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Spinning an entrepreneurial career: Motivation, attribution, and the development of organizational capabilities

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Abstract

Research Summary: We inductively examine how the careers of employee entrepreneurs unfold, uncovering the role of motives and attribution for failure. Founders expressing organizational misalignment motives for leaving established organizations engaged in "venture crafting" whereby they actively sought to build well-functioning organizations. They built successful initial ventures and careers. Founders lacking organizational misalignment motives generally founded initial ventures that failed: however, those making internal attributions altered their behaviors and built successful careers; in contrast, founders making external attributions continued founding unsuccessful ventures. These findings suggest that building organizational capabilities—and not merely inheriting capabilities from existing organizations—is a cornerstone of building successful entrepreneurial careers. Our findings are based on detailed career history and archival data on employee entrepreneurs in the disk-drive industry.

Managerial Summary: Our study follows careers of individuals leaving employment to create ventures, providing insights for entrepreneurs and managers. Though entrepreneurs often choose to focus solely on building a stellar product, our study underscores the importance of

crafting well-functioning organizations for career and venture success. Moreover, in case where initial ventures fail, founders who make internal attribution generate a "second chance" at success, whether as serial entrepreneurs or by returning to paid employment. Those who attribute failure to external factors, however, repeat their mistakes. For managers, our study reveals that the genesis of successful entrepreneurial careers is rooted in organizational deficiencies that prevent talented employees from thriving as intrapreneurs. The venture crafters typically left their jobs only after attempts to amend these issues were unsuccessful.

KEYWORDS

attribution, employee entrepreneurship, entrepreneurial careers, motivation, organization design

1 | INTRODUCTION

As the Vice President of Phillips Strategy and Ventures in the late 1990s, Tony Fadell, a devoted music fan with expertise in hand-held computing, and his team developed a digital audio player that received rave reviews from critics. Phillips' management and salesforce, focused on the consumer television industry, were not convinced, and devoted few resources to marketing and selling the product. This propelled Fadell to leave for Real Networks where he continued to develop the idea. Shortly thereafter, he founded Fuse Systems. Fuse failed to secure a second round of funding and Fadell returned to paid employment in 2001, when Apple contacted him. At Apple, he led the teams that created the first 18 generations of the iPod and the first three generations of the iPhone. Upon leaving Apple in 2008, Fadell developed the idea of a smart thermostat and cofounded Nest Labs in 2010 with Matt Rogers, a former Apple colleague. Fadell then negotiated the acquisition of Nest by Google in 2014, where he stayed through 2016. All three products—the iPod, the iPhone and Nest—have been recognized in Time's list of most influential gadgets of all time (Time, 2016). After leaving Google, Fadell founded Future Shape (now the Build Collective), a global firm providing technology advising, coaching, and investments to engineers and scientists seeking to develop technologies and create new ventures.[1]

The vignette above illustrates a critical issue deserving of attention by entrepreneurship scholars: the unfolding of entrepreneurial careers over time. As illustrated above, Fadell's career included founding of both failed and successful ventures, and a weaving together of stints of paid employment and entrepreneurship. In contrast, however, the literature on employee entrepreneurship (e.g., Campbell et al., 2012; Gambardella et al., 2015; Klepper & Thompson, 2010; Shah et al., 2019), as well as the broader entrepreneurship literature (Carbonara et al., 2020; Plehn-Dujowich, 2010; Westhead & Wright, 1998), have largely taken a "one-shot" perspective,

[1]We constructed Fadell's entrepreneurial career from the following sources: Computer History Museum (2018), Fadell (2022), Macworld (2011), New York Times (2011), Surface (2018), and VentureBeat (2016).

focusing on a particular career event. Studies have focused on how a variety of factors—such as capabilities and motives—affect a particular type of career event, such as a focal venture founding, the success of a focal venture, the decision to engage in serial entrepreneurship, or a return to paid employment.[2] However, the factors that shape the unfolding of careers over time have largely gone unexplored. Developing a better understanding of these factors requires us to carefully examine how entrepreneurs spin their careers over time, rather than limiting the time frame to one-shot events. Building on Sarasvathy et al. (2013), we believe that there is a need to examine how "entrepreneurs can *use firms as instruments* to increase the probabilities of their own success" (p. 430). Doing so requires moving beyond a focus on individual entrepreneurial ventures and career events and turning our attention to entrepreneurs and their careers.

In this study, we shift the spotlight (and our unit of analysis) to entrepreneurial careers, asking: *How do the careers of employee entrepreneurs unfold over time and why?* We use an inductive, grounded theory-building approach to address the above research gap. We conduct our study in the context of the early and growth stages of the disk-drive industry (1977–1997). We draw upon primary-source interviews and archival data to construct career-history data for 21 employee entrepreneurs whose rigid disk drive ventures are representative of the oft-studied disk drive spinout population and employ a retrospective life-course research approach (Mayer, 2007; Reimer, 2004; Reimer & Matthes, 2007).

Our study uncovers two key findings that illuminate the factors that shape the careers of employee entrepreneurs. First, founders who left their launch firm due to organizational misalignment motives tended to found successful initial ventures, whereas founders who left for other reasons rarely did. Founders possessing organizational misalignment motives engaged in "venture crafting"—carefully considering and implementing organizational activities to build well-functioning organizations to prevent the issues that colored their experiences at their launch firms from derailing their ventures. Put differently, founders acted deliberately to ensure that their ventures were organized differently from the firms they had chosen to leave and chose to *not* carry certain practices forward. Venture crafters' follow-on careers continued to be highly successful: they either grew their ventures through retirement, joined growing firms in executive positions, or engaged in serial entrepreneurship. Second, for those founders whose initial ventures were not successful, attribution, and behavioral change matter. Founders who made internal attributions and altered their behaviors either permanently returned to paid employment or founded subsequent ventures that were successful; these changes involved selecting skilled and collaborative employees. In contrast, founders who made external attributions founded multiple unsuccessful ventures, often repeating mistakes. Taken together, our findings demonstrate how motives and attributions for initial venture failure drive behavior and thereby shape career and venture outcomes.

We make four key contributions to entrepreneurship literature. First, employee entrepreneurship scholars have noted the importance of both organizational misalignment motives

[2]There is a growing and fertile literature around motives, capabilities, and career events in the context of entrepreneurship; we provide the following references as a starting point for the interested reader. Extant research examines how founder capabilities shape particular career events (e.g., Agarwal et al., 2004; Carbonara et al., 2020; Plehn-Dujowich, 2010). Existing work also examines the role of motives in entrepreneurship (e.g., Amit et al., 2001; Carnahan et al., 2012; Shah et al., 2019). Much of this work focuses on identifying motives for founding a venture or on motives propelling behaviors and choices at a particular venture over time (see review in Murnieks et al., 2020). And, finally, a number of scholars have examined factors associated with specific career events, such as focal venture founding (e.g., Campbell et al., 2012; Murnieks et al., 2020), serial entrepreneurship (e.g., Donckels et al., 1987; Gordon et al., 2009; Westhead & Wright, 1998), and return to paid employment (e.g., Koch et al., 2021; Mahieu et al., 2022).

(Klepper & Thompson, 2010; Shah et al., 2019) and inherited capabilities and practices from parent firms (Agarwal et al., 2004; Burton et al., 2002; Feldman et al., 2019; Sine et al., 2006) on employee entrepreneurs' decision to found a venture and on venture outcomes. As such, the existing literature treats motives and capabilities as distinct and orthogonal factors shaping entrepreneurial choices and outcomes. In contrast, our study shows that motives can give rise to particular behaviors and in the process, lead to the generation of organizational capabilities. Second, we join the literature examining how nonpecuniary motives guide entrepreneurial behaviors (Agarwal & Ohyama, 2013; Roach & Sauermann, 2015; Sauermann, 2018). Motives are the psychological processes that direct, energize and sustain action (e.g., Latham & Pinder, 2005); that is to say, motives shape behavior (e.g., Mitchell & Daniels, 2003). We show that organizational misalignment motives for leaving the launch firm lead founders to focus on building well-functioning organizations, leading to successful ventures *and* successful careers. Third, and in contrast to the literature suggesting that new ventures adopt many organizational practices from their launch firms (Feldman et al., 2019; Honoré, 2022), our study showcases the intentional *non-adoption* of practices by venture crafters. Venture crafting provides a strong organizational foundation for entrepreneurs' initial and subsequent ventures. Fourth, our study contributes to the literature on founder attribution by showing how founders' attribution for venture failure shapes behaviors and subsequent career outcomes. Our findings reinforce the existing literature by showing that individuals who made external attributions did *not* make behavioral changes and often repeated their mistakes (Eggers & Song, 2015; Yamakawa & Cardon, 2015). Moreover, we extend literature that suggests internal attributions lead to more functional behavior (Homsma et al., 2007; Yamakawa et al., 2015) by showing that internal attribution does not lead to homogeneous outcomes: some founders who made internal attributions directly addressed problems, whereas others circumvented them, with the former leading to the creation of higher growth ventures.

We also contribute to the organizational literature focused on job crafting. Our conceptualization of venture crafting builds upon and extends the literature on job crafting whereby employees of existing organizations (re)design their work to align with personal abilities and preferences (Tims & Bakker, 2010; Wrzesniewski & Dutton, 2001). Our study shows that job crafting activities can transcend organizational boundaries: individuals can also increase the effectiveness of and meaning they derive from work by designing entirely new organizations. In addition, our study shows that entrepreneurs *motivated* by organizational misalignments engage in venture crafting activities and build successful ventures and successful careers.

2 | STUDY SETTING: THE RIGID DISK DRIVE INDUSTRY

We examine the careers of employee entrepreneurs who created their first venture in the rigid disk drive industry between 1977 and 1997. This industry and period provide a particularly compelling context for several reasons. First, the disk drive industry is perhaps the most used context to study spinout firm generation and performance (Agarwal et al., 2004; Christensen, 1997; King & Tucci, 2002; Shah et al., 2019). Existing studies show that the industry gave rise to many spinouts (Agarwal et al., 2004; Franco & Filson, 2006) and a number of serial entrepreneurs (Shah et al., 2019), making the industry a fertile place to study variations in the careers of employee entrepreneurs. Second, there are detailed archival records (*The Disk/Trend Report*; *Computer History Museum*) that document the population of new ventures in the disk drive industry, their founders, and their performance over a 20-year period. This information

provided us with a valuable starting point for identifying new ventures and founders, as well as data documenting performance outcomes. Third, several decades have passed since each founder created their first venture, providing the opportunity to examine how their careers unfolded over time. To do so, we collect primary-source data through interviews. We then use these data to comparatively analyze the careers of multiple founders and build our framework.

3 | RESEARCH METHODS

We use both primary-source interview data and archival data to fuel our study. We used a retrospective life course approach to obtain detailed information on founders' motives, behaviors, and careers (Mayer, 2007).[3] Archival data provided us with detailed information on the new ventures that entered the industry (e.g., entry and exit dates, products, and sales) and founders' prior institutional affiliation. We analyzed these data using an inductive analytical method rooted in the principles of grounded theory building (Glaser & Strauss, 1967; Locke, 2001) with the goal of illuminating patterns in order to develop a theory (Strauss, 1987; Van Maanen, 1988). We used an emic approach, allowing the perspectives, explanations, and beliefs of founders to guide our study. With respect to motives, we allow each founder to express his motives, rather than choose among a predetermined set of motives: accordingly, a founder may possess multiple motives and motives may differ across founders (Jencks et al., 1988; Jensen & Meckling, 1994). With respect to careers, entrepreneurs can weave entrepreneurship into their careers in multiple ways. Recognizing the heterogeneity that exists in both founder motives and careers allows us to develop a framework that accounts for and embraces these real-world differences.

