see Table 9).

The misaligned founders and their ventures depicted on the right side of Figure 1, however, engage in a different type of innovative activity—that is, one that seeks to inspire and effectuate change in the sociocultural context and move this broader context to a new "equilibrium" that is aligned with the founder's identity. They do so in two distinct ways:

(i) Ventures in the top right area of Figure 1 engage in the *creative destruction* of the sociocultural status quo (see top right of Table 9); for instance, they create new business models that allow travelers to be immersed in locally designed, even indigenous-designed and produced, products and experiences—ultimately aiming to deconstruct and replace the status quo of visitors staying in standardized chain hotels and visiting the few sites promoted by national and commercial tourism agencies.

(ii) Ventures in the bottom right area of Figure 1 engage in what could be termed "creative reconstruction" (see bottom right of Table 9) as they engage in enterprising activities to reestablish elements of a sociocultural environment of the past[12]; for instance, restoring widely held respect for—and reimplementation of—the traditional practice of craftsmanship being passed down from

[12] McKeever, Jack, and Anderson (2015: 62) employed the term "creative *re*-construction" to refer to "a gradual redefinition of community and economy." While their scope of reference was limited to entrepreneurs in their local communities, in effect their use of the term falls into the larger umbrella of how we use it.

master to apprentice in very close relationships that emphasize quality, integrity, and artistry.

Overall, these findings allow us to situate and extend the Schumpeterian (1934) notion of entrepreneurs as challengers of the economic status quo within a broader theoretical perspective that allows entrepreneurs to be understood as agents that can bring change not only to existing economic structures but also to sociocultural structures. Alignment or misalignment of their identity with the perceived sociocultural context will affect whether they venture within the existing rules of the game and challenge the economic status quo with their innovations (creative destruction), or challenge the rules of the game themselves with their innovations (creative destruction or creative reconstruction).

With respect to the gray area in Table 9, representing the middle ground, we find that founders situated here—who are either aligned but deeply empathetic toward those experiencing misalignment, or misaligned with only low tension—are not developing new (original) vision for a new sociocultural equilibrium, but are early adopters of business practices that support the revised vision of society put forth by high-tension misalignment founders.

Our extension of Schumpeterian creative destruction beyond the purely economic context, to address the broader sociocultural context, provides an overarching framework that not only reinforces and accommodates much of the literature we discussed as our theoretical background but also provides an identity-based causal explanation of *why* institutional and cultural entrepreneurs engage to change social environments. Additionally, we specify one mechanism through which the environment "constrains" founders' choices—that is, in living out who they are, founders naturally thrive on reinforcement and willingly play a game that makes sense to them, or respond to tensions.

Finally, our extended framework encompasses—and suggests origins for—previously studied anomalies such as the craft brewery resurgence (Carroll & Swaminathan, 2000) and survival of legacy technology Swiss watchmaking (Raffaelli, 2019), both of which entailed successful market development for less efficient or obsolete technical solutions "where the virtues of traditional production get romanticized" (Carroll & Swaminathan, 2000: 754). Both studies explored how this occurred, but neither explained why. While we cannot explain this on the level of organizational sociology, our findings suggest that such industrywide movements may *start* with misaligned founders enacting creative reconstruction with an express sociopolitical aim, and—following proof of concept with initial traction—are quickly joined by aligned founders who identify this revival of the past as a lucrative strategic positioning.

The "Logic of Appropriateness" in Entrepreneurial Decision-Making

We also advance research on organizational emergence by showing how early-stage strategic choices may, in fact, not be the outcome of a rational, choice-based decision-making process but rather based on a logic of appropriateness (March & Olsen, 2011) as founders strive to enact their selves in new venture creation. Although prior research has shown that founders' choices are constrained by their prior knowledge and experience (Fern, Cardinal, & O'Neill, 2012; Gruber, MacMillan & Thompson, 2012), as well as their identities (Brändle, Berger, Golla, & Kuckertz, 2019; Farmer et al., 2011; Fauchart & Gruber, 2011), extant theorizing lacks explicit consideration of how these latter constraints arise. Our results reveal one compelling explanation: that constraints arise when (mis)alignment between perceptions of self and the environment make founders pursue courses of action that they deem "appropriate"; that is, actions that are *prescribed* by the nature of their discontent with the prevailing sociocultural context or their experience of the sociocultural context as sufficiently reinforcing (and thus not in need of changing). It is intriguing that these misaligned entrepreneurs—despite the fact that they establish ventures with a social mission—typically were not motivated by the idea of becoming social entrepreneurs, but did so because of identity-based motivations that arose due to tensions between their self and society.

Implications for (Founder) Identity Research

Our findings allow us to contribute to prior identity research within the entrepreneurship domain, as well as identity research more broadly. First, prior research on founders' social identities has shown that founders possess one of three primary types of social identities (or hybrid combinations); that is, Darwinian, Communitarian, and Missionary identities (Fauchart & Gruber, 2011; Gruber & MacMillan, 2017). This typology specifies founders' default level of social inclusiveness (i.e., as an individual not inherently tied to anyone else socially, as a member of a community, or as a member of society at large) when carrying out an entrepreneurial activity. While Fauchart and Gruber

(2011) only hinted at the idea that it matters how well the founder feels they fit with their perceived sociocultural context, we specify how founders' identity structures can be (mis)aligned with the social context and thereby shape ventures. In effect, investigating these two aspects of social identity in tandem—level of inclusiveness and fit with environment—may yield key new insights into founders' motivations to venture, sources of entrepreneurial innovation, strategic orientation, and firm outcomes, and may serve as a powerful combination to better understand the range of founder identities existing across societies and how these identities are enacted in light of the perceived sociocultural context. Interestingly, our data indicate that Darwinian, Communitarian, and Missionary founder identity types exist in both the aligned and misaligned cases, and that the theory of (mis)alignment offered in the present study can help us to understand whether venture founders will venture within the prevailing rules of the game prescribed by the sociocultural context, or whether they will challenge them with their ventures.

