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When professionals become entrepreneurs: Identity construction of lawtech startup founders in Japan

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How do professionals develop their identity when they become digital venture founders, and how does such identity affect their venture strategy? This article examines this understudied yet important question. The recent wave of digitalization has created opportunities for various professionals to participate in creating new firms. However, studies of professions and entrepreneurship to date have narrowly focussed on professionals' intrapreneurship efforts within professional service firms (PSFs). This inductive study of lawtech ventures in Japan examines the sources of Founder Social Identity (FSI). The study shows that founders' professional role identity developed during prior work experience influences their identity work to become an entrepreneur; moreover, the resulting FSI shapes founders' strategic decisions on market segment choice. This study highlights the significance of a distinct type of FSI, which we call 'professional communitarian', for professionals who engage in entrepreneurship beyond the boundary of PSFs.

KEYWORDS: *entrepreneurship; identity; profession; lawtech; qualitative study.*

INTRODUCTION

Today, AI and other forms of digitalization are pervasive. In response, a new type of professional is emerging: those who live in harmony with digital technology (Armour and Sako 2020; Goto 2021; Perner and Werr 2023) and engage in 'connective' professionalism (Noordegraaf 2020; Noordegraaf and Brock 2021). Some professionals acquire technological expertise themselves (Sako, Qian and Attolini 2022; Goto 2023), while others collaborate with technology experts (Armour, Parnham and Sako 2022; Faulconbridge, Sarwar and Spring 2023) in order to incorporate new technologies into professional services. Moreover, professionals create new organizations and become proponents of professional service reformation from outside professional service firms (PSFs), their traditional sphere of activity (Kronblad and Jensen 2023). Indeed, there is now a growing trend for professionals to engage in innovation and become startup founders to provide technology-enabled professional services in a variety of areas, including architecture, finance, law, and

medicine (van Berkel 2020; Dubois 2021; Jakobsen et al. 2021; Kakar 2021).

However, our current knowledge has two limitations in understanding this new phenomenon. First, past studies on professionals and entrepreneurship have been almost entirely about professionals' entrepreneurial efforts within PSFs (Reihlen and Werr 2015; Poutanen and Kovalainen 2016). This narrow focus on intrapreneurship creates a blind spot concerning startup venture founders who have been members of an established profession. There is evidence of potentially enduring influences of founders' professional backgrounds on their identity construction as a firm founder (Jain, George and Maltarich 2009). Furthermore, the identity literature suggests that founder identity strongly influences startups' strategic decisions and resulting firm behaviour (Powell and Baker 2014; Grimes 2018; Shantz, Kistruck and Zietsma 2018; Zuzul and Tripsas 2020). Given the emergence of entrepreneurship in tech-enabled professional services, it is important to explore the configuration and

construction of the identity of professionals who become entrepreneurs.

Second, we have a limited understanding of how startup founders with prior work experience reconfigure their identities to become entrepreneurs. Prior research on founder identity suggests that new founders need to manage potential cognitive tensions caused by their role shift to harmonize their social, role, and personal identities in a new context (Jain, George and Maltarich 2009; Gur and Mathias 2021; Foy and Gruber 2022), while maintaining authenticity (O'Neil, Ucbasaran and York 2022). In particular, the founders' role identity developed during their prior work experience is reported to play an essential role because it affects their ability to establish a new firm (Hoang and Gimeno 2010). However, as Gruber and MacMillan (2017) pointed out, few studies have analysed the interplay among multiple types of founder identities, such as between the social identity as a founder (Founder Social Identity, hereafter referred to as FSI) and professional role identity (who they are and what they do in their occupational role) (Reay et al. 2017).

To address these gaps, we conducted a comparative study of startup founders with varied prior work experiences entering the lawtech industry. After identifying the population of 29 lawtech startups in Japan, we studied 13 founders using (1) semi-structured interviews on their identity construction as an entrepreneur and (2) a questionnaire to measure FSI (Sieger et al. 2016). We compared lawyer founders and various types of non-lawyer founders in the industry.

For all the founders in our sample, their narrative revealed strong linkages between their former professional role identity developed during prior work experience, FSI, and service category choice within the lawtech industry. By demonstrating significant differences between founders who had practiced law and other founders, this study makes two contributions to the literature on professions and entrepreneurship.

First, the study refines our view of how entrepreneurship is linked to professions. Entrepreneurship, an important but underdeveloped topic in the literature on professions (Reihlen and Werr 2015), is not limited to traditionally highlighted intra-PSF efforts but applies evidently to professionals who create new organizations. In such extra-PSF entrepreneurship, professionals can become a distinct type of founders in terms of their identity and strategic decisions. Specifically, this study illustrates a neglected but important archetype of entrepreneurs, namely professional communitarian entrepreneurs whose founder identity is grounded in a strong interest in the professional community to which they belonged. While past studies highlighted geographical

communities (e.g. Powell and Baker 2014) or particular activity fans (e.g. sports, Fauchart and Gruber 2011) as the subject of Communitarian founders' identity, our study shows another pattern in which a particular professional expertise and a relevant professional community drive professional founders' entrepreneurial journey.

Second, we shed new light on how startup strategies are formed by showing the link between founders' former professional role identity, FSI, and resulting strategic decisions for the startup venture. We find that founders with professional role identities linked to their work experience in legal services showed stronger Communitarian FSI and those founders focussed on particular service categories without pivoting. Thus, this study adds to our knowledge of FSI origins (Sieger et al. 2016; Ott, Eisenhardt and Bingham 2017; Zuzul and Tripsas 2020) by relating role identity to social identity (Gruber and MacMillan 2017).

Additionally, this study contributes to our knowledge of professions and digitalization by demonstrating new career paths for professionals outside PSFs as an engine for transforming professional work. Digitalization creates entrepreneurial opportunities (Nambisan, Wright and Feldman 2019). For professionals who become entrepreneurs, their 'professional communitarian' founder identity leads them to aspire to transform their professional work with digital technologies.

Overall, this study demonstrates that professionals' identification with a profession can play a critical role in our understanding of their peculiarities as entrepreneurs. In the face of the diffusion of digital technologies, professional communitarian entrepreneurs who identify with their professional community are a distinctive type of entrepreneurs and a key driver of firm and market creation in those segments affected by digital transformation.

THEORETICAL BACKGROUND

Professionals and entrepreneurship

To date, studies of professions have highlighted innovative and entrepreneurial efforts by professionals, such as creating new market opportunities, scaling up small PSFs, establishing new practice areas (Reihlen and Werr 2015), and expanding internationally (Leight 2018). However, these studies have focussed on professionals' efforts within PSFs (Poutanen and Kovalainen 2016) and not new firm creation.

More recent studies exist on startup founders who have been professionals, such as lawyers (Dubois 2021), architects (van Berkel 2020), nurses (Jakobsen et al. 2021), and academic researchers (Jain, George and Maltarich 2009). Acknowledging such variety among founders,

entrepreneurship research increasingly highlights the significance of founder backgrounds and cognitions as key factors in our understanding of startups' strategic decisions (Liu, Fisher and Chen 2018; Woolley 2019). In particular, much scholarly attention has been paid to FSI because it can significantly affect founders' strategic decisions (Fauchart and Gruber 2011; Powell and Baker 2014; Howard, Kolb and Sy 2021).

