GETTING WHAT YOU WANT BUT NOT WHAT YOU NEED

A QUALITATIVE INVESTIGATION OF FOUNDER-CEO ROLE TRANSITION DURING VENTURE GROWTH

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Abstract

Entrepreneurship is considered essential for societal and economic development, stimulating technical advancement, decreasing unemployment, and generating tax revenues. Likewise, founder-led companies have been proven to generate higher value than externally led companies. Nonetheless, many founders who initially adopt the CEO role in their companies resign from the position during venture growth as increasing stakeholder expectations transform their occupation. Research investigating why founders find it difficult to adapt to the demands organizational leaders face has been scarce. Through 14 qualitative in-depth interviews, this thesis has studied how current and former founder-CEOs experience and manage changes to their organizational role during venture growth. By analyzing the collected data through the theoretical lenses of role theory and role transitions, for example, Neale and Griffin's (2006) *Model of Role Perceptions*, the study has found that founder-CEOs experience internal conflicts. Primarily, externally expected behaviors associated with institutionalization do not match the founders' desired entrepreneurial behaviors. The findings provide novel insights into how founder-CEOs utilize different strategies to manage role transition during venture growth and contribute theoretically by showing that founder-CEOs who perceive their new work tasks as unalterable are less content in their role than those with more flexible perceptions. The implications are both of organizational and societal relevance through the practical demonstration of how individual founder-CEOs can meet external expectations while staying content, thus benefiting society at large as their organizations prosper.

Keywords: Founder-CEO, Role transition, Entrepreneurship, Venture growth, Identity conflict

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Definitions

Table 1
Definitions

Concept	Definition
Chief Executive Officer (CEO)	An official organizational position that attends to the day-to-day management of the company pursuant to instructions issued by the board of directors (ABL 2005:551).
Entrepreneur	A social definition of a person who makes money by starting or running businesses, especially when this involves taking financial risks (Oxford English Dictionary, n.d.-a). Here, used interchangeably with *founder*.
Entrepreneurship	The activity of making money by starting or running businesses, especially when this involves taking financial risks (Oxford English Dictionary, n.d.-b).
Founder	A person who has started a company (Oxford English Dictionary, n.d.-c). Here, used interchangeably with *entrepreneur*.
Founder-CEO	A person who has founded a company and holds its CEO position (Nelson, 2003).
Founder-CEO exit	The exit of the founder-CEO from the CEO position (Wasserman, 2008). Can be voluntary, when chosen by the founder-CEO themselves, or involuntary, when demanded by the board of directors.
Founder-CEO turnover	The rate of founder-CEO exits, expressed in percentages or fractions.
Identity	A self-referential description that provides contextually appropriate answers to the question "Who am I?" (Ashforth et al., 2008).
Role	The function or position that someone has or is expected to have in an organization, in society, or in a relationship (Oxford English Dictionary, n.d.-d). Here, often used interchangeably with *work role*.
Role holder	An individual who perceives themselves to occupy a certain role.
Role transition	Changes occurring to the technical, social, or psychological context within which a role is enacted that trigger an adjustment process for the role holder (Neale & Griffin, 2006).
Start-up	A company in the first stage of its operations, often being financed by its founders (Investopedia, 2020).
Work role	The overall function or position that someone has or is expected to have in a company.

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1. Introduction

1.1. Background

Approximately 70,000 firms are founded yearly in Sweden (Sundell, 2020). Start-ups, and thereby entrepreneurs, are commonly praised for creating various opportunities of societal and economic importance (Toma et al., 2014). By stimulating economic growth, technological advancement, process and product innovation, and by decreasing unemployment, entrepreneurship is a driving force behind societal development (Dobrev & Barnett, 2005; Yeong, 2012). Nevertheless, it is through growth that start-ups develop into companies producing revenues, taxes, and jobs (Zajko, 2017).

Management researchers have studied start-up growth processes with various focal points, including their non-linearity (Garnsey et al., 2006), complexity (Tunberg & Anderson, 2020), and success factors (Okrah et al., 2018). Repeatedly, studies describe how organizational leaders face increased expectations by new internal and external business stakeholders (e.g., Picken, 2017b). Thus, founders who adopt and remain in the chief executive officer (CEO) position, as founder-CEOs[1], will likely experience that emerging expectations transform their organizational commitments and overall work role during venture growth (Dobrev & Barnett, 2005; Ekinci et al., 2020). These contextual changes in the founder-CEO role require founders to assess their mindset and skills to meet stakeholder expectations, which is necessary for organizational survival (Ekinci et al., 2020; Picken, 2017a) – a process denoted as founder-CEO role transition[2].