3.1 | Data collection

3.1.1 | Identifying and contacting founders

We identified the population of 94 founders in the rigid disk drive industry who had worked in the industry prior to founding their first venture (i.e., employee entrepreneurs) using *The Disk/Trend Report*. We then searched a variety of sources for founder contact information (e.g., websites; databases tracking employment and executive positions, such as LinkedIn; address databases). This was a time-consuming undertaking, as many founders had retired or passed away, often leaving few—if any—digital traces; and those still working had moved on to different firms. Our efforts resulted in potential contact information for 75 founders. However, much of this contact information was no longer valid: emails and phone lines were no longer working, and letters were returned to us. We, therefore, believe that most founders who received our request responded. We ultimately contacted 23 founders and interviewed 22 (one

[3]The retrospective life course approach involves gathering data on life histories at one (later) point in time; in contrast, prospective approaches involve gathering data concurrent to life events (Mayer, 2007; Reimer, 2004; Reimer & Matthes, 2007). Retrospective life course data have the advantage of being time and cost efficient, moreover they do not run the risk that "both the quality of survey instruments and scientific interest in the subject matter tends to become obsolete in panels which run for a longer time" (Mayer, 2007, p. 96). As described in the section below titled "Interviewing Founders," we followed best practices in life course studies, including chronological sequencing, aided recall, and systematic comparison with evidence (Reimer, 2004; Reimer & Matthes, 2007).

founder, who was managing a significant personal setback, had difficulty in making time to be interviewed). We excluded one founder who was not an employee prior to founding his initial venture and a second founder due to a lack of details on his subsequent, successful ventures. We also included data from one interview conducted by the Computer History Museum in Mountain View, California. This resulted in a sample of 21 founders.

3.1.2 | Interviewing founders

Interviews with founders provided information regarding their critical decisions and the reasons underlying those decisions: such information often goes undocumented and is hence unavailable in archival records (Barley, 1986; Orr, 1996). We asked a series of open-ended questions followed by clarifying questions, consistent with common practice in qualitative research (Spradley, 1979). Interviewees were guaranteed anonymity to promote candid responses.

We interviewed founders who founded a venture in the rigid disk drive industry (between 1977 and 1997) in 2011, using basic principles of the retrospective life course approach (Mayer, 2007). We used chronological sequencing when asking questions, which put informants back in the time frame of the events to recount their motivations, decisions, and consequences in a temporal sequence (Eisenhardt, 1989; Reimer, 2004). We used our knowledge of the critical events to provide "faithful and specific cues" (Reimer, 2004, p. 11) in order to reduce recall errors in timing. We also used secondary data and corroborative information in interviews with other individuals (e.g., co-founders, as well as employees at launch firms or new ventures who later founded their own ventures and were part of our interviewee pool) to triangulate evidence across multiple sources, when possible.

Interview questions addressed the following themes: (1) the founder's educational and general background information; (2) the founder's responsibilities, past promotions, satisfaction, and anticipated future career path at the launch firm; (3) a deep dive into motives for venturing out from their launch firm and strategic choices related to recruiting cofounders; technological and market positioning; and organizational and operational structures, (4) detailed information on follow-on career decisions, including founding subsequent ventures and (temporary and permanent) returns to paid employment, and (5) their assessment of the motives of cofounders or employees (at launch firms or new ventures) who founded firms. Interviews lasted 50–120 min, with the average interview lasting 86 min. All interviews were conducted by the same coauthor by phone with one exception: one in-person interview was conducted in-person, at the interviewee's request, by a trained research assistant. All interviews were recorded and transcribed to facilitate data analysis.

We believe that our data reflect founders' actual experiences (i.e., that founders can accurately recall events) for several reasons. First, psychology research suggests that founders' long-term recollection of key career events is likely to be accurate because individuals tend to retain memories of salient information and events (Ericsson & Simon, 1980; Kahneman, 2003; Tversky & Kahneman, 1973). Mayer (2007) states: "*recall is best for very short time distances [to the event], then worsens, but stays very stable as time distances goes on. This result is crucial, since it could support retrospective studies with a long time frame into the past*" (p. 23). Second, given the overlapping networks of disk-drive founders, we found consistency across individuals' accounts of the same events and in their understanding of others' motives—both among co-founders of the same venture and across founders and individuals who were employees of the

same launch firm or new venture.[4] Finally, founders were very open with us, revealing mistakes, regrets, and lessons learned. They were frank about the internal politics they faced, including arguments they had and the reasons they believed certain issues were worth fighting; and they freely shared details of family life relevant to their career choices. That most founders had retired from successful careers and perceived little or no risk in sharing their stories likely allowed them to be open. This aligns with the review by Mayer (2007), wherein he concluded that some data are more likely to be reported truthfully retrospectively rather than concurrently. Taken together, the importance of these events to founders, as well as the consistency and candidness of responses, suggest that the data collected reflect founders lived experiences.

3.1.3 | Sample

Our final sample includes the career histories of 21 founders. Table 1 provides information on founder characteristics. All founders were male, and with one exception, held bachelor's degrees in science and engineering. Around one-third held master's degrees in engineering, and a small number held doctoral degrees or MBAs. Nearly all founders were between 30 and 50 when they founded their first venture[5] and 62% (13 of 21) of founders had worked at a start-up at some time prior to founding their first venture. Together, the founders in our sample built a total of 31 unique ventures over the course of their careers: 19 in the rigid disk drive industry, 9 in closely related industries (including flexible disk drives, rigid media, software, etc.), and 3 in unrelated industries.

While we cannot claim representativeness of founders' careers due to lack of population-level data from archival sources, we used the rich secondary data on the population of rigid disk-drive industry spinouts to examine whether or not the ventures built by founders in our sample are reasonably representative of the population with respect to *firm-level* characteristics and outcomes. Table 2 utilizes the secondary data on characteristics of rigid disk drive firms to compare population and sample descriptive statistics on key attributes identified in prior studies. As seen in Table 2, the firms built by the founders in our sample mirror the spinout

[4]We were able to triangulate data for most of these founders. Specifically, we were able to interview at least one cofounder for 14 of the 21 founders; and we were able to interview at least one individual who observed key events as employees (at launch firms or new ventures) for 17 of 21 founders.

[5]We investigated the extent of survivor bias (the possibility that older entrepreneurs were not interviewed because they may have passed away) by searching for data on age at the time of venture founding in the rigid disk drive industry for founders *not* in our sample. We were able to find information for 19 additional founders. A comparison of the ages of the founders in our sample with this expanded set reveals that our sample is somewhat skewed towards younger founders: 67% (as opposed to 43% of all founders) founded their initial venture in their 30s; 29% (v. 38%) in their 40s; and 5% (v. 18%) in their 50s. While not discounting this skewness and implications for generalizability, several factors allay our concern. First, extant empirical research suggests that the overall effect of age on work motivation is minimal, finding only a 7% variance across different age groups (Inceoglu et al., 2012). Hence, patterns among older founders may be similar to what we document—with one difference inasmuch that they may be more likely to retire after their initial venture than younger founders. Second, even if we consider age to be a boundary condition of our findings (i.e., that our findings apply to founders who found their initial venture before the age of 50), this still represents the majority of founders in the population: the average founder age in the US high-tech industry (2007–2014) is 43.2 years (Azoulay et al., 2020) and 76.7% of all founders in the United States in 2012 were under the age of 54 (Kauffman Index of Entrepreneurial Activity, 2013). Third, the relatively short time span required for most new ventures to commercialize and ship their first product (generally less than a year) suggests that even an older founder could engage in serial entrepreneurship, if s/he wanted to do so; we observe this in our data. We thank an anonymous reviewer for suggesting we investigate this possibility.

TABLE 1 Characteristics of founders in the sample.

Characteristic	
Education	
Bachelor's degree	95% (20 of 21)
Master's degree (engineering)	29% (6 of 21)
MBA	10% (2 of 21)
PhD	5% (1 of 21)
Other	5% (1 of 21)
Age at initial founding	
30–40	67% (14 of 21)
40–50	29% (6 of 21)
50+	5% (1 of 21)
Highest position attained at launch firm (immediately prior to initial venture founding)	
Consultant/other	5% (1 of 21)
Engineer	29% (6 of 21)
Manager	29% (6 of 21)
Executive position	38% (8 of 21)
Serial entrepreneur	67% (14 of 21)
Founders founding at least one successful venture	71% (15 of 21)
Number of new ventures founded over the course of their career	
One	7
Two	10
Three	2
Four	2
Male (%)	100% (21 of 21)

population in the industry in terms of average technological capabilities and survival rates. These comparisons suggest that the patterns we uncover may apply to the population of firms and are not likely to be an artifact of our sample.[6]

3.2 | Analytic approach

Our analytic approach is rooted in grounded theory building (Glaser & Strauss, 1967; Langley, 1999). The key components of this approach are grounding, organizing, and

[6]Technological capabilities have been shown to affect the performance of disk-drive ventures (Agarwal et al., 2004; Franco & Filson, 2006; King & Tucci, 2002). We examined whether technological capabilities could be a potential alternative explanation for our findings by comparing the technological capabilities of successful (average tech capabilities = 0.489) and failed (average tech capabilities = 0.491) ventures. We found the two to be nearly the same, providing support for the idea that the variance we observe in our data—and the theoretical patterns that we derive from it—are likely attributable to differences among founders rather than differences in firm-level factors. We thank an anonymous reviewer for suggesting we examine this potential alternate explanation.

TABLE 2 Key descriptive statistics: Employee-founded new ventures in the rigid disk drive industry.

Variable	Population	Sample[a]
Number of new ventures	40	19
Number of distinct founders	94	21
Number of distinct launch firms	27	17
New venture survival rate (5 years)	45%	47%
First movers (market pioneers)	11 (28%)	6 (32%)
New venture 5-year average technological capabilities[b]	0.60	0.49

[a]In the sample column, only new ventures in the rigid disk drive industry are included.
[b]Following Agarwal et al. (2004), we computed average technological capabilities as the 5-year average of each new venture's relative technological position, as measured by relative areal density.

replicating. Guided by our interest in understanding how entrepreneurial careers unfold over time, we began by open coding our interview data (Locke, 2001; Van Maanen, 1988) to identify the various motives that propelled founders to venture out and found their own firms, their subsequent career decisions, and the reasons for those decisions, thereby "grounding" our study in the data and allowing the interviewee's perspectives to shine through. Two investigators independently analyzed and coded the data. The investigators then compared the codes they had created, compiling a set of distinct (non-redundant) codes, and discussing findings and observations in detail. Our discussions served as occasions for clarifying meaning and breaking down or consolidating codes to reflect the nuance captured in the data. Some emergent codes, like the extent to which some founders had experienced significant conflicts at their launch firm—despite their efforts to act in the firm's best interests—surprised us, while others, like the desire to venture out seeking autonomy or financial gain seemed consistent with the literature (Anton & Yao, 1995; Wasserman, 2017).