Founder social identity

Founders construe their identities in ways that prioritize different entrepreneurial characteristics, behaviours, and motivations (Gruber and MacMillan 2017; Zuzul and Tripsas 2020). To investigate further how identities influence organizational actions, Fauchart and Gruber (2011: 936) defined social identity as 'identity as it relates to an individual's social relationships and, in particular, to his or her membership in groups or social categories' and discussed how it relates to different social or economic reasons for launching new firms.

Fauchart and Gruber (2011) identified three pure types of FSI: Darwinian, Communitarian, and Missionary. Darwinians are those who 'focus their attention mainly on establishing strong and profitable firms', 'devote most of their attention to activities aimed at ensuring the firm's success', and typically start 'their firms with the primary motive of making profits and accumulating personal wealth' (942). Their frame of reference is their rivals as they strive to achieve a competitive advantage. Communitarians engage in and identify themselves with a particular community and are motivated to 'contribute to the community with their innovative products' (943). Their frame of reference is their fellow community members. Missionaries are those who 'believe that firms can be powerful agents of change in society and engage in new firm creation to establish a platform from which they can pursue their political visions...generally of a social or environmental nature' (944). Their frame of reference is society at large to make the world 'a better place' (945).

Sieger et al. (2016) developed survey instruments for each FSI type established by Fauchart and Gruber (2011). Furthermore, subsequent studies have revealed that FSI affects startup firm behaviours, such as product choice (Powell and Baker 2014), early structuring process (Powell and Baker 2017), and opportunity selection (Shantz, Kistruck and Zietsma 2018). Among those various outcomes, pivot as a strategic decision is strongly related to founders' self-identification (Grimes 2018; Zuzul and Tripsas 2020). Pivot is a 'structured course correction designed to test a new fundamental hypothesis about the product, strategy, and engine of growth' (Ries 2011: 149). It happens when founders observe

a divergence between new information and their original intention and evaluate their current trajectory as unsustainable (Kirtley and O'Mahony 2023). Founders' identity triggers or hinders their pivot due to their commitment to specific values, such as orientation towards novelty (Snihur and Clarysse 2022), role identity of creating new ideas (Grimes 2018), and social identity as a revolutionary founder (Zuzul and Tripsas 2020).

In contrast to the consequences of FSI, little attention has been paid to the antecedents of FSI (Ott, Eisenhardt and Bingham 2017; Zuzul and Tripsas 2020). A few studies have suggested the significance of founders' formative experience in education or work as essential in determining their knowledge, skills, and abilities (Mathias, Williams and Smith 2015). Moreover, founders develop and enact various non-founder role identities through their formative experience, and those role identities need to be reconciled with a new social identity as a founder (Hoang and Gimeno 2010). To reconcile the requirements as a founder and their self-orientation (Foy and Gruber 2022), founders engage in identity work (Caza, Vough and Puranik 2018), that is 'engagement in forming, repairing, maintaining, strengthening, or revising their identities' (Ibarra and Barbulescu 2010: 137), to harmonize their new being as an entrepreneur and their self-perception originating from their past (Farmer, Yao and Kung-McIntyre 2011). In the search for an optimal balance among multiple identities (Kreiner, Hollensbe and Sheep 2006), professional role identity in prior work becomes a prominent source of identity complexity (Jain, George and Maltarich 2009).

Professional role identity and identity work

Professional role identity is 'a sense of self that is associated with the enactment of a professional role' at the individual level (Goodrick and Reay 2010: 58). The profession is a social category that forms the basis of social identity in professional settings (Kyratsis et al. 2017). Since the role of providing a particular service is essential for professions, professional role identity is central to professional identity (Reay et al. 2017).

Although rare, professional role identity prior to venture creation has been studied in the context of university spinouts. For example, Jain, George and Maltarich (2009) revealed that founders who had been academic researchers pursuing science caused tensions when required to pursue commercial ends, leading to intensive identity work and diverse responses to cope with the change. Indeed, recent studies incorporate the interplay of founders' social and role identities as an essential factor in understanding founders' strategic decisions (York and Lenox 2013). These studies substantiate a recent call for

an integrated view of social and role identities. As [Gruber and MacMillan \(2017\)](#) pointed out, ‘the application of both [social and role identity] lenses allows scholars to obtain a more complete understanding of entrepreneurial behavior’ (276).

Responding to this call, some scholars have explored how FSI and founders’ role identities interact in startups. Notably, [Powell and Baker \(2014\)](#), in studying startup founders in the US textile and apparel manufacturing industry, found that whether founders’ role identity and FSI are congruent or incongruent affects founders’ definitions of the situation, ideological narratives, and thus resulting firm strategic responses. Advancing this line of inquiry, [Powell and Baker \(2017\)](#) revealed that founders with varied FSIs enact various role identities (e.g. senior advisor, facilitator, research assistant), affecting their founding team’s longevity. While these studies fruitfully demonstrated the value of the role identity perspective in understanding FSI, they focussed on role identities *after* the startup launch or within the startup team. We therefore still need a systematic understanding of the influence and salience of the founders’ role identity prior to their becoming entrepreneurs.

STUDY CONTEXT AND METHODOLOGY

Study context and research design

New opportunities for entrepreneurship have been fuelled by digitalization, especially with the most recent wave of artificial intelligence enabled by exponential growth in processing power and data availability ([Brynjolfsson and McAfee 2014](#); [Nambisan, Wright and Feldman 2019](#)). The lawtech startup industry, in which firms provide advanced digital solutions to improve the quality of legal services, is one of those new industries growing globally ([JETRO 2020](#)). Both lawyers and non-lawyers (including technologists) have sought entrepreneurial opportunities by using technology and data analytics for various legal matters ranging from litigation and patent prosecution to corporate transactions ([Armour, Parnham and Sako 2022](#)).

In this study, we chose a narrowly defined sector, the lawtech industry, to study the impact of different professional role identities while holding other things constant. We exercised theoretical sampling ([Eisenhardt 1989](#)) so that the data included a variety of prior founder work experiences (those related to legal services and others) and the delivery of products and services strongly constrained by a profession’s regulation, ethics, and culture. Unlike other research on FSI that studies ventures in various product/service categories, we focus narrowly on ventures in the lawtech sector to study the impact of different former professional role identities brought by founders into this sector.

As elsewhere, the lawtech sector in Japan is influenced by the digital technology ecosystem and the legal profession. The legal profession in Japan (*bengoshi* in Japanese) has significant similarities to legal professions in Western countries regarding its monopoly, with barriers to entry created by strict qualification requirements (law school education, the bar exam, and judicial training) and its elite social status.¹ In Japan, however, the lawyer population is relatively small² and the pace of digitalization of legal services has been slower than that in major countries such as the USA and the UK.³ These factors explain the relatively small size of the lawtech sector compared to other advanced countries.

Data collection

We collected data from multiple sources in the following three steps to triangulate our findings ([Eisenhardt and Graebner 2007](#)). First, we collected publicly available literature (Nikkei, Toyokeizai, Diamond, and other local business media) and website data and identified 29 lawtech startups in Japan as the population in 2019. Specifically, we used the following three criteria in the screening:

1. Mentioned as lawtech firms (‘legal-tech’ in Japanese) in two or more of the data sources.
2. Already providing lawtech services using advanced technology (i.e. excluding simple listing websites or general search engines, and so on).
3. Excluding non-startups (all firms included are established in or after 2001).