If the entrepreneur is unable to satisfy the expanding extrinsic demands, it can compromise the growth and ultimate success of the venture (Ekinci et al., 2020). Picken (2017b) notes that about half of new American firms survive for less than five years and argues that while some causes of venture failure may be beyond founders' control, such as market downturns, most are not. Accordingly, entrepreneurs' difficulties to adapt to the leader role and commitments in a larger organization contribute to the low survival rate among start-ups (Freeman & Siegfried, 2015). However, when founders manage to conform to and meet new role expectations by acquiring new skills and attitudes, founder-led businesses perform significantly better than companies with externally employed CEOs (Adams et al., 2009; He et al., 2010). Yet, only half of founders remain CEOs for more than three years (Wasserman, 2008). Consequently, founder-CEO turnover[3] can generate negative consequences for businesses (He et al., 2010), with long-lasting effects on societal development (Dobrev & Barnett, 2005; Yeong, 2012). This thesis, therefore, aims to examine how founder-CEOs experience and use possible strategies to facilitate the role transition.

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[1] Definition of Founder-CEO in Table 1.

[2] Definition of Role transition in Table 1 and Section 3.2.

[3] Definition of Founder-CEO turnover in Table 1.

1.2. Academic Context and Research Gap

While extensive research on initial organizational growth has been conducted on the meso-level, significantly fewer studies exist on the micro-level, particularly from founders' perspectives, despite management problems being the most common reason for venture failure (Picken, 2017a). Additionally, most research examining founder-CEOs is quantitative, focusing on business performance and turnover rates (e.g., Boeker & Karichalil, 2002). Shepherd and Patzelt (2020) state that although qualitative, micro-level research on organizational growth has gained recent popularity in practitioner literature, it has not been thoroughly investigated in academia. Consequently, this thesis will address the aforementioned research gap by studying the mechanisms shaping founder-CEO role transition.

Nonetheless, some considerations necessary for founder-CEOs to facilitate further development and manage expectations from stakeholders during organizational growth have been established and concluded to require changes in skills, actions, and mindset (e.g., Picken, 2017a; 2017b). For example, founder-CEOs must traditionally operate with increasingly more structure to support the growing organization and deliver the value expected by stakeholders (Picken, 2017b). Still, explanations of why entrepreneurs could find it challenging to adapt their actions and mindset to manage such new role commitments are rare. Only a few published articles have examined how founder-CEOs themselves experience the required changes in their role during venture growth (e.g., Dobrev & Barnett, 2005; Ekinci et al., 2020). This research intends to narrow the investigation further, providing insights into how founders manage said changes at an individual level.

1.3. Objectives and Research Question

This study aims to explore how founder-CEOs experience venture growth, including which contextual changes during growth most prominently induce founder-CEO role transition and how the transition is experienced and managed by founder-CEOs. By using role theory such as Neale and Griffin's (2006) *Model of Role Perceptions*, the thesis examines company growth from the founders' perspective rather than from the well-studied organizational perspective, thus considering implications on the micro-level. Consequently, the unit of analysis is founder-CEOs, and the theoretical lens is both managerial and psychological. The research purpose is summarized in the following research question:

How can founder-CEO role transition during venture growth be understood from an individual perspective?

1.4. Intended Contributions

By qualitatively investigating founder-CEOs' experiences, this study intends to contribute with further knowledge of why some founder-CEOs find the role transition during venture growth challenging; a factor concluded in previous research to lead to founder-CEO exits and venture failure. Given the aforementioned importance of venture growth to societal and economic development, the study additionally aims to provide novel insights into how founder-CEOs manage the changing role expectations and potential strategies used to successfully meet increasing stakeholder demands. Thus, the research is of theoretical relevance by contributing with micro-level knowledge about founder-CEO role transitions during venture growth, including implications for future research on the subject.

1.5. Delimitations

Given the research purpose, the study will solely examine founder-CEOs who have experienced the role transition connected to initial organizational growth. Thus, founder-CEOs fulfilling the formulated inclusion criteria[4] are included whether venture growth was a deliberate goal for the founder or merely a result of pursuing other aspirations. Additionally, both founders who still hold the CEO title in their ventures and those who ultimately voluntarily resigned from it are included. It is relevant to investigate what issues caused voluntary resignations and how these could have been prevented, if desired. Regardless, cases in which founder-CEO exit[5] was noticeably involuntary will be omitted, as infected disagreements with the board could compromise the founder's perception of their experiences.