We then sought to "organize" the parts of the story by building associations between our codes to identify patterns in the data, or as Glaser (1978) puts it, "weave the fractured story back together" (p. 72). This was by far the most challenging aspect of our study as there were many steps along the way to distilling our key findings. We briefly highlight two key "breakthroughs" in our thinking here. First, it was not initially clear how to group motives, how to define career-level outcomes, or what motives or actions (if any) would be associated with career success as both motives and career outcomes are complex and multifaceted. We began by examining the effects of single motives on specific career events. Over time, however, we constructed entrepreneurial career outcome variables that encapsulated careers in their entirety (rather than focusing on individual events). Similarly, we began by analyzing individual motives. Then, we noted that several motives were similar in nature and often associated with similar outcomes, so we created higher-level groupings of motives to simplify the analysis. After numerous iterations, we arrived at variables that were simple, true to the data, and helped us illuminate key findings. Second, as we recognized the positive relationship between organizational misalignment motives and successful careers, we further homed in on this motive, tying it to venture crafting behaviors and noting that its presence was associated with successful venture and career outcomes. Over time, a framework in which the presence of organizational misalignment motives was associated with some career outcomes (and not with others) came into view. From there, we sought to further refine our framework and began to see the role played by attributions for early venture failures in shaping careers.

Finally, we used a replication logic to ensure that the patterns we found held throughout the sample (Bechky & O'Mahony, 2015): we revisited each narrative to check if associations held, and if they did not, we revised our associations or created alternative paths. These steps—grounding, organizing, and replicating—were iterative: for example, as patterns came into focus, we often went back to the data to gather more nuanced information, and, in some cases, we had "ah-hah" moments where we realized the need for an additional code or a more nuanced coding scheme to better capture what was going on in the data. Throughout the process, we compared and contrasted motives, behaviors, and outcomes both within and across cases. In addition, as the analysis progressed, we went back to the literature to understand what had been said about the various concepts that emerged in our data (Eisenhardt, 1989; Ozcan & Santos, 2015). Through these efforts, we ultimately arrived at a framework that was consistent with our data.

3.3 | Coding details

Below, we provide detailed information on how motives, attributions for venture failure, and entrepreneurial career outcomes are coded.

3.3.1 | Coding details: Motives

Founders expressed nine motives for venturing out from their launch firm. We categorized these motives into four groups based on similarity.[7] *Organizational Misalignment* motives include a variety of organizational issues experienced at the launch firm, including strategic disagreements, frustrations caused by bureaucracy, interpersonal and ethical frictions, and concerns about fairness. *Money & Control* motives reflect a desire to use venturing as a means of generating money or the ability to work without taking direction from others. *Create* motives reflect a desire to create new technologies and/or organizations; this can be thought of as finding sheer joy in tinkering, working with technology, and building products and organizations. *Opportunity* motives reflect the observation that the disk drive industry was flourishing and include the presence of a fertile startup environment and a possibility of returning to paid employment. Table 3 provides detailed information on the founders' motives for initially venturing out and their groupings, the keywords/phrases used to code each motive, and illustrative quotes. We had two research assistants code the data independently based on our definitions. Motives expressed differed across founders and nearly all founders (20 of 21) expressed motives spanning two or more groups. Create (90%) and opportunity (100%) motives were expressed by nearly all founders, whereas fewer founders expressed organizational misalignment (48%) and money & control motives (24%).

3.3.2 | Coding details: Initial venture outcomes (success or failure)

To code whether or not a founder experienced success at their initial venture, we examined both the secondary data and our interview data. We code success as successfully commercializing a

[7]We used SDT to label and group motives. SDT categorizes motives based on the locus of causality (i.e., an individual's beliefs regarding the extent to which one's actions are determined autonomously versus imposed externally) that drives a behavior (Gagné & Deci, 2005).

TABLE 3 Founders' motives for initially venturing out.

Groups of motives (number and percentage of founders expressing for initial venture, $n = 21$)	Motives expressed by founders	Definition	Expressed for initial venture (percentage, $n = 21$)	Illustrative quotes	Representative keywords and phrases
Organizational misalignments (10; 48%)	Chafed at Bureaucracy	Frustration caused by bureaucracy	6 (29%)	*I wasn't that happy for a variety of reasons... I'm part of this big organization that I'm, not exactly a cog, but not exactly... There's this matrix and then where are you in your grid and I just about threw up on the side. It made me sick. This is my life? I'm going to be in a matrix?* (Founder 5-1) *At [name of the launch firm]... It was the only time in my life where I could not tell my boss what I was doing... The reality is after I left, my product was the last successful hard drive product [by the launch firm]... because, they put controls in place to make sure that a maverick would never do it again. So, no one ever did* (Founder 12-1)	Kingdom, red tape, rules, matrix, control
	Strategic disagreement	Strategic conflicts with managers. Desire to pursue an idea rejected by the launch firm	5 (24%)	*It appeared to me that what we should be doing is building a small hard disk drive... So, I've asked the engineer to go in the backroom and configure the 5.25-inch hard disk drive... Once we built that as a model and I showed it to the management, they were very upset with me* (Founder 1-1) *I came back and I told [name of the launch firm], "Disk packs are sort of going away. They're coming up with a disk drive device, that's about eight inches in diameter. It's got five megabytes on them." Now these guys had 14-inch disk packs, and these disk drive machines in those days were about as big as a washing machine.*	Difference of opinion, would not support, difference of strategy, split off, disagreement, misalignment, rejected, declined, had no desire

TABLE 3 (Continued)

Groups of motives (number and percentage of founders expressing for initial venture, $n = 21$)	Motives expressed by founders	Definition	Expressed for initial venture (percentage, $n = 21$)	Illustrative quotes	Representative keywords and phrases
				Literally, as big as a washing machine and this is in the 60's ... I couldn't get them to do it, to cut the long story short (Founder 17-1).	
	Interpersonal/ ethical frictions	Personal conflicts with managers	5 (24%)	*I couldn't stand this guy. I put a lot of energy into solving our relationship issues like going offsite with him one-on-one and stuff like that. Finally, I went to the CEO... and I said, "Look it's either him or me.*" (Founder 16-1)	Don't get along with, couldn't stand, politics, unhappy, uncomfortable, eye to eye, falling out, relationship issues
				Well, [name of the president] and I did not see eye-to-eye... Emotionally you cross a bridge, it's hard to go back ... I just did not get along with the guy that they put in charge there, and I thought he was going to run the company in the ground and I said, "OK, I'm out of here." (Founder 11-1)	
	Desire for fairness	Generating and maintaining a sense of fairness for contributions made	2 (10%)	*But, because of their personnel policies and pay policies, once we sold, no one had any equity anymore, and here in this Valley, equity was kind of a big driving force... fairness, in management I think it's very important to be fair* (Founder 11-1)	Equity, fairness
				I couldn't get [name of launch firm] interested [in a new idea], I tried like heck, and they weren't even interested ... You start looking at your life. If I didn't have a job, I couldn't last three months with the amount of money I'd saved. The motivation was not highfalutin. It was sole	

TABLE 3 (Continued)

Groups of motives (number and percentage of founders expressing for initial venture, $n = 21$)	Motives expressed by founders	Definition	Expressed for initial venture (percentage, $n = 21$)	Illustrative quotes	Representative keywords and phrases
				survival. It was "where am I going to be in the next 10, 20 years?"... I had a small stock option, you know, and it wouldn't even give me what I could save in a year (Founder 17-1)	
Money and control (5; 24%)	Desire for money	Desire for financial and monetary rewards	5 (24%)	*I decided, you know, I'm making good money, but I will never become a millionaire because I was just basically a party of one, and the effectivity of one is one squared. And so, I said the only way I can become a millionaire is [to] join a group of other people so the effectivity of two people, obviously, is two squared* (Founder 10-1) *It was a very fruitful time to start a business in a disk drive company, and I wanted to make a lot of money* (Founder 16-1)	Money, millionaire, wealth, financial benefits, rich
	Desire to work on own	Desire to make own decisions and chart own future; does not want to take direction from others	2 (10%)	*Number one is that you're free to determine your own destiny, and that was my biggest motivator as an entrepreneur is I want to be in charge of my own work flow, my own destiny, my own activities* (Founder 10-1) *I left [name of the firm]... and found a start-up... wanted my own company because I wanted that level of independence... You're building yourself, your personality or your conviction, your style... that won't otherwise be available in a large company* (Founder 13-1)	Tired of working for companies, do my own thing, enjoy working for myself, determine my own destiny, independence

TABLE 3 (Continued)

Groups of motives (number and percentage of founders expressing for initial venture, $n = 21$)	Motives expressed by founders	Definition	Expressed for initial venture (percentage, $n = 21$)	Illustrative quotes	Representative keywords and phrases
Create (19; 90%)		Desire to create a new technology and/or organization	19 (90%)	*Now, those were probably the two times that I used my [specific technical skill]... Those are the types of things that I used to love to do* (Founder 15-1) *So, keeping my nose to the grinding wheel, making sure I feel more satisfied by creating... It's the sense of achieving things which sets your goal, a sense of doing things which really are unique and will change this world* (Founder 3-general)	Create, problem solving, create value, innovative product, enhance, design, ideas, love, interest, learn, excitement
Opportunity (21; 100%)	Fertile startup environment	Desire to pursue opportunities in the rapidly growing disk drive industry	21 (100%)	*Essentially, the disk drive business, the low cost disk drive business in 1980 ... It was opportunity for someone who's going to seize that market. There was no company; there were no incumbents* (Founder 12-1) *... there was a lot of money available in the venture capital industry* (Founder 9-1)	Fruitful time, opportunity
	Possibility of returning to paid employment	Return to paid employment as a safety net option	4 (19%)	*Now, at that time, that wasn't so bad. It sounds risky, but it wasn't as bad as it sounds. If you left a company to do a startup and it didn't work, you were always in demand at any other company because they knew you could do the work and they knew you had enough nerve to try it* (Founder 6-1) *I always thought I could get a job* (Founder 8-1)	In demand, get a job

Note: We did not find any systematic association between the position of these employee entrepreneurs at their launch firms and their motives for venturing out.

first-generation product, that is, the venture was able to both produce and sell products at scale. Such commercialization tended to lead to continued funding, a strong cash position, and subsequent growth; ventures survived at least 5 years or exited through acquisition or merger. We code failure as developing, but not selling, an early product or shipping only limited quantities of the product (these ventures often shipped a product with noticeable design or manufacturing flaws). Ventures whose early product line(s) did not succeed were generally closed. We also coded the few cases where a founder was asked/chose to leave a venture they had founded *before* the venture produced or sold products as failure; while the venture itself may or may not have failed, the outcome was not successful for the founder. Overall, 48% (10 of 21) of founders built successful initial ventures.

3.3.3 | Coding details: Attributions for venture failure

We code whether founders attribute venture failure to internal versus external factors (Eggers & Song, 2015; Yamakawa & Cardon, 2015). Internal factors include choices that founders believed were within their control, for example, financing decisions, external partner choices, hiring decisions, and team management. External factors include factors outside of founders' control or perceived by founders as such, for example, competition, changing customer preferences, technological challenges, macro-environmental changes, and cofounder behaviors. It is possible for different founders of the same venture made different attributions for failure (Jones & Harris, 1967).

3.3.4 | Coding details: Career outcomes

Following their initial venture, founders' careers took different paths: *Staying at the Initial Venture*, *Permanently Returning to Paid Employment*, or engaging in *Serial Entrepreneurship*. Founders coded as *Staying at the Initial Venture* remained at their initial venture through retirement. Founders who *Permanently Returned to Paid Employment* reported seeking paid employment following their initial venture and remained in paid employment through retirement; these roles ranged from high-level (executive) to non-managerial roles. Founders who engaged in *Serial Entrepreneurship* reported launching another venture(s)—within or outside the industry—at any time during their career. We coded a founder as experiencing *Success in Serial Entrepreneurship* if at least one of their subsequent new ventures was successful (these founders often had temporary stints in paid employment for a variety of reasons, which are described at the conclusion of the findings section).[8] Overall, 14% (3 of 21) of the founders stayed at their initial venture; 19% (4 of 21) permanently returned to paid employment; and 67% (14 of 21) became serial entrepreneurs (founding an average of 2.4 ventures, range 2–4).