The small population enabled us to capture the characteristics of all major firms in this sector in this study. It also suggests the Japanese lawtech industry’s emerging state compared to other advanced countries. We categorized their service domains following the legal work taxonomy by [Thomson Reuters \(2019\)](#). We also referred to established global startup databases such as Crunchbase, but their data coverage of Japanese firms was limited.

Second, we conducted 20 face-to-face and online interviews with 13 founders at 12 startups between September 2019 and June 2021. Because of the small population (29 startups), these interviews covered most service categories and prominent venture founders, many of whom were documented by business magazines. The interviewees were four solo founders, nine founders with co-founders, and two key staff of those startups. We conducted second-time interviews with five of these founders.⁴ For founders in founding teams, we chose those we judged as lead founders with the largest equity holding. Specifically, they led the process of

establishing the firm, selecting the service category, and inviting other co-founders to supplement technological or managerial capabilities.

Following theoretical sampling (Eisenhardt 1989), we selected firms to compare founders with work experience in the legal (or legal adjacent) services and others in five major service categories. Specifically, we found six types of prior work experience: lawyers, patent attorneys,⁵ legal book editors, entrepreneurs, engineers, and technology researchers. To minimize the potential bias caused by the elapsed time since the firm founding, we chose the firms that were established in or after 2016.⁶ The semi-structured interviews lasted about one hour each and were audio-recorded and transcribed verbatim. Our interview questionnaire was designed to understand the founders' careers and business histories, focussing on how they became entrepreneurs. We asked about the founder's work experience, motivation for becoming an entrepreneur, their startup's history, and key considerations in their business ideas. We adjusted our interview

questions to individual founders' contexts obtained from media articles and corporate websites.

Third, we conducted a web-based survey to measure their FSI using the Japanese language version of the questionnaire of Sieger et al. (2016). The survey consisted of 18 questions: six questions per one of the three FSI archetypes about the respondent's agreement with statements that represented an archetype (Darwinians, Communitarians, and Missionaries), using answer choices between 1 (strongly disagree) and 7 (strongly agree) on the Likert scale. We asked the founders interviewed in 2021 to complete the survey before their interviews. All of them responded to the survey ($n = 11$). We could not obtain survey answers from the other two founders because of their limited accessibility during the pandemic. Table 1 shows the list of interviewees and survey respondents.⁷

Data analysis

We analysed the data in the following five steps. First, we analysed each case firm's case history based on the

Table 1. Interviewees and survey respondents

Service category	Firm code	Year founded	Number of founders	Interviewee	Prior work experience	Interview date	Survey response
People & Resource	Alpha	2016	2 ^a	Founder	Non-lawyer	May 2020 May 2021	Yes
Knowledge	Beta	2018	1	Founder	Lawyer	September 2019 June 2020	–
	Gamma	2017	2 ^a	Founder COO Founder (second time)	Non-lawyer	October 2019 June 2021	Yes
	Delta	2019	3	Founder	Legal related	May 2021	Yes
Matters	Epsilon	2017	2	Founder	Lawyer	May 2021	Yes
	Zeta	2019	2	Founder	Lawyer	May 2021	Yes
				Founder	Non-lawyer	May 2021	Yes
Rights management	Eta	2016	1	Founder	Legal related	May 2021	Yes
Document & Contract	Theta	2017	2 ^a	Staff Founder	– Lawyer	September 2019 May 2020 May 2021	– Yes
	Iota	2017	1	Founder	Lawyer	May 2020	–
	Kappa	2017	1	Head of CEO Office Founder	– Lawyer	October 2019 June 2021	– Yes
	Lambda	2018	2	Founder	Lawyer	May 2021	Yes
	Mu	2016	3 ^a	Founder	Non-lawyer	October 2019 May 2021	Yes

^aOne founder who led her/his firm launch and its service category choice was interviewed twice.

information from various sources (including print and social media coverage and the company website) to grasp the overall view.

Second, we analysed the above sources of information and interview data to identify whether and how each founder fits the archetypes of Darwinians, Communitarians, or Missionaries (Fauchart and Gruber 2011). We followed the analytical strategy of past FSI studies by coding the three building blocks of FSI: basic social motivation, basis of self-evaluation, and frame of reference (Fauchart and Gruber 2011: 940; Powell and Baker 2017). In the cases in which the founders showed multiple identity types in each identity component, we assigned up to two identity types each, identifying the main and the sub-identities according to the amount of data suggesting the particular type. We evaluated each founder's aggregated identity archetype based on the frequency of identity types that appeared in their three FSI components. Two authors conducted the coding, discussed when they found discrepancies and agreed on the adjusted results.

Third, we checked the validity of the FSI classification by comparing it to the web-based survey results. Precisely, we summed the numerical value of the survey answers (from 1 to 7 for six questions for each of the three archetypes) to determine for which archetype each

founder had the highest scores. This quantitative analysis showed highly consistent results with the findings from the qualitative analysis. The identity archetypes for which these founders scored the highest were fully or partially consistent with our categorization based on qualitative analysis in 91% of overall FSI evaluations (10 out of 11),⁸ and were so in 88% of the identity components (29 out of 33 surveyed items). Table 2 summarizes the results.

Fourth, following the 'Gioia' method, we coded the interview and literature data to identify first-order categories observed through 'in-vivo' coding, prioritizing interviewees' voices, second-order themes emerging from theoretical interpretations of the first-order categories, and extracted aggregate dimensions from the second-order themes (Corley and Gioia 2004; Gioia, Corley and Hamilton 2013). Here, we paid particular attention to the sources and emerging process of FSI and the outcomes of how the founders developed their identities. Through iterative coding and revisions, three aggregated dimensions besides FSI recurrently emerged in all cases of various founders: the founder's role identity in parallel with FSI, identity work, and pivoting in market category choice. Fig. 1 shows the data structure.

Fifth, sorting the aggregated dimensions we obtained from these analyses (identity work, founder's role identity, FSI, and pivots as a specific instance of strategic

Table 2. FSI analysis results

Prior work experience	ID	FSI: interview data analysis				FSI: survey analysis			
		Total	A. Basic social motivation	B. Basis for social evaluation	C. Frame of reference	Total	A	B	C
Lawyer	1	C	C	C	C	C	C	C	C
	2	C	C	C	C	–	–	–	–
	3	C/M	C	C	C/M	C	D/C/M	D/C	C/M
	4	C/M	C/M	C	C/M	–	–	–	–
	5	M/C	C	M	M/D	C	C	C/M	D/C/M
	6	M/C	C/M	M	M	M	C	M	M
	7	M/C	C	M	M	M	M	M	M
Non-lawyer (legal related)	8	C	C	C	C	C	C	M	C/M
	9	C/M	C	C	M	C	C	D/C	C
Non-lawyer (others)	10	C/M	M	C	C	C	M	C	C
	11	M	M	M	M	M	C/M	D/C/M	D/M
	12	M	M	M	M	M	C/M	D/M	D
	13	M	M	M	M	M	M	M	D/M

Note 1: 'D', 'C', and 'M' indicate Darwinian, Communitarian, and Missionary.

Note 2: Archetypes in 'interview data analysis' are those most and second eminent ones that emerged from interview data coding. Archetypes in 'survey analysis' are those which scored the highest in related survey questions for each identity component. 'Total' for 'interview data analysis' is the most and second eminent archetype that appeared in the coding results of three identity components. 'Total' for 'survey analysis' is the archetype that scored the highest in the sum of all survey questions.