Further, the study will be limited to entrepreneurs who have founded companies in Sweden. As Sweden is the second-largest producer of highly valued start-ups per capita worldwide, the entrepreneurial culture attracts competencies and capital, which encourages business innovation and development and makes the experiences of Swedish entrepreneurs intriguing (Mellgren, 2020).

[4] See exact criteria in Table 2.

[5] Definition of Founder-CEO exit in Table 1.

2. Theoretical Background

2.1. Venture Growth

Venture growth is an ambiguous concept. Researchers' lack of consensus and discussions regarding growth measurements risk making empirical results incomparable (Delmar, 1997/2006). While this issue is acknowledged throughout the research process, scholars essentially agree on measuring growth by increases in size or amounts, often in accessible statistics such as sales, employees, or profitability. Conversely, management practitioners seem to view improved internal processes as more primitive growth indicators (Achtenhagen et al., 2010). For instance, an increased number of employees is perceived as a consequence of internal developments rather than an aim in itself.

Among several organizational growth models introduced in academic literature over the last decades (Muhos et al., 2010), Greiner's (1972/1998) model is arguably the most well-known (Freshwater, 2020). Greiner describes phases in an organization's life cycle separated by crises arising when organizational leadership fails to adjust as the firm ages and grows (Blomberg, 2019). Although growth is defined as increased sales and number of employees, the model lacks distinct or applicable threshold values. Nonetheless, the first phase and subsequent crisis are of interest to this study as they relate to organizational founders. At first, founders work close to the firm's operative core, with technical or entrepreneurial tasks (Greiner, 1972/1998). Thereafter, the organization needs structured leadership to direct and align employees (Greiner, 1972/1998). This study intends to examine this transition on an individual level.

2.2. The Changing Founder-CEO Role

When founding an organization, the founder's personal ambitions and organizational goals are closely intertwined (Picken, 2017a). The leader is independently responsible for the venture and can often work relatively spontaneously to seize any materializing opportunities (Picken, 2017a). Such execution can work effectively in a small business, but when the number of stakeholders increases, the entrepreneur must defer from the relaxed leadership to meet their demands of accountability and reliability (Picken, 2017a; Powell & Baker, 2014). Thus, stakeholders such as external owners and customers bring expectations that require proper strategies, structures, and institutionalization (Dobrev & Barnett, 2005). A common assumption in founder-CEO literature is that entrepreneurs have no natural inclination toward the general management tasks they are expected to handle as their venture becomes more institutionalized (e.g., Boeker & Karichalil, 2002). The narrow focus essential for initial success is thought to become a liability (Hamm, 2002). Despite such reasoning, most founders adopt management roles, including the CEO title, and must adapt by transcending their primary expertise, habits, and motivations and acquire a broader skillset to promote business survival and success (Ekinci et al., 2020; Picken, 2017a).

Furthermore, as founders must pay more overall attention to the business, it is no longer possible to directly supervise employees (Boeker & Karichalil, 2002; Wasserman, 2003). Leaders in larger organizations must provide a shared direction and manage through delegation rather than getting involved in operative details and using direct control (Ekinci et al., 2020). Yet, it is well-documented that founders tend to micromanage and find it difficult to entrust control to both employees and professional managers, assumed to result from fears of being authoritatively challenged (Adizes, 1999; Wasserman, 2008). Consequently, the founder-CEO's overall commitments and work role as an organizational leader ought to change during venture growth due to expanded external expectations and increased complexity (Ekinci et al., 2020).

2.3. Founder-CEO Performance and Exit

Ekinci et al. (2020) state that founder-CEOs have three choices when responding to changed role expectations during venture growth: (1) Adapt a more strategic role to encourage development, (2) maintain the current role by retaining full control and not delegating, potentially inhibiting growth, or (3) leave the position or business, allowing it to grow without them. Similarly, He et al. (2010) concluded that founder-CEOs' cognitive rigidity and unwillingness or inability to change could lead to business turndown, ultimately resulting in founder-CEO exits, undesirable for long-run business value. Thus, studies show how high founder-CEO turnover possibly is caused by failure to adapt (Freeman & Siegfried, 2015; He et al., 2010; Wasserman, 2008), but seldom investigate why this is the case.