Second, it seems that the ideas embedded in our theory of founder identity–society (mis)alignment tend to be more widely applicable, and can perhaps explain how all sorts of individuals may be reinforced by their perceived social structure or thereby experience important tensions. Interestingly, the entrepreneurship context is one in which these forces tend to become explicit (e.g., manifest in venture decisions), and thus more transparent and observable for scholars. Our study may therefore serve as an example of how the entrepreneurial setting likely holds important insights for advancing identity research more generally. As a case in point, whereas prior work has posited that sociocultural context "set[s] the parameters of identity formation" (Côté, 1996b: 418) for any type of individual, our data suggest that an unusually high prevalence of counterexamples may be found among entrepreneurs. Patterns of reactions to tensions observed in our study—that is, addressing sociocultural dissatisfaction intentionally, or, in the case of three outliers, completely disengaging from any sociocultural frustration—suggest that broader patterns may exist in engagement and disengagement with perceived sociocultural contexts when individuals experience misalignment.[13]

[13] It is important to take into account additional factors that likely affect decisions to engage or disengage when faced with tensions, keeping in mind that entrepreneurial populations have been shown to display higher-than-average levels of self-efficacy when compared with nonentrepreneurs (Markman, Balkin, & Baron, 2002).

Limitations and Opportunities for Future Research

Several limitations need to be considered when interpreting the findings of our study. First, we mainly observed ventures created by single individuals, and observed a few venture teams comprising two founders (who had similar identities and did not diverge in their perspectives on their sociocultural environment). Yet, while this type of sample provided us with the possibility to study the observed relationships in a relatively "clean" manner, we were precluded from studying how multiple founders with different identity structures or perceptions of the environment engage in new firm creation together and, in particular, the tensions that are likely to arise between them in the process.

Furthermore, while we found that all misaligned founders experienced tension, to some degree, not all of them acted on it in their venture to the same degree (or at all). In-depth analysis of why founders [25, 40, 51] disengaged was outside the scope of our study; however, it could be that they express their dissatisfaction with the current social environment in alternative ways, and do not view their venture as a sociopolitical object that may challenge and change the sociocultural context—or they may realize this possibility only over time. Furthermore, other factors, such as self-efficacy and personality characteristics, may explain why founders do not embed a sociopolitical dimension in their ventures (Brändle et al., 2018).

Building on the findings of this study, we see multiple promising directions for future research, and describe three here. First, founders' accounts of important life experiences show change over time in "how experience is handled as well as … what experiences are considered important" for their identity—Marcia's (1993: 3) definition of *identity structure*. In fact, many founders in our sample told stories of important life events that directed them away from one identity structure toward their present identity structure. While the present study was designed to investigate a cross-sectional snapshot of founders' identities at the time of the interviews in relation to their venture characteristics, longitudinal studies may examine the dynamics of identity–society alignment over time in relation to the entrepreneurial process, including motivations and actual venture creation, and further uncover the role of identity structure shift.

Second, zooming in one level, beyond general alignment or misalignment that was the focus of this study, specific configurations of founder identity and society perceptions can be explored to understand the complex tensions generated when a specific identity structure encounters specific social structures, and how these tensions orient founders in their venture decisions. With three identity structures and three social structures, theoretically nine (pure) permutations exist—three aligned configurations and six misaligned configurations. Further investigating, comparing, and contrasting the outcomes of various identity–society configurations could add a level of richness, but does not change the variation on the top level, which was the focus of the present study. Such research is not only theoretically interesting but could also be useful for founders to better understand themselves and potential partners when forming venture teams.

Finally, zooming in one more level, our data suggest that deeper investigation of founders' perceptions of sociocultural context could be fruitful. We did not impose any particular definition of sociocultural context beyond the general idea of the rules of the game (York & Lenox, 2013), and allowed founders' expressions to define what "society" meant to them and which actors and institutions were the source of relevant tensions or reinforcement. Future studies could identify the most salient or influential levels of identity-related reinforcement or tension with regard to venture outcomes: distinguishing between, for example, social structures of founders' immediate surroundings (guiding daily interactions), their industry sectors (e.g., patterns of interaction), their nations (e.g., characteristics of the prevailing education system), their global region (e.g., MENA [Middle East and North Africa], Chinese cultures), and global society as a whole.

CONCLUSIONS

We began this paper by noting that the pursuit of an entrepreneurial activity offers individuals freedom in choosing which enterprising activities they want to pursue, the way in which they want to pursue them, and the goals they seek to achieve with their new firms. In other words, entrepreneurial activities allow individuals to put much of who they are—their identity—and the associated meanings into the venture creation process. The different perspectives encountered in our empirical investigation enabled findings that gave rise to a theory of founder identity–society (mis)alignment. This theory adds a higher level to current theorizing on the role of founder identity in the creation of new organizations, as it enables scholars to understand identity in its sociocultural context. Due to the very nature of the relationship (alignment vs. misalignment), this theory provides insights into how entrepreneurship is affected by societal structures and, by implication, can also contribute to an evolution in societal structures. Given the fundamental nature of these insights, we encourage future researchers to embrace a perspective on founder identity that is deeply embedded in the sociocultural environment.

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