[8]All initial ventures were established with the intent of becoming high-growth, high-tech ventures and hence the definition of initial venture success, described above, is fitting. Some subsequent ventures were established with similar goals and hence we utilize the same definition; however, a few were not. For the latter, success is defined in line with the founder's goals for the venture and noted in the Findings.

TABLE 4 Motives for leaving the launch firm and initial venture outcomes.

	Success	Failure
Organizational misalignment motives present	9	1
Organizational misalignment motives absent	1	10

Note: $n = 21$.

4 | FINDINGS

In examining the careers of employee entrepreneurs, we uncover two key findings. First, founders who left their launch firm due to organizational misalignment motives often founded successful initial ventures, whereas founders who left for other reasons rarely did (Table 4). The former purposefully made organizational choices aimed at building well-functioning organizations and preventing their ventures from being plagued by the organizational misalignments that drove them to leave their launch firms—we refer to this as "venture crafting," and describe it in detail below. Second, for those founders whose initial ventures were not successful, attribution, and change matter: founders who made internal attributions altered their behaviors and either permanently returned to paid employment or founded successful ventures, whereas founders who made external attributions founded unsuccessful ventures repeatedly. Detailed information on these patterns is reported in the remainder of this section: we present simple tabular results to showcase patterns and qualitative evidence to illustrate how motives and attributions appear to shape entrepreneurial career outcomes.[9] We begin by focusing on the "dominant" diagonals in Table 4 and then the "off"-diagonals.

4.1 | Organizational misalignment motives, initial success and follow-on career choices of venture crafters

When describing their decision to leave their launch firm and start a new venture, about half of all founders interviewed included organizational misalignment motives as one of their reasons.[10] These founders were frustrated by the strategic and/or organizational decisions made by managers at their launch firms, feeling that these decisions were not in the firm's best interests and would thwart the firms' prospects. Nearly all of these founders tried to address these issues at their launch firms, engaging in conversations and data-collection efforts to support their ideas. Doing so required extra effort on their part and often jeopardized their standing with immediate managers. Ultimately, they concluded that their efforts would not result in change and ventured out or, in a few cases, were fired or asked to leave. Strikingly, their initial ventures were nearly all successful (Table 4).

[9]The labels for quotes have two parts (e.g., Founder 9-2). The first part indicates the founder (e.g., 9), and the second indicates whether the comment specifically relates to a particular venture (e.g., second venture) or is a general comment applicable across all ventures (e.g., general).

[10]One might be curious whether there is a systematic relationship between the position (e.g., engineers versus managers) of the founders at their launch firms and their motives (especially organizational misalignment and money and control motives) for venturing out. We find no consistent relationship between the two.

4.1.1 | Venture crafting

Founders who expressed organizational misalignment motives and had successful initial ventures took purposeful steps to build well-functioning organizations and ensure that their new ventures would not suffer from the types of issues that colored their experiences at their launch firms.

> *I had begun to have ideas on what the company I would like to work for... and therefore let's start a company that's like that and make it a great place to work... We spent a lot of time from [six month period prior to founding] talking about what kind of a company we wanted, what were the important things, and that was a very valuable foundation... I don't really think [the name of the launch firm] had a well-structured culture... we [he and his cofounders] focused on interpersonal communications and honesty and openness* (Founder 8-1).

These founders described several organizational-level activities that they and their cofounders planned and implemented: encouraging employees to take ownership for their work and understand the importance of their work to the venture's overall success; establishing distributed decision-making processes and encouraging employees to voice their ideas; creating an environment wherein employees could communicate in a transparent and open matter; and ensuring that employees held equity stakes in the company. Each founder mentioned at least two of these four activities, with an average of 2.8 activities. We refer to engaging in these organization-shaping activities as "venture crafting" (see Table 5 for additional quotes illustrating venture crafting activities).

Part of a whole

These founders encouraged employees to take ownership not just of their individual work, but of the outcomes they generated with others, stressing to each employee that his/her contributions were critical to the success of the venture.

> *So we organized in ways where people... were responsible for the financial success. And if you organize in that way, you don't create the silos and the bad communications between different [parts of the] organizations. You actually force them to have those conversations. So it's not just selecting the right people. It's organizing around getting the work done* (Founder 16-1).

> *There's this idea of no siloing... everybody works for the company, not for engineering, not for manufacturing. We really encourage innovation... We were the first to have a [particular type of] drive... We integrated a good part of the control unit into our drive, which made it a lot easier on some of the designs of the disk drive... I'd say about two years into our company, we actually were growing so fast that we had to sit down and really write down what the values were of the company... and we did that. And I think they served us very well for many years* (Founder 8-1).

In line with this, founders acknowledged that they could not go it alone and had to depend on and rally the skills and energies of their employees.

TABLE 5 Venture crafting activities.

Key activities	Illustrative quotes	Number of venture crafters bringing up the activity
Part of a whole: Ensuring that employees took ownership of their work and understood the importance of their work to the venture's overall success	*Well... you really trust them to do the right thing. And you empower them... Achievements and attitude should be the keys. And then you basically agree on high level goals and the deadlines. And then you empower them to get that done. And you provide support for them to get it done. And don't second guess... It's just really, essentially, through empowerment* (Founder 12-1). *It's again creating an environment where people can make decisions and go and execute* (Founder 11-1). *And the founders, the guys that founded the company, have to recognize that they're not always the stars. You get the sales guys, the marketing guys; these are the stars. And they step up in succession as the company grows and you have to let them go with that. You have to let them have their position and space in the tenets of fame, if you will. If you don't do that, the company stifles itself* (Founder 17-1).	8 of 9
Distributed decision-making & encourage employees to voice ideas	*Usually what drives people out of companies is just frustration in corporate structure more than, you know, their desire to, you know, get rich... it's an oar of rejection of their ideas* (Founder 21-1). *[For success] everybody has to participate... ideally, because they are believers in what they're trying to do* (Founder 1-1). *... you want a create an environment where people are willing to take the risk and if they fail, no one goes out on a "Who shot John? Who did it?" It's a matter of what happened so we can learn from it and go forward...* (Founder 11-1).	5 of 9
Transparent and open communication	*Even if they disagreed... [they] sit down and discuss it, and they don't want to just say, "OK, let's all get up and go."... communication is terribly important* (Founder 11-1). *You can interview people today that worked at [name of his initial venture] and they'll tell you, we were very forthright in information, we didn't hide things, we talked about our problems, we made people part of the solutions, and we had a very respectful place to work* (Founder 16-1). *You really want the best people [to] come back and say, "I really screwed up" [and not cover up mistakes]* (Founder 12-1).	5 of 9

TABLE 5 (Continued)

Key activities	Illustrative quotes	Number of venture crafters bringing up the activity
Financial equity stakes	*So having those 10 people intensely interested in what they're doing and maybe having stock options to help them think that there's something at the end of the rainbow for them as well, or other incentives, are very useful in all the startups that I've started* (Founder 9-1). *Every one of my companies, every employee have stock, we get a profit sharing and things like that* (Founder 1-general).	7 of 9

> *I didn't view myself as being all that talented and could do everything, actually. I'm not qualified to run any of these functions. The only thing I guess I can be, I can be president, because I understand a little bit about them, but I can't run any of them* (Founder 5-1).

Distributed decision-making and encouraging employees to voice ideas

These founders recounted creating processes for distributing decision-making so that good ideas and relevant knowledge would guide the venture's decisions. They felt that doing so was critical to innovation.

> *And [name of his venture] was and is and always has been a very egalitarian-style company... You have to structure yourself so people can innovate. It doesn't have to be one or two people at the top. You have to allow decision-making to happen way down in the company where people are free to innovate. And we did that at [name of his venture]* (Founder 16-1).

As a corollary to this, they recounted encouraging employees to voice their ideas.

> *You lose innovation when you try to plan it as opposed to just let it happen... So you have to create an environment where people have time to try new things and chase new concepts* (Founder 16-1).

> *So what really is important is I have a good team of people, an environment where you can exchange ideas and I think that's absolutely important* (Founder 11-1).

Transparent and open communication

Founders also recounted efforts to create open discussion and transparency, believing these to be critical contributors to collaborative work and—ultimately—to successful venture performance:

> *So we were all pretty much together on that, or came together with a lot of discussion... one of the really important values that we all believed in was a level of transparency*

> *and honesty and straightforwardness and never sweeping anything under the carpet* (Founder 8-1).

> *And then I think it's a matter of creating an organization... an environment where you communicate so that everyone knows what we're doing and why we're doing it... You go away and execute because everyone knows what we're doing and why we're doing it ... That's why I have always insisted we have a corporate philosophy* (Founder 11-1).

These founders anticipated that interpersonal conflicts would arise. They created methods for airing and resolving these, as well as the expectation that employees would proactively work to resolve these.

> *So, we had a set of values and they were—they were undocumented to a large extent—but we wanted open and honest communications. If you had a problem, you go sit down with the person you have the problem with and resolve it, and if you can't, then you get other people involved* (Founder 8-1).

> *[The list of values we developed were] like conflict management and one-on-one communications as opposed to third-party communications and treating people with dignity and respect* (Founder 16-1).

Financial equity stakes

These founders ensured that employees held equity in the company; showing that they valued employees not just in word, but in compensation as well:

> *[In distributing equity grants] I didn't put myself much above or above at all people that I was working with. I mean, I could have made a lot more money, but... I tend to be pretty generous with my direct reports... and not as generous with myself in terms of equity and cash compensation. I had people that made more than me, from the cash point of view, several times. The reason for that was simply because I knew that I could not be successful without really talented people working for me, with me* (Founder 5-1).

> *... employment offers to everybody included shares* (Founder 21-1)

> *We created a budget to how we would give our stock as we hire people... And so, we'd sit down and say, "OK, here are all the slots we have open and we would allocate so much stock to each one... So, again all the way down to the janitor had equity in the company... And then fairness, in management I think it's very important to be fair"* (Founder 11-1).

As the quote below illustrates, these founders believed that these organizational activities would help their ventures thrive and find success.

> *Before we founded the company or before we were funded even, I think, we had a homework assignment where we wrote down the most important values to us in*

> *working in a company. And we condensed them and combined them into a core list of values, like a half a dozen of them, maybe more, and those were the values that were on the coffee cup and on the wall... those values lasted 30 years... we started the company with a strong set of values... That's a key to success* (Founder 16-1).

These founders took pride in the organizations—not just the products—they had created.

> *... you know, building a team, building a product, building a company... [they are] huge to me [which bring] gratification and excitement... [instead of] just making widgets and having the widgets sell for money and having the money come in and just getting that machine come running* (Founder 5-1).

> *We started the company with a strong set of values... [Name of his initial venture]'s 30-year anniversary was last February, and I sent an email out to just a handful of people that I still know that used to work there. And, to a person, I got an email back saying that was the best company they ever worked for* (Founder 16-1).

They believed that these choices supported their initial ventures' success and repeated these choices in subsequent ventures and in their work (e.g., board memberships, advising) with other startups.

> *And I've worked with, probably, closely with 25 startup companies... that have invested a lot in the front-end and [put]... their values and their goals... out on the table and honestly... [This has] solved a lot of problems that other companies have to do on the fly and it's usually not very clean, not something pretty* (Founder 8-1).