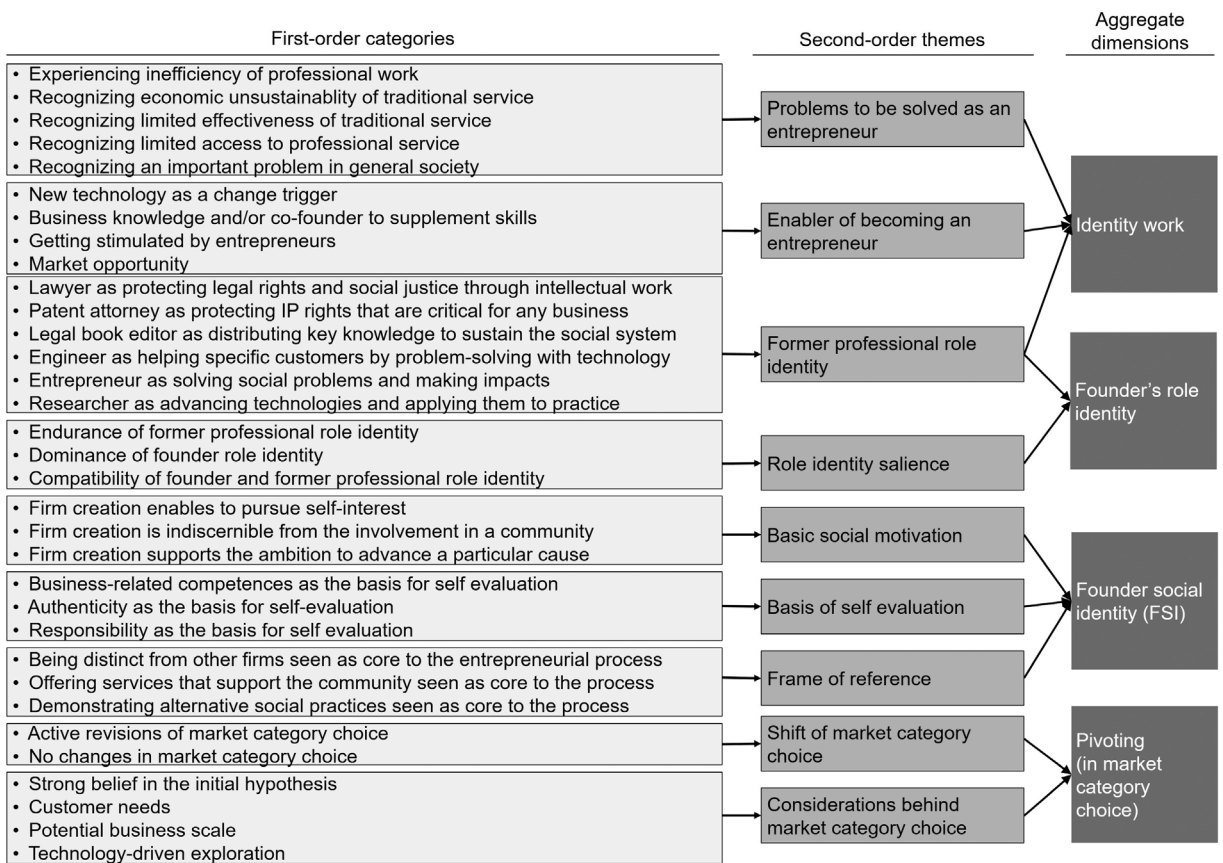


Figure 1. Data structure.

decisions) in chronological order and identifying how these dimensions linked to each other, we constructed a model of how the way founders' social identity develops affects (or does not affect) pivoting by startups (Fig. 2).

FINDINGS

Table 3 summarizes the results of our analysis. The analysis revealed distinct patterns linking founders' role identity during their prior work experience, FSI type, and pivots in service category choice. We present our findings in two parts, first for the founders who worked in the legal professional sector (lawyers, patent attorneys, and legal book editors) and second for founders who had not worked in legal services (entrepreneurs, engineers, and technology researchers).

Founders with legal professional sector experience

Our data showed that nine founders had prior work experience in the legal professional sector. Their specific professions included lawyer (#1–7), legal book editor (#8), and patent attorney (#9). They all showed a

Communitarian-oriented FSI—identification with similar others or specific social groups, such as fellow professionals—and no pivots were reported in their service category choice after their firm launch. The data suggested that their experience in and around the legal professional sector helped them recognize the problems faced by professionals. These founders' encounters with the potential of new digital technology triggered their career change to become entrepreneurs. They were motivated to fix the issues in the legal professional community as an important agenda in their lives, without the perceived need for iterative searching for other business opportunities. Thus, they launched their firms, consistently focussing on their focal service category.

Founder's professional role identity and identity work

Founders with prior work experience as lawyers unanimously showed their strong interest in and concerns about the legal profession and legal services. They highly valued the legal profession's role that contributes to social justice. To realize the ideal, high-quality professional legal

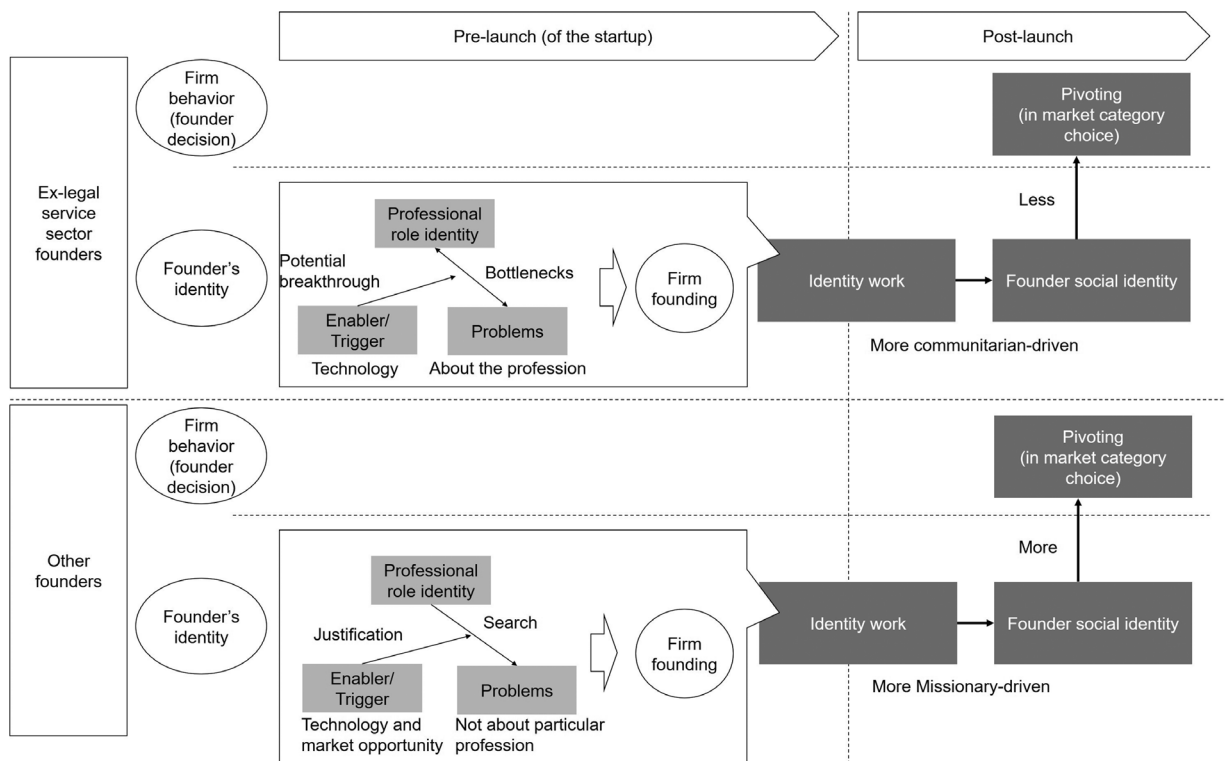


Figure 2. Process model. Note: Dark grey boxes indicate factors that emerged as aggregate dimensions. Light grey boxes indicate second-order themes that emerged under the aggregated dimension, 'Identity work'.