Picken (2017a) suggests various external factors influencing founder-CEO exits, including industry context, venture performance, ownership structure, and governance. Still, Picken (2017a) recognized founders' characteristics and leadership qualities as crucial parts of the equation, with odds against founders remaining as CEOs even if the venture is profitable since behaviors associated with the entrepreneurial personality are improbable to align with what is demanded of executives in growing organizations. Yet, founders are likely to be overconfident in their abilities and often want to remain in the company's most central position (Boeker & Karichalil, 2002; Wasserman, 2008). Accordingly, studies suggest an interesting contrast where founders would like to remain CEOs despite being assumed to dislike the expectations of the role.

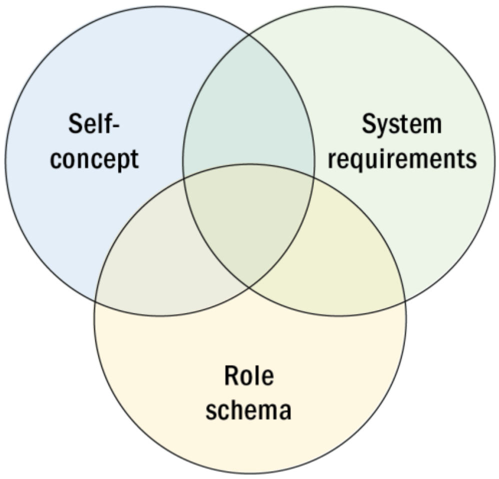
3. Theoretical Framework

In general, a role can be described as a collection of behaviors expected or recognized as appropriate for someone pursuing a particular goal (Byrnes & Taylor, 2015; Neale & Griffin, 2006). Thus, roles are positions or functions exercised by individuals toward others in certain situations, for example, a manager, an employee, or a president (Masolo et al., 2004). Further, one must both possess qualities required to perform expected role behaviors and have a purpose for enacting a role (Byrnes & Taylor, 2015). Following these definitions and previous discussion, founder-CEOs can be said to commit to a specific founder-CEO role. Neale and Griffin's (2006) *Model of Role Perceptions* intends to define the structure of a work role as perceived by the role holder. Application of the model and theories about role transition will facilitate this study by illuminating how expectations in the founder-CEO role change during venture growth, the inflicted effect on the individual, and how the role transition is managed. However, as the model primarily is based on employees who are promoted to new work roles, a discussion of how it can be applied to founder-CEO role transitions will follow the model introduction.

3.1. A Model of Role Perceptions

Neale and Griffin's (2006) model aims to capture role holders' ideas about their work roles and how these relate to their behavior. The model consists of three interrelated components, which include expected role behaviors. First, individuals enter roles with pre-existing *role schemas*, which are the role holder's general perceptions of a role, often based on societal notions. Second, *system requirements* are behaviors that the employing organization expects of the role holder. Finally, an individual's sense of self, their *self-concept*, influences their role perception.

Figure 1
Model of Role Perceptions



Note. Adapted from "A Model of Self-Held Work Roles and Role Transitions," by M. Neale and M. Griffin, 2006, *Human Performance, 19*(1), p. 25. Copyright 2006 by Lawrence Erlbaum Associates, Inc.

Figure 1 is a graphic representation of the model illustrating how specific behaviors can be positioned within the role. A behavior perceived to be included in the role schema, required by the organization, and congruent with the self-concept is expected by all three role components and positioned in the threefold intersection in the model. According to Neale and Griffin (2006), role holders prefer behaviors requested in all three components as they are free from conflicting expectations. Contrarily, behaviors expected in only one or two components cause discomfort for the role holder. For instance, a police officer stopping a speeder is expected both by system requirements (official work tasks) and role schema (general perception of police work) to give the driver a fine. However, when the speeder explains that his wife is in labor, the behavior of writing a speeding ticket might not be congruent with the police's self-concept as an empathetic family person, thus triggering an internal conflict.

3.1.1. Role Schema

Role schemas are cognitive structures containing assumptions about specific roles that affect individuals' expectations of work positions (Neale & Griffin, 2006). Commonly, a person's role schema reflects their beliefs of what others, in society, expect from a role based on stereotypical or generic perceptions encountered throughout the role holder's life, for example, in media, stories, or urban myths. People who have considerably assimilated these general perceptions appear to have more complex role schemas than people with weaker assumptions and, thus, simple role schemas. Role schemas are proposed to influence role holders' behaviors through conveying information about how to achieve legitimacy (Neale & Griffin, 2006).

3.1.2. System Requirements

System requirements are an employing organization's demands on an individual in a specific work role, often work tasks included in job descriptions, but also informal expectations such as organizational culture norms (Neale & Griffin, 2006). As employees, individuals are motivated to meet organizational expectations to get rewarded.