4.1.2 | Follow-on career choices of venture crafters

The careers of founders whose initial ventures were successful took three forms (Table 6), with all founders having highly successful careers. Some founders remained at their initial ventures through retirement, whether their venture remained independent or merged with another firm. These founders paid extensive attention to who would replace them upon retirement, seeking to ensure the new team was both skilled and worked together effectively.

> *... and at the end of the year it was just clear to me it wouldn't work. So, I had to ask him [the founder's intended replacement] to leave the company, even though he didn't really do anything disastrous. In fact, he did a lot of good work there. But it just wasn't*

TABLE 6 Follow-on career choices of venture crafters.

Stay at initial venture	Permanent return to paid employment	Serial entrepreneurship: Successful
3	1	5

Note: $n = 9$ (upper left cell of Table 4). Serial entrepreneurs may have engaged in temporary stints in paid employment. Additional details in text.

> *working out the way I had envisioned it... [later, he turned the company] over to Sam and Jack [names changed]... Jack has outstanding people skills and Sam is really a businessman with strategic skills that are exceptional. I thought the combination was really a powerful team. And it turned [out] to be it was* (Founder 8-1).

One founder returned to paid employment shortly after his venture merged with another firm and he was asked to leave by the board. He served in executive roles at several successful early-stage ventures. Other founders left their initial ventures (or the firms that had acquired them) due to conflicts with key external partners or board members; decisions to take time off; and/or due to strategic disagreements within their venture.[11] They tended to be reticent to go back to paid employment, expressing concern that doing so might again land them in work environments that suffered from organizational misalignments, as well as a desire to continue to grow and build organizations as well as technologies: three started new ventures as their next career move, while two temporarily joined a very early-stage venture before they founded subsequent ventures. All eventually founded at least one additional venture, and some founded two. They continued to engage in venture crafting in their subsequent ventures—doing so appears to have become part of their playbook. Their subsequent ventures were all successful. Employees from their initial ventures sometimes followed founders to their subsequent ventures as well:

> *We sort of left the company, just [name of his co-founder] and I alone... After we left, a lot of the early key people wanted to go with us. And, we didn't solicit them out, we didn't do any of that*; *they just came on their own* (Founder 17-2).

The quote below illustrates the strong bonds that were constructed and maintained between members of the organizations they built:

> *We were pretty close. In fact, 27 years after [name of the venture], a group of people still have that Christmas party every year from the original [name of the venture] organization. It is interesting. I wrote them last year. I said*, "*Hey, you guys. Either you're crazy or something*," *because 27 years after, and a company that doesn't exist anymore... So here are these people that are still friends after all that time* (Founder 9-2).

4.2 | No organizational misalignment motives, initial venture failure and follow-on career choices based on attribution

The follow-on career choices of founders whose initial ventures were unsuccessful appear to be shaped by the founder's attribution for venture failure (Table 7). Founders who made internal attributions—that is, ascribed the failure to factors within their control—reflected on what had happened and their role in the outcome.[12] They recollected making significant changes to their behaviors and/or career goals, with some founders choosing to permanently return to paid

[11]Only one founder left due to a strategic disagreement at their initial venture. He felt that as the venture grew and thrived, it had become too engineering-driven and that this approach was misguided. He believed that more attention should be paid to customer needs and exploring new markets.

[12]It is worth noting that founders who made internal attributions felt there was a problem in the decisions that they made, not an innate problem in themselves; hence they had the option of making a change.

TABLE 7 Follow-on career choices of founders who experienced initial failure and did not possess organizational misalignment motives.

	Permanent return to paid employment	Serial entrepreneurship: Successful	Serial entrepreneurship: Unsuccessful
Internal attribution	2	4	0
External attribution	0	1[a]	3

Note: $n = 10$ (lower right cell of Table 4). Serial entrepreneurs may have engaged in temporary stints in paid employment. Additional details in text.

[a]This founder appears to have benefitted from the organization-building efforts of his cofounder.

employment, whereas others became successful serial entrepreneurs (often after a temporary stint in paid employment). In contrast, founders who made external attributions—that is, ascribed failure to factors outside of their control—did not recount reflecting on their role in the failure or recollect making significant changes to their behaviors. They founded subsequent ventures (often after a temporary stint in paid employment) and failed. We provide details on each of these career outcomes below.

4.2.1 | Internal attribution and permanent return to paid employment

Some founders who made internal attributions for initial venture failure chose to continue their careers as employees of young high-tech ventures. For example, one founder attributed the fact that his initial venture was unable to launch a product to organizational issues and his choice to not intervene. This founder was aware of his cofounder's abrasive management style and its deleterious effects on employees.[13] Despite this, he chose to be hands-off, hoping that the venture would nonetheless succeed given his cofounders' strong skills and the money they had raised:

> *He [co-founder] was a big-mouthed guy... He was always right. He was always the boss. He never wanted to manage other people who were experts in some things he didn't know. And, he was smart enough to do it, don't get me wrong. It wasn't like he couldn't do it or he was just boisterous... [But] his personality, people didn't like him that much, even a lot of guys working for him... his personality was fairly gruff, fairly difficult to work with... And what I had to learn is I had to learn how to maybe take my hands off of it... And it's too bad, because it was a good product. It worked fine. But, it never did pull it all the way off... [cofounder name], I always respected and always will... He was rough to work with, but he was fair and brilliant. Like I said, I've been very fortunate to work with some very, very good people. All of them were hard to get along with, you know?* (Founder 6-1).

The venture closed. He was discouraged by the experience and chose to return to paid employment. He also reflected on and translated the hard-won lessons of his initial venture into

[13]This founder was aware of the importance of skills and teamwork, noting his efforts to ensure that his direct reports worked well together. He, however, chose not to intervene with his cofounder's team.

behavioral changes, recognizing the importance of learning to resolve disagreements between employees in an open and non-hostile manner:

> *[Reflecting on subsequent employment] I think I proved that I could manage and I proved that I could handle people, work with people. All real good engineers are a little difficult to work with because they all think they're right and know what's going, so you can't just go tell them what to do. You've got to convince them that it was their idea to do something. You can't just tell them. It won't work. In fact, you would start World War III, which [cofounder] did. See, [cofounder], he never really accepted that part of management that he had to convince people all the time. He'd try once, and if you disagreed with him, then he'd get mad* (Founder 6-general).

4.2.2 | Internal attribution and successful serial entrepreneurship

Other founders who made internal attributions chose to engage in serial entrepreneurship, either continuing to found high-growth ventures while making changes to the characteristics they looked for in hiring key employees or the character of the ventures they created (Table 7). We discuss each choice below.

High-growth ventures that select skilled and collaborative employees

Two founders made internal attributions for their initial failures and altered the way in which they selected early employees, focusing on selecting skilled employees with a collaborative mindset.[14] For example, one founder attributed his initial failure to strategic disagreements that led to conflict as he tried to pursue a strategy with which his team members were not comfortable. He ultimately left the venture. Following these experiences, he altered his behavior to directly address the problem by focusing on hiring (selecting) skilled people who could work collaboratively with others at his subsequent venture.

> *We put together a great team, and we did some amazing things... And the initial success of the company was created with a very tight team, with extremely low turnover, because it was a great place to work... The culture went through a couple of evolutions along the way, with a lot of learning... It was a very interesting dynamic in the people side, because people are always the key to success... A team of good people can do great things, well managed and well-motivated. A team of great people, reasonably managed and motivated and guided in strategic directions, can do spectacular things. So, for me, I've really, really learned to focus on the team... I'll go many steps beyond to get a group of people that will all see a parallel mission and all go for it and all support each other going for it* (Founder 4-2).

Another founder took somewhat longer, but ultimately came to a similar realization. Founder 7 attributed his initial venture failure to external factors but attributed the failure of his second venture to internal factors, specifically, politics and a lack of operational capabilities, which he tried, but failed, to resolve. He ultimately left and founded a third venture—which was

[14]These founders did not describe any venture crafting activities; they spoke more about selecting skilled people with the ability to work collaboratively, rather than creating organizational supports for collaboration.

successful—focusing on building a highly capable founding team that worked together effectively and without conflict:

> *And we could see that [name of his second venture], although we have... [a small diameter] drive and there was a huge demand for it, we couldn't execute. My hands were tied. There was a lot of pressure. It squeezed me out. There was a lot of politics. So [name of his cofounder for his third venture] and I formed [third venture] with a couple of the people who were in [second venture]... It was weird. I mean, they [second venture] spent more time on head games than they did on [launching the product]. And, I tried to say, "Look, let's just get the products out and be successful and a lot of that stuff will just take care of itself."... I spent too many years in politics... where was I was ostracized, set off to the side... So, I started looking for something else to do... At [name of his third venture], we hired a guy who was at [name of the firm]... [Name of the firm] was known for having incredible product launches. He hired the guy at [name of the firm], a new guy, and he had it up and running through the factories in [country in Asia] in a flash. So, it was possible to do it at [name of his second venture], they just didn't know how... to make it happen* (Founder 7-3).

Lower-growth ventures with known others

Two founders made internal attributions for their initial failures and significantly altered the character of their subsequent ventures. For example, one founder attributed the failure of his initial venture to his team members not having the skills or drive to successfully develop and launch a product, noting that he did not know much about his cofounders when he agreed to join the founding team, but had been attracted by the fact that the venture was privately funded.

> *Money was no object... The company was funded by a very wealthy [investor]. Of course, they just put money in and left whatever we needed. We were all driving Mercedes... I was looking for opportunities and I didn't want to join a startup that was VC-funded because VC funding is the most costly, highest cost of money in the entire marketplace... [most of the other team members were from a large, established disk drive firm: "BIG"]? In order to be successful, a BIGer must have shed that BIG mentality and work habits and must have worked for an OEM company or another startup company in order to really know how to interface with the real world... these BIGers had no experience... it turned out that most of them were basically administrators. White shirt[s]... taking an office and using colored stencils for different charts and graphs* (Founder 10-1).

Another founder relied on external partners for key resources, but the relationships soon started to unravel:

> *So, that was the concept and that worked quite well for a couple of years and then it became, let's say, it became in my best interest to sell the company to the partners [established firm from whom he had taken financing and who wanted to take over the company]... It became apparent to me that the struggle between [names of partners] was probably not going to be one that would result in what I would call a satisfying outcome for me. So you know the saying, "When elephants fight, ants get trampled"* (Founder 13-1).

Disappointed and frustrated, one founder returned to work for his previous employer as a consultant and the other pursued an advanced degree.

> *I went back to school and got my [degree]... I've got to get retrained. I've got to get this dirt off my face... I'm sorry it might sound bitter, but it was a costly lesson* (Founder 10-1).

Ultimately, both switched industries and founded small, relatively low-growth technology ventures with family members. This is an interesting twist in that while both made a dramatic change in the *characteristics* of the ventures they created (from high-growth to low-growth and family-run), the change did not directly address the problem of selecting cofounders and partners (by, for example, continuing to work in the same industry and building relationships with potential cofounders). Rather, they circumvented the problem by choosing to work with family members who they trusted and whose skills they understood. These ventures were successful in that they were long-lived, hired a small number of employees, and supported the founder(s) financially.

4.2.3 | External attribution and serial entrepreneurship

Founders who made external attributions for initial failures went on to found subsequent ventures, all but one of which were unsuccessful (Table 7).[15] Unlike founders who made internal attributions, they did not question their own skills or choices or alter their behaviors. They often made the same mistakes repeatedly. For example, one founder was a consummate technologist, passionate about creating cutting-edge technologies. He focused on developing innovative technology, even when those technologies proved challenging to develop. Strikingly, after his first venture failed, he and his cofounders continued trying to develop the *same* technology in their second venture:

> *... the company [initial venture] was not successful, in fact, the company failed, and [same founders] founded a company based on the technology we were working on... It was a venture of high-tech that didn't come through. So the company [his second venture] never went to market with that product... That did not succeed because of technical reasons, so I left [his second venture]* (Founder 2-1, 2-2).