service and productive working environment for legal professionals were crucially important for them. In their entrepreneurial narratives, this belief led to their decision to become entrepreneurs; two aspects of this process are worthy of elaboration.

First, the ex-lawyer founders observed severe problems associated with the legal profession, which motivated them to solve the problems as entrepreneurs. One common problem many of these founders (#1–3, 5) observed was the inefficiency and low productivity of lawyers involved in time-consuming manual work. For example, one of them (#2) shared his experience of 'pain' in legal research in his work as a lawyer:

When we legal people do research, it's very, very inefficient. We do research with printed books. [...] I thought major law firms should have their own technological solutions, but what they are doing is preparing a library [...] where lawyers can visit and search for books. Perhaps the library maintenance alone costs ten or twenty million yen [per year]. In addition, they need a librarian who puts in and out books.

[...] It's very inconvenient, so I think it would be great if I could freely search for books online. I felt

much pain myself, and when I was a lawyer, I wished I had access to this [the service of this founder's startup]. (#2)

In addition, another issue some of the ex-lawyer founders (#4, 6–7) problematized regarding the legal profession was the limited access small firms and the general public had to legal services. For example, an ex-lawyer founder (#7) stressed the problem of defective contracts for small firms due to their limited access to decent legal services:

I've seen a number of cases where contracts are signed with risks lurking in the contract because the legal services are not properly provided [due to bottlenecks, such as expensive charges for small firms]. Especially concerning contracts with overseas companies, I often faced a situation where I thought, "If the contents of the contract were a little different, the client could legally dispute better, or there was no dispute in the first place". I had had an awareness of this issue for a long time. (#7)

Second, to address those problems, the ex-lawyer founders realized new opportunities generated by new

Table 3. Key findings

Prior work experience	ID	Identity work		Former professional role identity	Identity salience ^a	FSI	Pivoting	
		Problems to be solved	Enabler of becoming entrepreneur				Market choice	Background considerations
Lawyer	1	On the legal profession	New technology	Lawyer as protecting social justice	P	C	No Pivot	Strong belief in the initial hypothesis (considerations of customer needs and potential market size were also observed in ID 4 and 5)
	2		New technology, Business knowledge, Market opportunity		P/F	C		
	3		New technology		P/F	C/M		
	4				P/F	C/M		
	5				F	M/C		
	6				F	M/C		
	7		New technology, Co-founder		P/F	M/C		
Non-lawyer (legal related)	8	On the legal-related profession	New technology	Patent attorney as protecting IP rights that are critical for any business, or Legal book editor as distributing key knowledge to sustain the social system	P/F	C	No Pivot	Strong belief in the initial hypothesis
	9				P/F	C/M		
Non-lawyer (others)	10	On society in general	New technology, Stimulation of entrepreneurship, Market opportunity	Engineer as solving customers' problems with technology, or Entrepreneur as solving social problems and making impacts, or Researcher as advancing technologies and applying them to practice	P/F	C/M	Pivot ^b	Technology, customer needs, potential business size
	11				F	M		
	12		New technology, Stimulation of entrepreneurship, Co-founder		F	M		
	13		New technology, Market opportunity		P/F	M		

^aP: Professional role identity is dominant, P/F: both Professional and Founder role identities are observed, F: Founder role identity is dominant.

^bOne founder showed 'No Pivots', but his service category choice was strongly affected by his co-founder (lawyer).

digital technologies. The founders' narratives involved the 'moment of truth' when they realized the possibility of digital technology to innovate in the delivery of legal services. As a typical example, an ex-lawyer founder (#5) pointed out their access to US lawtech firms as triggering their decision to become entrepreneurs:

In 2016, a kind of "AI boom" arrived. It didn't enter the legal profession soon, but maybe in the spring of 2016, I found news about a service equipped with AI developed by a corporate law firm in the United States. [...] Looking at the news of its launch, I felt like, "Oh, the age [for AI] has finally come". I was shocked that the time has already come for law firms to use AI. (#5)

The ex-law-book-editor founder (#8) observed that the publishing business for legal books was shrinking due to the rise of digital services such as legal information databases and electronic publishing. He believed in the significant value that editors and publishing firms provide to society through their expertise to edit and share crucial knowledge effectively, and thus perceived the shrinking business as a crisis:

I joined a legal publishing company as an editor [...], eager to do editing work. I wanted to create things as a planning editor. [...] It's like the operating system of the country. In the form of books, we provided the knowledge that forms the foundation of the social system. I was very proud of that job, and I can feel that the job is vital. However, at the actual bookstore distribution site, books have only three months to stay on the front shelf [...], and the chance of being found by potential customers is so limited [in the traditional business]. (#8)

He then realized the potential of digital technology in publishing and thus began to explore entrepreneurial opportunities in the legal literature search service using digital technologies:

I've been wondering if something can be done. I left the publisher in 2016 when e-books were rising. [...] The market was growing by 20% every year, totaling almost 200 billion yen. [...] I was a little envious, as I was searching for breakthroughs like that in the world of law books. Thus, I thought I should join the e-book industry to learn the new way. (#8)

Similarly, the patent attorney founder (#9) observed problems inherent in the profession—inefficiency of

professional work and limited access for the general public, and perceived opportunities for applying advanced digital technologies to solve those problems:

One of the issues I have had for a long time was that intellectual property services did not reach the general public and small businesses. [...] Many patent attorneys want everyone to have access to intellectual property rights, and in some cases they offer free consultations, but these consultations are also very inefficient. Against this background, I wanted to realize an intellectual property service that anyone can easily access without barriers. (#9)

I myself have experienced cases in which I couldn't agree on compensation and had to refuse requests from SMEs and freelancers. With new technology, I wanted to create a platform that makes trademark search and IP application procedures economical and easy. (#9)

Founder social identity

Driven by their entrepreneurial motivations inspired by problems in the legal profession and technological opportunities to solve them, all founders who had worked in the legal professional sector showed identification with the Communitarian identity: a strong identification with their legal professional community as a foundation of their entrepreneurship.