3.1.3. Self-Concept

Self-concept is "a cognitive schema that filters, stores, and organizes information about the self" (Neale & Griffin, 2006, p. 29). It is the convergence of an individual's different identities, and their answer to the question "Who am I?" (Ashforth et al., 2008; Murnieks & Mosakowski, 2007; Myers, 2009). As humans strive for inner congruence, identities can motivate behavioral adjustment until actions and self-concept are aligned (Burke, 1991; Sveningsson & Alvesson, 2003). Additionally, external environments that verify one's identity generate positive feelings, while the opposite causes confusion and distress. Subsequently, individuals' self-concepts influence the roles they gravitate toward (Byrnes & Taylor, 2015). Neale and Griffin (2006) similarly say that self-concepts affect individuals' behavior when entering new work roles but also propose that role requirements could alter the self-concept through internalization.

3.2. Role Transition

A role transition is the experience of engaging and navigating changes in behaviors necessary to enact a role, where role holders usually must alter their perspective and attributes to fit new role requirements (Byrnes & Taylor, 2015; Hoang & Gimeno, 2010). In Neale and Griffin's (2006) *Model of Role Perceptions*, a role transition can be understood in two parts. First, changes in the context or environment in which a role is enacted causes (1) existing behaviors to move between role components, (2) previously expected behaviors to cease from one or several role components, or (3) entirely new behaviors to enter one or more role components. Second, the changes are followed by an adjustment process in which the role holder attempts to re-adjust the role components to capture as many expected behaviors as possible in the intersection. If individuals fail to engage in psychological and behavioral adjustments to facilitate role transitions, the conflicting behavioral expectations will invoke difficulties in managing consistent behavior, causing stress and perceived control loss (Ashforth et al., 2000).

3.2.1. Adjustments in Self-Concept

If a role transition causes behaviors expected by system requirements or role schema to be incongruent with the self-concept, an individual might attempt to internalize such behaviors by changing the self-concept. Still, people are often unwilling to change their self-concept unless they believe that the new role behaviors move them closer to an "idealized self" and their individual goals (Byrnes & Taylor, 2015; Neale & Griffin, 2006). Identity transition can also happen slowly and unconsciously, based on others' reactions confirming or disconfirming everyday behaviors (Neale & Griffin, 2006).

3.2.2. Adjustments in System Requirements

Instead of changing their identity, an individual could change the system requirements to match their current selves. However, the possibility to alter job boundaries depends on the individual's position, negotiation power, and autonomy in the organization (Neale & Griffin, 2006). If possible, they could add extra work tasks more congruent with their self-concept or, conversely, remove behaviors from the system requirements altogether (Neale & Griffin, 2006).

3.2.3. Adjustments in Role Schema

Role schemas are the most difficult to adjust, as they relate to the role holder's beliefs about society's expectations of the role (Neale & Griffin, 2006). However, it is more challenging for a person with a complex role schema to change their perception of the generalized role expectations than someone with a simple role schema, who has vague ideas of such expectations. Nonetheless, an individual could realize that their initial role schema was incorrect when exhibiting the role themselves and subsequently alter their perception of expected role behaviors (Neale & Griffin, 2006).

3.3. Founder-CEO Identity Conflict

Ekinci et al. (2020) found that entrepreneurs generally identify with words such as "ambitious", "determined", "spontaneous", and "creative". According to Murnieks and Mosakowski (2007), those ideas belong to a specific and highly salient entrepreneurial identity. Entrepreneurs can also embody founder identities (Hoang & Gimeno, 2010), including risk-taking, goal-orientation, and business growth ambitions (Ekinci et al., 2020). Additionally, firm founding can fulfill an entrepreneurial need to be autonomously in control (Shepherd & Patzelt, 2018).

In start-ups, founders can take initiatives consistent with their self-concept. However, as the venture grows, entrepreneurs seem to experience that the identities that their companies are built on encounter friction because of increasing stakeholder expectations (Ekinci et al., 2020). Sveningsson and Alvesson (2003) state that entrepreneurs often struggle to identify themselves as traditional managers as it constrains them to administrative tasks rather than the preferred creative work. The decline in freedom and decision-making independence could result in faltered commitment, driving founder-CEOs to resign and exercise their entrepreneurial identity elsewhere (Dobrev & Barnett, 2005; Powell & Baker, 2014). Related to Neale and Griffin's (2006) work, the introduction of external expectations subsequently initiates a role transition where expected behaviors do not align with founder-CEOs' self-concepts.