After a temporary stint in paid employment, he founded a third venture, hoping to commercialize another novel technology. His third venture also failed quickly: although this venture

[15]One might ask if founders attributing venture failure to external factors were doing so to save face during the interview. This logic, however, would not explain why all three founders attributing failure to external factors went on to found subsequent ventures and failed; that is, if the founders had actually identified and sought to resolve internal issues, one would expect them to either *not* start another venture or alter their behaviors at the subsequent venture (which these founders did not report doing). Hence, it is likely that what the founders report is what they actually did. The recollections of one founder suggests that founders are reporting what they experienced at the time: this founder failed multiple times and attributed each failure to external factors. However, he also reported wishing that, in retrospect, he had returned to one of his previous employers, a large established firm: *I wanted to stay in the computer business. Probably one of my biggest mistakes. [Interviewer: Oh, how was that a mistake?] Oh, well, because I could've probably retired with [name of established firm] and had a lot more opportunity*. Even though he attributed failure to external factors, he realized that his career had not gone well and was willing to admit it.

developed a product, it did so as the market was transitioning to a smaller diameter and less expensive drives and went out of business. He attributed this failure to external competition.

One founder made strong external attributions for the failure of his first venture, citing his cofounder's inability to secure more funds, and reported searching for other opportunities as these problems surfaced. His second venture was successful, reported in Table 7 as the sole case of success under external attribution. The interviews reveal that while he likely played a role in making technological advances, it was his cofounder who shaped the venture's organizational practices by actively selecting skilled employees with a collaborative mindset. The focal founder's other ventures, both before and after, failed and it is unlikely that he actively engaged in organization-building activities. Rather, he consistently made external attributions for failures, implicating cofounders and/or external factors and abandoning each of his ventures (including the successful one) as challenges occurred. This case serves to illustrate the potential benefits of partnering (intentionally or unintentionally) with organizationally minded cofounders.

4.3 | What do the off-diagonals tell us?

The evidence in Table 4 suggests that the presence (or absence) of organizational misalignment motives is associated with initial venture success (or failure). Just two cases run counter to this pattern; these cases serve to illuminate additional nuances.

4.3.1 | Organizational misalignments and initial venture failure: Organizational misalignments are not always enough

In one case, the initial venture of a founder with organizational misalignment motives failed. This exception shows us that—not surprisingly—motivation alone is often not enough and that other factors can cause an otherwise organizationally and technologically sound venture to fail. In this case, a founder chose to fund the salaries of his cofounders and early employees from his own savings until outside investment could be secured. The venture received some investment from a manufacturing partner and was expecting more from outside investors when things took a turn for the worse:

> *... we started making drives. We started selling some of them to various companies... But not large enough numbers for us to really get ahead of the curve. And then the squeeze came on... One way to get rid of the founders is you run them out of money and then take over and then you can do with the company as you wish. And that's actually what happened to us... [The potential outside investors] actually ran us out of money and they promised the funds but didn't deliver. And literally... they said, "OK, if you leave, we'll pay out all the debts and we'll operate the company and so forth... This is at a time when I was running out of money, since I was paying the payroll out of my own pocket... I lost my shirt... You start off with a dream inside, you had a big advantage and you thought you had this golden opportunity." And here's the way [I thought] we should be doing things and in the end it turns out that it didn't quite work that way... I had spent every cent I owned and I was going to do borrow money against my house. And, [one of the outside investors] said "... don't do it." He said, "I can't tell you why, but just don't go to your house"* (Founder 18-1).

He made an internal attribution for the failure, acknowledging that he should have searched for more trusted and known financiers. He briefly explored ideas for founding another venture, but the idea involved overcoming a difficult technological challenge. Meanwhile, he received a job offer from a company dedicated to solving that same challenge and accepted a position as an early employee. That venture was successful, and he spent his career at the company.

> *Actually I feel very fortunate because... [my] career involved with two technologies that I think that made a big difference to, you know, society in general... I think were key to making computers be successful and the technology ... So it's not often you get to work in two [technological] areas and that makes some pretty big impact on the world .... So I feel very fortunate to have a chance to [do] that .... I am by nature a hands-on kind of engineering guy* (Founder 18-1).

4.3.2 | Organizational misalignments not present and initial venture success: Selecting skilled and collaborative employees

One case involves the success of a venture whose founder did not possess organizational misalignment motives. Like some of the founders who founded a successful second venture, we observe a focus on selecting skilled employees with a collaborative mindset. This founder spoke extensively about the importance of teamwork and finding people who had the ability to work in and guide teams. He often referred to his venture as a family; he was the only founder in our sample to do so. Both of his ventures were successful:

> *We knew each other's capability... A team is most important... If you have the team, you can have the product. So, the team and the concept, but the team is more important. I always kind of kept that in my mind... [When building a team, I look for] the background, [and] expertise in that. One has to be expert in whatever they do. I don't need that person to do all the design work, but the person must know how the fundamentals work and should be able to hire a person, hire a team, join the team together. They have to have that capability... So that's what, in a team, I look for, that person who is open and a person who doesn't say, 'I', and a person that will say, 'My team will do this. I will create a team which will do that.' Those are the kinds of persons I really love to work with* (Founder 3-general).

4.4 | Returning to paid employment: A flexible and often used option

Many founders returned to paid employment at least once—whether temporarily or permanently—after founding their initial venture (11 of 21 founders; 52%). Those who did not return to paid employment either stayed at their initial successful venture through retirement (Table 6, Column 1), or founded subsequent ventures in series (Table 7, all founders in Column 2, and one founder in Column 3).

Here too, we see a stark difference in career options and choices based on the success or failure of the initial venture. Founders whose initial ventures were successful and who returned to paid employment either did so as CEOs or high-level executives of early-stage ventures or of the firms that merged with or acquired their ventures. As their careers progressed, many had

multiple opportunities at each decision point. Founder 11's thought process is illustrative of how and why the desire to craft ventures dominated equally lucrative paid employment options.

> *[CEO of a company that he worked for] offered me the job to be the Executive Vice President of [name of the company]. And at the same time [name of his future co-founder] is saying, "Come on, be my partner"... And I sat down and [considered the two]... well if I stay here, I'll make about $12 million. If I go to the start up... and the stock goes public... I'll make about $12 million... If I stay there I was going to have to fire [some] people. Well, I fire people in my day, but I mean emotionally it was always a difficult process. And so, I said I'll... make about $12 million and be just emotionally torn as I have to get rid of all these people, or I can go and build a company. So, I left and went to start with [name of his second venture]...* (Founder 11-2).

In contrast, founders whose initial ventures failed exercised the option of returning to paid employment, sometimes temporarily, but more often, permanently. Their return to paid employment was at times motivated by financial constraints, and their roles tended to be at the middle management level, and, occasionally, at an executive level. These positions tended to be at early-stage ventures, although a few founders sought out consulting positions.[16] Overall, founders who sought work found it readily:

> *In my entire career with a large number of companies behind me, I was unemployed for less than six or eight [weeks]... And that's [over] 35 years* (Founder 20).

5 | DISCUSSION

We inductively build a framework for understanding entrepreneurial career outcomes by examining the career histories of employee entrepreneurs in the oft-studied disk-drive industry. We uncover two key mechanisms that shape how the careers of employee entrepreneurs unfold: organizational misalignment motives for leaving the launch firm and the role of attribution in the face of venture failure. Organizational misalignment motives are associated with venture crafting, the creation of organizational capabilities, and highly successful careers. Founders' internal or external attribution for venture failure shape whether they change their behavior and find success (whether in serial entrepreneurship or paid employment) or experience repeated entrepreneurial failures. As depicted in Figure 1, these mechanisms act sequentially. Taken together, they provide a picture of how alternative career outcomes arise and underscore that successful entrepreneurial careers require reflection, intention, and focused attention on organization building. Moreover, our findings suggest that the knowledge gained through entrepreneurial experience are not limited to serial entrepreneurs but are also channeled back into the greater entrepreneurial ecosystem as some founders join and contribute to the development

[16]Some founders engaged in internal attribution and chose to permanently return to paid employment after their initial ventures closed (Table 7, Column 1); they joined early-stage ventures and remained at those firms for the duration of their careers. Founders who engaged in internal attribution and serial entrepreneurship (Table 7, Column 2) did not return to paid employment during their careers. And, finally, founders who engaged in external attribution and serial entrepreneurship (Table 7, Column 3) generally returned to paid employment (or consulting) temporarily after a venture failed and ultimately returned to paid employment after their final venture failed.

of early-stage ventures. Below, we explicate our framework—focusing on the effects of these two mechanisms on career outcomes—and then draw out contributions to theories of entrepreneurship and organizations.

5.1 | Framework: Effects of motivations and attribution on follow-on career choices

5.1.1 | Organizational misalignments propel employees to engage in venture crafting activities and are associated with successful career trajectories

Nearly all founders who expressed organizational misalignment motives for venturing out recounted undertaking venture crafting activities to ensure that their venture did not suffer from similar issues. In doing so, they exhibited a desire to build organizations, not just products. They purposefully crafted organizational environments that encouraged employees to take ownership for their work and understand the importance of their work to the venture's overall success; established distributed decision-making processes and encouraged employees to voice their ideas; created an environment wherein employees could communicate in a transparent and open matter; and ensured that employees held equity stakes in the company. There is a deep, consistent logic to their actions: because they had personally been propelled by one or more of these issues at their launch firms, not addressing these issues at their new venture would make it no better than having stayed at their launch firms or seeking job opportunities at other firms. The founders were also acutely aware that the above venture crafting activities were critical (core) to their venture's success and not merely supplementary, "nice to have" attributes.

These venture crafting activities led founders to develop successful initial and subsequent ventures. We uncover two dominant career pathways traversed by venture crafters (depicted in Figure 1): some venture crafters remained at their initial venture, focusing on growing their ventures through retirement and paying close attention to succession planning. Others

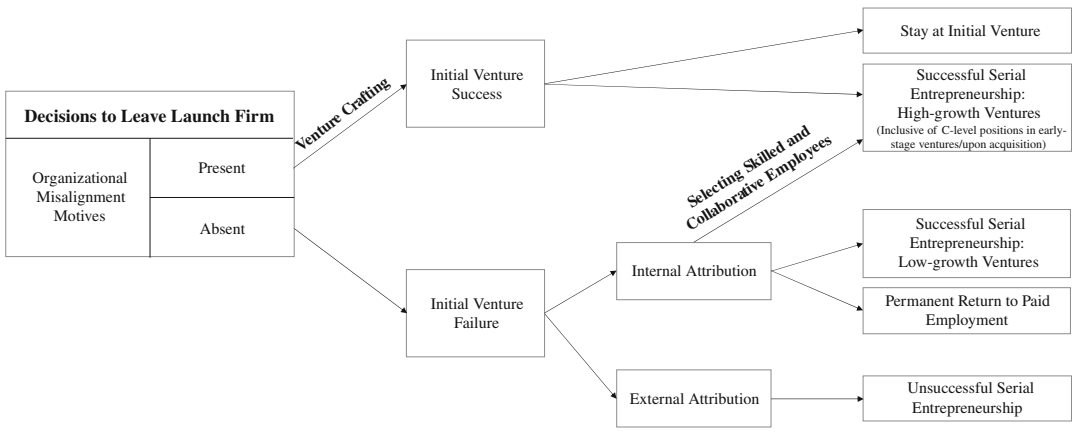

FIGURE 1 Stylized depiction of the careers of employee entrepreneurs. Careers in the off diagonal of Table 4 and the career of a founder whose success may have derived from his co-founder's efforts are not represented in this stylized figure.

continued to build and grow new ventures: many engaged in serial entrepreneurship, continuing to engage in venture crafting activities in subsequent ventures, all of which were successful; and one chose to go back to paid employment as the CEO of an early-stage venture. It is important to note that venture crafters continued to engage in venture crafting at their subsequent ventures. This demonstrates their belief in the importance of building well-functioning organizations; to illustrate, it is worth repeating a quote presented above:

> *So it's not just selecting the right people. It's organizing around getting the work done* (Founder 16-1).