For example, among ex-lawyer founders with purely Communitarian identities (#1 and #2), a founder (#2)'s comment showed that his aspirations drove his entrepreneurship journey for contributing to the problem-solving of the lawyer community:

I had been explaining to the investors for a long time that the world of lawyers was very inefficient. They appreciated my aspiration to improve that situation. So, I believed someone would help me, not leave me behind eventually, that this path would be attractive, and I would be able to make it work. Pains [for lawyers] were definitely there; some of us had been trying to solve it for a long time. I was launching my firm, thinking that it would lead somewhere. (#2)

Other ex-lawyer founders (#3–7) identified themselves as Communitarian with similar aspirations, but they also showed their identification with Missionary—an entrepreneur who shapes the world for the better, beyond the legal professional community. Their narratives about who they are as entrepreneurs highlighted the link between solving problems in the legal profession

and changing the world for the better. For example, one founder's (#4) narrative suggests their assumption that legal services provide significant value to the general public and are thus closely associated with the social good:

Through this service, we want to realize a world where everyone involved in business can do business without inconvenience, even when legal knowledge is required. That is, I launched [this startup] to realize a world without disparities regarding access to legal knowledge and services. (#4)

Just as the ex-lawyer founders, the editor, and patent attorney founders were purely Communitarian-oriented or Communitarian with a link to Missionary identity. Their primary focus of becoming founders was on problem-solving in their specific legal professional field (legal literature publishing editors and patent attorneys), as exemplified by these founders' comments (#8 and #9):

I base my career on [my former professional role] and am still working on problem-solving for the entire industry. So, ninety-nine percent of my thinking now focusses on problem-solving for this community. (#8)

[The professional service] in Japan is still used only by large companies, and sometimes people without knowledge may lose money or infringe on their rights without knowing it. Our priority is to eliminate such inequality and expand a service that small companies and freelancers can easily use. (#9)

After launching their firm, the founders' role identity showed mixed salience between their professional and founder roles, as shown in Table 3. Specifically, six founders (#2–4, 7–9) showed their identification with the role as a member of the profession and as a founder in a compatible manner (e.g. 'I don't think I will shift 100% of my role [to a founder's]. ...Because thanks to my role as a player in a law firm, I can reflect my view as a lawyer on our current products' (#3)). Meanwhile, one founder showed his consistent role identity of the former profession ('[The startup] was a side job from the beginning for me' (#1)). Two founders (#5 and #6) described themselves as an entrepreneur, rejecting their identity of the former profession (e.g. 'If I were caught up in former professional titles and stereotypes, I will not be able to make optimal decisions and actions as a startup founder' (#6)).

Service category choice

None of these founders who had worked in the legal professional sector in our study showed pivots in their

service category choice; they maintained their focus on a single service category after the launch of their startup and released their services in the category. Their narratives showed that this was because they had strong beliefs in their initial hypotheses—the very reason for their becoming entrepreneurs was closely linked to the problems, as illustrated by a lawyer founder (#2) and the patent attorney founder (#9):

I have no pivots at all. I know people talk about experimental approaches to try many things, such as the "lean startup". But in my case, I started a business "because" I wanted to do this [...]. I've been doing business with the same ideas since I started my business. (#2)

I had no interest in pivoting when I launched this firm. The concept was almost the same as the current service. [...] I decided to address [this] market and related issues, then established this firm, and I've had no change since then. (#9)

The source of such strong beliefs was these founders' firsthand experiences of problems surrounding legal services and consistent focus on solving those problems in their entrepreneurial journey. For example, a lawyer founder (#5) highlighted the significance of the struggle he experienced as a professional in his narrative of firm founding:

Initially, I was a corporate lawyer [at one of the local top law firms]. Within that job, I was involved in contracts, litigation, and M&A. Because the work was so hard and time-consuming, I had a vague idea that there was so much room for efficiency improvement. I wasn't very knowledgeable about technology then, but I always felt that something should be done about it. (#5)

This problematization and frustration led him to take action, but becoming a firm founder was not important as long as the problem could be solved: 'When I started my company, I simply needed a product as a means to bring technology to legal work. I started my company simply because it was necessary as a means' (#5). This intense focus on solving a particular problem in the professional field led to the founder's consistent focus on a particular service category without pivots, despite his initial struggle to develop the technology solution. His comment suggested that this persistence was not because of the perceived high probability of beating competitors and succeeding in business expansion, leveraging his deep understanding of customer needs, but because of the

importance of the service itself, regardless of the competitive landscape: 'I didn't consider competition at all. We chose this service area because we thought this was the biggest issue we faced in our corporate legal work' (#5).

Founders with other (non-legal) work experience

The data on the four founders who did not have prior work experience in legal or adjacent services had three different prior work roles: engineer (#10), technology entrepreneur (#11 and #12), and technology researcher (#13). Despite their varied former role identities, most founders showed Missionary-oriented FSI, and all four had proactive pivots in their service category choice.

Founder's professional role identity and identity work

Our analysis identified three types of past professional role identity, consistent with the founders' prior work experience. One founder (#10) who worked as an IT engineer highly valued crafting new technological solutions to fulfil specified customer needs. This founder's narrative involved his experience of being stimulated by entrepreneurship with a particular focus on providing IT engineering solutions to professional services ('Startups like [X] and [Y] were changing the work of tax accountants. [...] I was quite shocked' (#10)). In searching for areas in which he could contribute to more clients using his IT engineering expertise, he perceived significant potential in legal services, although without detailed hypotheses about customer needs ('When I searched for the field with the least technology use, I found legal services, which is a big reason why I'm in the legal industry right now' (#10)).

Two other founders (#11 and #12), who identified their professional role as entrepreneurs even before their launch, had experience launching their tech-based ventures as an entrepreneur.⁹ They were inspired by entrepreneurship in their youth and perceived that life as an entrepreneur was truly meaningful. As entrepreneurs, they highly valued providing solutions for significant problems in society by creating new businesses/firms. One of them (#11) shared his narrative about prioritizing becoming an entrepreneur in his life:

As an undergraduate, my original aspiration was to become a first-class corporate executive. But I changed my mind when I met many entrepreneurs in an entrepreneur training course and learned the concept of the startup.

Then, I decided to work [as an intern] in management consulting, startups, and venture capital firms in Japan and the United States. When working at [a venture capital firm], I could get a closer look at

fast-growing startups. [...] Every company grew from a small business with only one or two people to a big firm with many people who couldn't fit in the small room and moved to a larger office in the blink of an eye.

Feeling the speed firsthand, I thought the entrepreneurs were producing the most significant impact in this era, so I decided to become a startup entrepreneur instead of a corporate executive. (#11)

The other founder (#13) was a doctoral student whose research focussed on applying algorithmic solutions to various human tasks. As a researcher, he valued advancing technologies and applying them to practical societal problems. His narrative suggested that in his exploring opportunities to advance this cause, empowered by the recent rapid expansion of technological capacity, he identified legal services as the right field:

I searched for fields in which IT was still not sufficiently utilized. Then, I thought of law and medical care. I happened to have some lawyers among my relatives, so I felt like trying the field of law for the time being. Then, I started research at my graduate school. [...] I was researching to analyze things like the similarities of case law with computer science....My research worked quite well, and in terms of its marketability, I thought it would be a good business to start in legal service [...], so I created a company. (#13)

Founder social identity

All four founders with non-legal-service backgrounds commonly showed FSI affiliated with a Missionary orientation—being a force for the social good.