5.1.2 | For founders lacking organizational misalignment motives, attributions for initial venture failure shape follow-on career choices and outcomes

The initial ventures of founders who did not possess organizational misalignment motives for leaving their launch firm almost always failed (the diagonal in Table 4 provides a striking visual). However, initial failure does not doom a founder's fate and there remains a path to overall career success: making internal attributions for initial venture failure. Specifically, founders who made internal attributions either updated their beliefs regarding their fit as founders or made behavioral changes and eventually crafted successful careers, whereas founders who made external attributions rarely changed their own beliefs or actions and experienced repeated venture failures.

Founders who made internal attributions for initial failure followed one of three paths, as seen in Figure 1. Some chose to permanently return to paid employment and enjoyed successful careers as early employees (rather than founders) of high-growth technology ventures. Others made behavioral changes and engaged in serial entrepreneurship: some founders continued to found high-growth ventures by hiring skilled and collaborative early employees (these founders were not as systematic or nuanced in building organizations as venture crafters), whereas others shifted their focus to found low-growth technology ventures in other industries with family members. In stark contrast, founders who made external attributions eagerly founded subsequent ventures, but ended up making similar mistakes repeatedly. This resulted in the failure of all their ventures, notwithstanding one exception where a founder benefitted from the organizational abilities of a cofounder in one of his three serial entrepreneurship efforts. Thus, while there was variance in the manifestation and level of success, internal attribution led to fruitful subsequent career outcomes, while external attribution resulted in unsuccessful careers.

5.1.3 | Building well-functioning organizations and successful entrepreneurial careers: Venture crafting versus selecting skilled and collaborative employees

Figure 1 displays two strategies for building well-functioning organizations that were key to successful high-growth entrepreneurial careers. The first is venture crafting, exercised by founders who experienced organizational misalignments at their launch firm. These founders paid systematic and holistic attention to creating well-functioning organizations by engaging in

venture crafting activities. The other mode of building well-functioning organizations relied on selection—founders who experienced failure realized the importance of hiring skilled and collaborative employees, or benefited from partnering with co-founders who did. This set of founders did not engage in any venture crafting activities: rather than intentionally building organizational supports for collaboration, they focused on hiring skilled and collaborative employees.

While both strategies led to success, an interesting question follows: does one strategy dominate the other in terms of the *level* of success achieved? We examine this question by conducting an additional analysis of archival data, comparing the incidence, survival, and growth trajectories of new ventures in the rigid disk-drive industry. Relative to founders focused on selecting skilled and collaborative employees, venture crafters created fewer new ventures over their careers, however, their ventures were overwhelmingly industry leaders in the disk-drive industry. Moreover, compared even to the performance of *subsequent* ventures founded by non-venture crafters (i.e., after excluding statistics for the first failed venture), we find that ventures created by venture crafters survived longer (73% longer tenure) and achieved higher growth (45% more sales).[17] Thus, while selecting skilled and collaborative employees seems to be a necessary condition for entrepreneurial success, more holistic attention to creating a structure and culture that encourages and rewards individual and team performance resulted in higher success of both entrepreneurial careers and of the ventures.

5.2 | Contributions

Table 8 provides an overview of how uncovering these two mechanisms reinforces or extends insights in several related literature streams.

Our findings contribute to the employee entrepreneurship literature in two ways. Here, studies have investigated the value of ideas (Gambardella et al., 2015; Kaul et al., 2021; Klepper & Thompson, 2010), complementary capabilities (Agarwal et al., 2004; Campbell et al., 2012), and motives (Klepper & Thompson, 2010; Moore & Davis, 2004; Shah et al., 2019) on a founder's decision to create a venture and on venture outcomes. As such, the literature treats motives and capabilities as largely orthogonal and distinct factors shaping entrepreneurial choices and outcomes. In contrast—and given that the employee entrepreneurs in our study had similar industry experience and technological capabilities, and their ventures had similar business models—our study shows how motives can give rise to particular behaviors, and in the process, result in the generation (or, non-generation) of organizational capabilities and successful careers.

In addition, our findings also speak to the employee entrepreneurship literature by showing that organizational misalignment motives propel individuals to leave their launch firm, found new ventures, and purposefully design organizational practices. Whereas prior studies show *imprinting* in ventures because founders adopt many processes and practices of their launch firms (Feldman et al., 2019; Honoré, 2022), our findings showcase the *intentional non-adoption of practices* by venture crafters, particularly when these are the source of founder discontent. We

[17]Quantitative data on sales was available only for one venture created by founders who used the strategy of selecting skilled and collaborative employees. Notably, this venture was an industry-leader, and our qualitative data indicate that it had far higher sales than other ventures in this category. Thus, even when compared to only this elevated data point, the ventures founded by venture crafters performed better.

TABLE 8 Contributions: Effects of motivations and attribution on follow-on career choices.

General mechanism	Key dimensions	Impact on career outcomes	Reinforcement of the existing literature	Contributions to the existing literature
Motivation for venturing out	**Organizational misalignment motives present**	• Organizational misalignments experienced at their launch firm creates awareness of organizational weaknesses and leads to venture crafting • Associated with a strong likelihood of initial venture success • Often associated with successful serial venturing. Founders may remain at their firm or found additional ventures depending on events at their initial venture • Founders rarely go back to paid employment, except in cases of successful acquisitions or undertaking very senior roles (e.g., President, CEO)	• Reinforces prior research on self-determination theory by demonstrating the positive influence of autonomous motives (e.g., organizational misalignments) on performance (e.g., Gagné & Deci, 2005; Vansteenkiste et al., 2004)	• Contributes to the employee entrepreneurship (e.g., Agarwal et al., 2004; Klepper & Thompson, 2010) and entrepreneurial career literature by showing that founders *motivated* by organizational misalignment motives proactively engage in *venture crafting* activities at their new ventures and that such organizational practices are also leveraged in their subsequent ventures. This shows that founders do more than simply inherit capabilities • Contributes to the literature on the inheritance of parent's organizational design by new ventures (e.g., Feldman et al., 2019; Honoré, 2022) by showing that venture crafters intentionally adopt different activities to address issues encountered during employment rather than merely inherit organizational practices from existing organizations • Contributes to job crafting theory and context theories of motivation (e.g., Kanfer et al., 2017; Tims & Bakker, 2010; Wrzesniewski & Dutton, 2001) by showing that if limited by existing organizations, individuals can increase the effectiveness and meaning of their work by designing entirely new organizations
	Organizational misalignment motives absent	• Generally associated with initial venture failure		

TABLE 8 (Continued)

General mechanism	Key dimensions	Impact on career outcomes	Reinforcement of the existing literature	Contributions to the existing literature
Attribution for venture failure	**Internal**	• Invokes the need to change behaviors, which may manifest in different ways ○ Greater success reported by founders who altered their own behaviors to address the source of the problem ○ Returned to paid employment in high-growth/high-tech ventures with a focus on working with and managing others ○ Engaged in serial entrepreneurship with a focus on selecting skilled and collaborative employees • Limited success reported by founders who circumvented (worked around) the problem ○ Founding of low-growth ventures in other industries with family members	• Reinforces prior research showing that internal attribution for failure initiates individual-level behavioral changes (e.g., Ellis et al., 2006; Wong & Weiner, 1981)	• Extends the literature (e.g., KC et al., 2013; Salancik & Meindl, 1984) by showing that behavioral changes caused by internal attribution for failure can take different forms (e.g., behavioral changes range from directly addressing or circumventing the problem). Directly addressing problems appears to lead to greater success than circumventing problems • Extends the literature (e.g., Eggers & Song, 2015; Yamakawa & Cardon, 2015) by showing that internal attribution for failure manifests in learning that leads to successful careers in serial entrepreneurship or paid employment. This suggests that the learnings gained through founding are not limited to serial entrepreneurs, but can also be funneled back into the larger entrepreneurial ecosystem
	External	• Most often associated with (unsuccessful) serial entrepreneurship • Associated with "repeat" behaviors (i.e., no behavioral change) and relatively unsuccessful careers	• Reinforces prior research showing that external attribution rarely leads to behavioral changes and learning (e.g., Eggers & Song, 2015; Yamakawa & Cardon, 2015)	

refer to such intentional non-adoption as "*x*-printing." The data therefore suggest founders can do far more than simply inherit and reuse capabilities (an assumption of the literature, e.g., Agarwal et al., 2004; Klepper & Sleeper, 2005; Wezel et al., 2006).

Our findings also contribute to the literature on motivation in innovation and entrepreneurship. Studies show that motives guide choices regarding where to work or contribute effort (Agarwal & Ohyama, 2013; Elfenbein et al., 2010; Roach & Sauermann, 2010; Shah, 2006; Stern, 2004), and predict individuals' (Gambardella et al., 2016; Sauermann & Cohen, 2010) and firms' (Sauermann, 2018) innovative output. Recently, scholars have called for theories that embrace nonpecuniary motives, moving beyond economic incentives as a singular driver of behavior (Agarwal & Ohyama, 2013; Elfenbein et al., 2010; Gambardella et al., 2016; Roach & Sauermann, 2015; Sauermann, 2018; Shah, 2006). We join this growing wave by illuminating the effects of a nonpecuniary motive—organizational misalignments—on entrepreneurial behavior. Specifically, our study shows that organizational misalignment motives are at the heart of many successful employee entrepreneurs' decisions and success: these motives drive the development of ventures that become successful because they are effective workplaces for the talented. Here, our study is related to insights in Agarwal (2019) regarding "human enterprise," and the idea that nonpecuniary motives are important drivers of behavior for both leveraging and developing human capital. This concept extends beyond the concept of human capital, which credits future pecuniary returns as driving individuals to invest in the development of knowledge, experiences, and skills. Our study provides support for the notion of human enterprise, wherein individuals intentionally build on existing *stocks* of human capital because of their psychological (nonpecuniary) and economic (pecuniary) drivers, to create future *flows* (changes) in human capital. While we do not measure human capital changes, we can observe the vivid effects of motives on behavior and infer development of human capital. Organizational misalignment motives propelled venture crafters to implement specific organizational practices into their new ventures. In so doing, we conjecture that they also developed their own human capital over time, capitalizing on their prior talents to further hone their *organizing* capabilities by engaging in crafting their initial venture, and in many cases, in subsequent ventures as well. Overall, the more holistic consideration of motives invites researchers to investigate *why* individuals pursue different activities, and in so doing, develop a better understanding of the factors that drive successful entrepreneurial careers.