The ex-entrepreneur founders (#11 and #12) highlighted that making society a better place was an essential theme for entrepreneurs. For example, a founder (#11) shared his self-recognition as a mission-driven entrepreneur as part of his nature:

People around me often tell me that I'm so focussed on improving the world rather than thinking about myself and ask me why I can care so much about the distant future. [...] I've always thought we don't need money beyond a certain level. If we have the confidence and ability to earn enough money to make a living, then we can concentrate on making an impact on society from the beginning. (#11)

The other founder, formerly a researcher (#13), also shared his identification with Missionary. The founder

shared his commitment to solving problems in society using advanced technologies as an important theme in his life:

As for legal research [...], obviously, in a law-abiding country, it's strange that people don't have easy access to legal information. Actually, that's easy with technology. I think it's obvious, and I'm wondering if I can do something about it.

For example, [in legal research], you find an annotation in a book suggesting a webpage of the Financial Services Agency's website. You can't see it when you try to access it because the link is broken. You spend an hour on Google, going back and forth, and you may find it somewhere. This is not something we humans should do. I want to change this situation in which people are forced to do such things. (#13)

The ex-engineer founder (#10) showed a more Communitarian-oriented FSI, prioritizing contribution to his customers as an important community. He commented that he focussed on satisfying and contributing to his customers using engineering expertise and crafted solutions. However, the founder (#10) did not commit to particular social problems or existing social groups. For him, any problem would do as long as he could succeed in solving them for these customers. Thus, he stressed the accidental nature of their providing the chosen services: 'I didn't mean to do something around something. It just happened to be legal tech' (#10).

After their launch, these founders' role identities showed mixed composition regarding their salience between former professional and founder roles. Two of them (#10 and #13) showed that they accepted the two types of role identities in a compatible manner (e.g. 'I still like engaging in engineering myself. I also understand I have to develop my skills as a founder CEO, in the areas such as designing teams to maximize the speed of engineering' (#10)). The other two—ex-entrepreneur founders (#11 and #12)—also achieved compatibility between the founder's social identity and role identity because they had been entrepreneurs.

Service category choice

All of the founders in this segment showed active pivots in their service category choice even after launching startups. This was because they did not have specific problems which they had decided to solve within the lawtech field. For example, one founder (#11) shared his experience of exploring completely different service opportunities, even outside the lawtech field, to identify the service category that he should serve:

Originally, I thought about a service model that leverages various specialists to solve problems. [...] However, rather than that, as I saw the legal service market in more detail, I came to realize that the legal field was facing tremendous change. Then it's like I gradually moved in that direction. (#11)

This lack of solid hypotheses about the service category, leading to fluctuation during the startup journey driven by customer needs, scalability, and technological capacity, was rooted in the founders' motivations and identity. They originally had no particular knowledge nor psychologically solid attachment to the legal services field, but the driver of their entrepreneurship was contributing to the social good. Thus, any service in any service category was acceptable as long as it could advance their larger objective as Missionary entrepreneurs. Indeed, one founder (#13) aptly commented on the reasons behind their flexibility, which were linked with their FSI that prioritized society at large:

I don't have any particular feelings about lawyers or corporate legal staff. My goal is to contribute to the people in this country equally. By helping lawyers now, I can expand my service more and more in the future. That is my strategy, and I think that I happen to help lawyers because of the strategy. (#13)

DISCUSSION

This study examined the relationship between startup founders' role identity developed during their prior work experience, FSI, and their pivoting as a strategic decision with the lens of professional role identity and identity work.

In the lawtech industry, we observed two contrasting types of founders. On the one hand, the founders who had worked in the legal professional sector (lawyers, patent attorneys, and legal book editors) highly appreciated the unique value of legal and related services. And yet, they observed problems within the professional community that hindered the fulfilment of their professional role and identified opportunities to solve them with digital technology. Thus, their ventures were launched with a Communitarian-oriented FSI, committing to a particular service category without pivoting. On the other hand, other founders (engineers, entrepreneurs, and researchers) became entrepreneurs in the lawtech industry as a result of opportunity exploration to leverage their expertise. With a Missionary-oriented FSI, they searched for market opportunities contributing to the social good with frequent pivots. Thus, this study demonstrates how

founders' role identity before becoming an entrepreneur contributes to the construction of FSI and influences strategic decisions, such as pivoting in service category choice.

The novelty of this link between prior work experience and the market choice lies in its co-occurrence with the 'knowledge corridor', that is, founders' opportunity identification linked to their knowledge acquired in past work experience (Shane 2000). Those founders knew the unmet needs through their firsthand experience, and their commitment to that service category was enhanced by their self-identification with the very opportunities as an important agenda in their lives. Indeed, many of the founders we studied with legal work experience did not change their choice despite negative evaluations by others, nor did they intensively search for other market opportunities.

One peculiarity of this study was that no Darwinian founders were observed in the data. This could be attributed to the nature of the focal industry. As Fauchart and Gruber (2011) suggested, the nature of the startup industry can have a certain correlation with the founders within; in particular, Darwinian founders who seek significant financial success can prioritize factors such as market size, scalability, and competitors in their industry choice. One interpretation of the absence of Darwinian founders in our study is that the lawtech industry was small and niche (with only 29 identifiable startups) and, therefore, did not attract entry by Darwinian entrepreneurs.

Contributions to theory

With these findings, this study makes two contributions to our knowledge of professions and entrepreneurship, expanding its scope beyond the frequently studied professionals' intrapreneurship (Reihlen and Werr 2015; Poutanen and Kovalainen 2016).

First, this study demonstrates the emergence of professional communitarian entrepreneurs, who are driven by a strong interest in the professional community to which they belonged, as an important but neglected archetype of entrepreneurship. Past studies have assumed geographical communities (e.g. Powell and Baker 2014) or particular activity communities (e.g. sports, Fauchart and Gruber 2011) as the core of Communitarians' identification. However, our study reveals that prior professional work experience can be another essential axis of the journey for founders with a communitarian orientation.

One peculiarity of the professional communitarian entrepreneurs in this study was that their former professions—corporate lawyers and patent attorneys in particular—could have provided flexibility in their career decisions. These professions' daily access to

corporate clients could have familiarized them with the logic of business and new firm creation. Also, the option to return to their former profession at any time, as they could retain the license to practice law, might have facilitated their taking a risk to launch a startup, although professionals are known for being risk averse (Callegari and Rai 2022). Indeed, after our observation period, one of the ex-lawyer founders we interviewed sold his successful startup and went on to establish a technology-intensive law firm.

In addition, the findings of this study imply potential limitations of startups founded by professional communitarian entrepreneurs, particularly in their ability to scale up. Their choice of market category tends to be strongly affected by their former professional role identity and the problems they identified within the frame. This could enhance the relevancy of their services to the pains of their colleague professionals or former clients. However, it does not ensure a large market size and scalability in the long term once the solution is diffused and the problem in the community is resolved. The absence of a search for broader market opportunities, to find use cases in other professional or industrial markets, could lead to limited scalability of ventures founded by professionals entering entrepreneurship.

Second, by demonstrating the link between founders' former professional role identity, FSI, and the resulting pivoting in market category choice, this study responds to the call to further explore FSI origins (Sieger et al. 2016; Ott, Eisenhardt and Bingham 2017; Zuzul and Tripsas 2020). Zuzul and Tripsas (2020) highlighted 'the reasons why founders [develop] different identities' as an important avenue for future research (424). In addition to the personal traits and stakeholder interactions that they suggested as potential FSI antecedents, this study demonstrates that founders' former professional role identity can play an essential role in their identity work to become entrepreneurs and shape FSI.