Our study also contributes to research on founder attribution (Eggers & Song, 2015; Yamakawa & Cardon, 2015). Here again, our study underscores that a psychological driver (i.e., attribution for failure)—and not just ideas or inherited capabilities—shapes subsequent behavioral changes and follow-on career outcomes. Our work reinforces the idea that while internal attribution can spark learning and subsequent behavioral changes, external attribution is associated with repeated mistakes and lack of subsequent behavioral changes (e.g., Eggers & Song, 2015; Salancik & Meindl, 1984; Yamakawa & Cardon, 2015). In addition, we find differences among founders who make internal attributions: some directly addressed the problem and others tried to circumvent the problem. Directly addressing the problem appears to lead to different choices and, arguably, greater success than circumventing problems. Thus, we show that internal attribution does not lead to homogeneous outcomes and is not a guarantee that an individual will continue pursuing or attain their initial goal.

Our study also speaks to the literature on serial entrepreneurship and return to paid employment. Both literatures have focused on specific "one-shot" career events, examining the career event of interest in detail. Specifically, research on serial entrepreneurship has generally used cross-sectional comparisons of serial versus novice entrepreneurs to examine the role of

founder capabilities and motives (Donckels et al., 1987; Gordon et al., 2009; Westhead & Wright, 1998). Studies find that around 50% of new ventures are founded by serial entrepreneurs (Dabić et al., 2021; Ucbasaran et al., 2010). And, research on the return to paid employment has focused largely on measuring the economic returns to human capital (Campbell, 2013; Kaiser & Malchow-Møller, 2011; Manso, 2016; Merida & Rocha, 2021). Studies find that close to 50% of founders return to paid employment (Kaiser & Malchow-Møller, 2011; Manso, 2016). In contrast, by adopting an entrepreneurial career history approach, we can illuminate a more nuanced and detailed rendering of what entrepreneurial careers look like. We see that, in addition to returning to paid employment or engaging in serial entrepreneurship, some entrepreneurs choose to remain at their initial venture; and, that entrepreneurs use these "career building blocks" in diverse ways that reflect their circumstances and personal career goals. To point, our study unpacks the *variance* in career trajectories and uncovers the reasons why differences may arise: founders with organizational misalignment motives rarely return to paid employment (temporarily or permanently), choosing to either stay at their initial venture or engage in serial entrepreneurship. Among founders experiencing initial venture failure, those that make internal attributions engage in either serial entrepreneurship and return (temporarily or permanently) to paid employment, and in each case, benefit from learning and change of behaviors. Even founders who permanently returned to paid employment were quite successful in their new roles and were long-time employees of the same venture. However, those that make external attribution are doomed to repeat failures in their serial venturing.

Our focus on psychological drivers such as organizational misalignment motives and behavioral changes arising from internal attribution, complements and contributes to the organizations and psychology literature. Specifically, research has highlighted that the ability to design and craft job characteristics to align with personal abilities and preferences not only cultivates greater task variety and significance, but also enhances the meaning of work (Tims & Bakker, 2010; Wrzesniewski & Dutton, 2001). We show that such job design and crafting activities can transcend organizational boundaries: individuals stymied at existing organizations can craft entirely new ventures, not merely jobs. By doing so, these founders not only generate greater alignment between their own preferences and work, but also become the gales of creative destruction contributing to industrial development and economic growth (Agarwal et al., 2004; Klepper, 2002, 2007; Mitton, 1990; Stuart & Sorenson, 2003). In addition, our findings also echo and extend self-determination theory (SDT)—a well-accepted theory of motivation—to the entrepreneurial context. SDT stresses the importance of the locus of causality (i.e., an individual's beliefs regarding the extent to which one's actions are determined autonomously versus controlled by external forces)—and not just the locus of reward (i.e., whether the benefits gained by engaging in the behavior are internal or external to an individual)—in studying motivation and its effects (Deci & Ryan, 1985; Gagné & Deci, 2005). Consistent with SDT's prediction, we find that an autonomous extrinsic motive (i.e., organizational misalignments) is associated with both venture and career success.

5.3 | Managerial implications

Our findings have implications for entrepreneurs and managers alike. For entrepreneurs, our findings underscore the importance of building well-functioning organizations in addition to products. As tempting as it is to believe that building a stellar product alone will result in success, it is not enough: our data suggest that building successful entrepreneurial careers requires

building strong organizations, whether through venture crafting or selecting skilled and collaborative employees. Our findings also suggest that attribution of the causes of venture failure is critical; founders who attribute the underlying causes of initial venture failure to internal factors and attend to these issues generate a "second chance" at success whether as serial entrepreneurs or as employees of early-stage ventures. Put differently, regardless of whether their follow-on career choices involve paid employment or entrepreneurship, internal attribution and change allowed employee entrepreneurs to create value for the organizations of which they were part and for themselves.

For managers, we show that when venture crafters leave, their launch firms lose committed and talented employees: many held management positions at their launch firm (e.g., executive vice president, chief of sales, engineering manager). Most venture crafters attempted to resolve issues at their launch firm, leaving only when they felt that their efforts had little chance of resulting in change, or when they were asked to leave as a result of their efforts. Put differently, the genesis of many successful entrepreneurial careers is rooted in organizational deficiencies of launch firms—deficiencies that stymie committed employees from contributing value as intrapreneurs.

5.4 | Limitations and future research

We acknowledge several limitations and boundary conditions. The use of in-depth, qualitative data from a single industry offers the opportunity to gain understanding and build theory; however, such theory may or may not be generalizable to other contexts (Eisenhardt, 1989). The generalizability concerns span three dimensions: differences in industry context, differences in founder characteristics, and differences in initial venture founding choices. Our study examined fruitful years in the history of the disk drive industry, years where capital was munificent, and the personal computer industry was growing. In contrast, employee entrepreneurs in other industries, distinct stages of industry evolution, and in other time periods may face different choices regarding the availability and attractiveness of career options and therefore experience different motives or behave differently in spite of similar motives. We also caution against generalizing our findings beyond employee entrepreneurs, particularly because organizational misalignment motives may not (or may) be a driving force for entrepreneurs stemming from different knowledge contexts, such as users or academics (Agarwal & Shah, 2014). Finally, our sampling strategy centered on the founding of for-profit initial ventures in the disk-drive industry. Thus, while it may have been entirely possible that disk-drive employees founded their first venture outside the industry, the exclusion of these individuals limits our ability to generalize findings for employees who found ventures outside the focal industry from the onset. This also includes those who may have founded nonprofit ventures due to prosocial motives or philanthropic motives commonly expressed by founders of social ventures (Patzelt & Shepherd, 2011; Renko, 2013). The above limitations invite additional work investigating entrepreneurial careers, identifying what insights are generalizable, and uncovering the contingency conditions shape observed differences.

Our study also opens several paths for future research. We show that individuals who experience organizational misalignments become venture crafters: when these individuals set out to correct problems at their launch firms, they found their efforts were thwarted, ill-received, or resulted in disagreements (see Section 5.3 and Shah et al. (2019) for additional details on how organizational misalignments played out at launch firms). Had such resistance not occurred, or

had the conflict been resolved constructively, these individuals may well have stayed within the organization and enabled its long-term growth and success, as documented in Agarwal et al. (2020). Our study shows that upon encountering organizational misalignments, these individuals subsequently founded their own ventures—believing their own careers were better served by creating new ventures rather than continuing to pursue paid employment (either at launch or other firms)—and engaged in venture crafting as a means of strengthening their venture and its chances for success. Two related and interesting questions follow. First, why do some individuals experience organizational misalignments and others do not? Although our data do not allow us to directly answer this question, they do allow us to propose a conjecture. It is likely that some employees identify underlying problems, while others do not, based on their own human capital (knowledge and insights) and preferences. Among those who identify a problem, some may not voice their concerns, while others will. Some who voice their concerns may be able to come to a mutually agreeable solution with other members of the organization, whereas others may experience an organizational misalignment (i.e., the venture crafters in our study). Uncovering the reasons as to why some individuals voice their concerns and advocate for change at their launch firms can be an area for future research. Then, the natural follow-on question is: do all individuals who experience organizational misalignments become venture crafters, or only some? Given that we sampled on individuals who ventured out, our data do not allow us to observe variation among individuals experiencing organizational misalignment who chose other options, such as moving to other firms, retiring, or staying at the launch firm. This too is a fertile area for future research.

Relatedly, future studies might investigate the extent to which "nature" versus "nurture" is at play in creating venture crafters: specifically, it is not known if some individuals are innately attuned to organizational issues, if attention to venture crafting is learned over time, whether organizational misalignments trigger increased attention to venture crafting, or if a combination of these factors is at play.

Moving beyond organizational misalignments and venture crafters, future research might examine similarities and differences between individuals who choose to return to paid employment, continue growing their initial venture, or engage in serial entrepreneurship. This would require research designs that combine primary- and secondary-source data to track the career lifecycles of individuals as they contemplate serial decisions to stay, join an established firm, or create a new venture. While ambitious in its undertaking, such studies would create immense value by shifting focus away from (one-shot) decisions to venture out, and examining how motivations, capabilities and venture outcomes singularly and collectively shape individuals' pursuit of alternative opportunities.

Future research may also examine how the organizational practices of new ventures are created and evolve through intentional and unintentional choices of both what to *avoid* and what to *adopt* from the launch firm, thus reconciling our study's insights with existing literature documenting the inheritance of organizational practices from launch firms (Feldman et al., 2019; Honoré, 2022). Future ethnographic research might investigate how founders improve their "playbook" of venture crafting activities, either within a focal venture as they address growth challenges (DeSantola & Gulati, 2017), or across subsequent ventures. Moreover, an open question centers on why and how some individuals make internal attributions, while others make external attributions—often for the same set of events. Future research might examine both the individual- and collective-level factors that shape the making of attributions.

Finally, our data showcase the outsize impact that can be generated by the enterprising activities of a very small number of individuals: venture crafters created successful organizations that employees appreciated and their ventures (spinouts) were disproportionately responsible for the evolution of the disk drive industry (Agarwal et al., 2004; Christensen, 1997; Shah et al., 2019). Separately, management scholars have recently shown how a small number of individuals drive a significant portion of organizational, industrial, and societal change by not only innovating and building organizations, but also by managing and growing talent, tailoring organizations to fit the needs of employees, and constructively resolving conflicts (Agarwal et al., 2020; Finkelstein, 2016). Future research can further illuminate the processes through which these individuals enact change and contribute to broader organizational and industrial transformations.

6 | CONCLUSION

> *... the source... was the human beings we hired, the culture they created, the way they thought and organized and worked together... Forming that team and shepherding it through its many transitions is always the hardest and most rewarding part of building anything... Growing the team the right way—breaking down who we needed, how to hire them, how to build team processes and ways of thinking—was just as important as building the right product* (Fadell, 2022, pp. 225-226).

Employee entrepreneurs have been hailed as entrepreneurial engines facilitating creative construction and destruction (Agarwal et al., 2007; Klepper, 2015). Much of the existing research focuses on individual ventures, highlighting the importance of technological, marketing and other (e.g., regulatory) capabilities inherited from parent firms (Agarwal et al., 2004; Chatterji, 2009; Klepper & Sleeper, 2005). However, as illustrated by the introductory vignette on Tony Fadell's career, there is a need to examine how *entrepreneurial careers* are spun and the factors that shape how these careers unfold. By shifting focus to how entrepreneurial careers unfold, this study uncovers important insights: we reveal how motives and attributions shape entrepreneurial careers; and we show that focused attention on building well-functional organizations—either through venture crafting or selecting skilled and collaborative employees—is needed for building both successful ventures and successful entrepreneurial careers.

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DATA AVAILABILITY STATEMENT

Research data are not shared; interviewees were promised anonymity.

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