This inclusion of professional role identity as one of FSI antecedents addresses the need to integrate the analysis of social and role identities (Gruber and MacMillan 2017). As Gruber and MacMillan (2017) pointed out, founder identity has been studied in two different theoretical streams of social and role identities (Stets and Burke 2000), which has created discrete theories and caused an incomplete understanding of entrepreneurial behaviour. Recent studies have gradually incorporated role identity in explaining how founders develop their strategy under the influence of their founder role and social identities (Powell and Baker 2014) and how founders with diverse FSI enact different role identities in their firm growth (Powell and Baker 2017). These studies

fruitfully contributed to understanding how founders enact their social and role identities in their startups. Meanwhile, our findings expand the FSI theory to the time before their firm creation and interactions outside the focal startup, demonstrating that founders' role identity can play an even more critical role before and during the firm creation. This study reveals that founders' past professional role identity shapes their entrepreneurial journey, because the firm creation itself can often be an outcome of founders' identity work in their prior work environment, in which the former professional role significantly influences founders' cognition. With these findings, this study renews perspectives regarding how startup strategies are formed by highlighting the important yet often neglected influence of the socio-cognitive embeddedness of entrepreneurs.

Additionally, in investigating FSI using multiple data sources, this study illustrates the validity and value of the FSI measurement tool developed by [Sieger et al. \(2016\)](#). As the analysis shows, the survey successfully provided overall FSI categorization results highly consistent with researchers' qualitative evaluations. This suggests that surveys can provide a good measure to evaluate individual FSI in large samples of founders. At the same time, some differences between the two data sources, observed at the identity component level in particular, imply potential limitations of the survey method and the value of mixed methods in exploring in-depth nuances of identity components.

Beyond the study of professions and entrepreneurship, this study also contributes to the literature on professions and digitalization. In particular, we demonstrate one way in which digitalization affects professionals: they may make career progression beyond PSFs by creating new firms. As digitalization increasingly provides new opportunities for professionals outside traditional PSFs to solve clients' problems, working within PSFs is becoming merely one of many career path choices for professionals.

Besides, these professional communitarian entrepreneurs are a critical engine for transforming professional work. They play a significant role in technology startups developing digital solutions that automate or augment various professional tasks. With continuing technological advancement, most professional work will be subject to significant digital transformation. Then, this study implies that those professionals who identify with their professional community can be an increasingly important source of entrepreneurs driving digital transformation. Thus, this study implies that we must pay serious attention to entrepreneurship in order to understand how digitalization affects professions and professional work.

Limitations of our study and future research

Our study also informs three areas for future research. First, although many of our ventures had a single founder, we picked one lead founder, whereas several ventures in our sample had a founding team. Studying multiple founders could further enrich our knowledge because interactions among founders can affect their cognitions ([Cardon, Post and Forster 2017](#); [Powell and Baker 2017](#)). Second, more longitudinal observations may reveal potential FSI changes in founders. We focussed on the early stages of firm establishment and service launch, but founders could develop different identities according to their post-founding experiences and firm growth ([Ekinci, Gordon-Wilson and Slade 2020](#); [Zuzul and Tripsas 2020](#)). Third, this study is based on a small sample due to a small population in a particular context, and thus, its generalizability should be carefully considered. Future research can expand our findings with larger samples and/or in comparative contexts, such as other professional fields, countries, and industries. In particular, professionals who developed their identities in neo-PSFs (such as consulting firms or advertising agencies ([von Nordenflycht 2010](#))) may have much more flexibility in their identity work and strategic decisions, while this study focussed on professionals who experienced classic PSFs ([von Nordenflycht 2010](#)) linked with a highly regulated profession with solid norms. Further empirical work would shed light on how different types of professionals engage in entrepreneurial activities with diverse outcomes. This points to potential diversity among professional communitarian entrepreneurs.

CONCLUSION

Through our empirical examination of the startup founders in the lawtech industry in Japan, we expand our knowledge about how professions and entrepreneurship interplay. We show that professionals can form a distinct type of entrepreneur with a peculiar tendency in their FSI and strategic decisions. In doing so, we demonstrate the critical yet understudied influence of the socio-cognitive embeddedness of professionals in their becoming entrepreneurs, which can affect the path and progress of the digital transformation of their professional fields.

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ENDNOTES

- 1 In more specific terms, the legal profession in Japan has similarities both to those in the USA and the UK and those in continental European countries such as France because of the historical origin of the modern legal system imported from France and other European countries (Luney 1989: 146–50) and US influence after WW2 (Aronson 2007).
- 2 The lawyer population in Japan was 44,101 as of May 2022. This was relatively small compared with the USA (1,327,010 as of 2022), the UK (167,751 as of 2021), and France (70,894 *avocats* as of 2021). These figures translate into 2,850 people per lawyer in Japan, compared to 250 in the USA, 410 in the UK, and 920 in France.
- 3 The slow pace can be attributed to two factors: (1) the lack of national digital legal infrastructure and (2) the characteristics of local legal operations. Specifically, the lack of digitization of case precedents and online courts has hindered the development of digital solutions supporting court proceedings. Besides, the highly fragmented legal market structure, with small firms (more than 60% of law firms have only one lawyer) without sufficient knowledge and resources for digitalization, may have slowed down the pace of digitalization.
- 4 Some founders were unavailable for their second interview because of their limited access during the turbulent COVID-19 pandemic, which is one of this study's limitations.
- 5 Patent attorneys in Japan (*benrishi* in Japanese), a profession independent of lawyers, have jurisdiction and qualification requirements similar to European patent attorneys (EPA in European countries) and patent agents in the USA. Some differences are that the EPA qualification requirements include work experience (no requirements in Japan and the USA), and Japanese patent attorney jurisdiction includes patent appraisal and related tasks (not so in the USA and some European countries).
- 6 In the population of 29 firms, 25 firms were established in the 2010s (in or after 2015), and four firms were established in the 2000s (in 2001, 2005, 2007, and 2008), and we focussed on the former to avoid time-lapse bias in interviews. We did not interview the firms created in 2015, but there were no particular reasons; we simply prioritized comparing founder backgrounds in available data access among the 25 firms. Our literature data (interview articles in business magazines) on two of the four older firms showed the founders' comments that were highly consistent with our findings from other founders. However, to enhance the rigour of our study, we did not use these cases in this manuscript.
- 7 To minimize the potential bias by the respondents' impression management to present themselves as a particular FSI archetype, we did not present the FSI typology to the respondents before and during the survey and in interviews. The only exception was interactions with founders at the end of interviews in 2021 (those after the survey), and we did not use the interviewees' self-evaluation in our categorization analysis at their face value.
- 8 By partially consistent, here we mean that the primary identity category identified in the survey (Darwinian, Communitarian, and Missionary) matched at least one identity category identified in the interviews (e.g. a founder classified as 'C (Communitarian)' by the survey but evaluated as 'C/M (Communitarian as the main and Missionary as the sub)' by the interviews). We also analysed another questionnaire version with 15 questions by Sieger et al. (2016). The results were partially or fully consistent with the interview results in 100% of overall FSI evaluations (11 out of 11) and 82% of the identity components (27 out of 33 surveyed items).
- 9 One of the founders had been employed, but the nature of the contract was close to semi-independent and commission based.

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