3.4. Theory Discussion

Evidently, Neale and Griffin's (2006) model and role transition theories can be used to illustrate the founder-CEO identity conflict during venture growth, identified in previous studies, and provide novel insights into the research gap concerning how founder-CEOs reduce the internal dissonance. Although founder-CEOs are less likely than employees to have official job descriptions, the thesis authors argue that system requirements, defined as the employing organization's demands, could be interpreted as all expectations imposed by organizational stakeholders.

However, as the model primarily is based on near-instant role transitions as in the case of promotions, it carries the limitation that behaviors are considered binary, moving unconditionally in or out of role components during role changes. Since founder-CEO role transition could be defined as a successive process occurring within the same official role during organizational growth rather than immediately shifting positions, changes in context and expected behaviors should instead become progressively more prominent over time. Nonetheless, the thesis authors argue that by extending the studied time frame and having respondents reflect retrospectively on initial business growth, a conflict in expected role behaviors is likely to have been experienced at some point.

4. Methodology

4.1. Choice of Method

4.1.1. Research Paradigm

This research adopts a constructivist ontological view as it aims to understand changes and experiences in the founder-CEO role. In constructivism, social phenomena such as identities and roles are continually created by actors through interactions with organizations and society (Bell et al., 2019), making the ontological view applicable when studying role transitions. Since the study examines founder-CEOs' experiences from an individual subjective perspective, it follows the epistemological approach of interpretivism. Entrepreneurs are assumed to engage in some interpretation of their social context despite being less likely to actively reflect on it (Byrnes & Taylor, 2015). Consequently, the study will contain "double interpretations" where the researchers aim to interpret the studied subjects' interpretations of their social reality (Bell et al., 2019).

4.1.2. Research Method

The study has been conducted with a qualitative method as it allows respondents to reflect more freely (Fossey et al., 2002), thus contributing to a more profound understanding of founder-CEOs' individual experiences of role transitions and complementing existing quantitative research on founder-CEO performance and turnover. Further, as the objectives of the study are mainly exploratory, an inductive starting point with descriptive intentions was chosen (Stebbins, 2001). However, due to its iterative nature, an abductive research process has allowed incremental development and continuous movement between theory and empirics to ensure continued relevance (Bell et al., 2019).

4.2. Sample

4.2.1. Sampling Process

The sampling process has been guided by Robinson's (2014) sampling approach (see Appendix A). First, participation inclusion and exclusion criteria were developed based on research purpose. Achtenhagen et al. (2010) showed that management practitioners often perceive an increasing number of employees as a requisite for internal developments. Since Boeker and Karichalil (2002) additionally found that founder-CEO turnover correlated more with an increased number of employees than sales, it was deemed an appropriate and accessible measure of venture growth for this study.

Further, three experienced management practitioners were informally interviewed before official data collection to form an initial understanding of founder-CEO role transitions. The respondents suggested that the most significant changes in the founder-CEO role occur around 20 employees. As no conventional thresholds for founder-CEO role transition exist, standard classifications of company size (Statistiska Centralbyrån, n.d.) further directed the decision that participating founders must have remained CEO in their ventures until at least 20 employees. The decision meant to ensure that founders had been exposed to external expectations assumed to trigger founder-CEO role transition. Founders of non-profit organizations have been excluded from the study as performance mindsets are not as established as in for-profit organizations (Mirabella, 2013). Table 2 contains the full list of criteria.

Table 2

Inclusion and Exclusion Criteria

Inclusion Criteria	**Exclusion Criteria**
Founder	Founder of non-profit organization
Has founded company in Sweden	Public sector
Founded company min. 5 years ago	
Managed company until min. 20 employees	
Must speak Swedish or English	

As the sample is limited to current and former founder-CEOs, it can be considered relatively homogeneous (Bell et al., 2019; Latham, 2020), even if characteristics such as age, industry, venture size, and numbers of years as founder-CEO make certain aspects heterogeneous. With saturation being the primary goal in data collection (Bell et al., 2019), the sample size should be evaluated parallel to interview and analysis conduction. Nonetheless, Latham (2020) argues that saturation often occurs between 12 and 15 interviews for homogeneous samples. Furthermore, the sampling strategy consisted of a combination of convenience and purposive sampling to satisfy research purposes while considering participants' abilities and willingness to participate (Robinson, 2014). Approximately 55 prospective participants identified through the thesis authors' prior recognition of founder-CEOs, internet searches, and personal networks were contacted through e-mail (see Appendix B) or telephone.

4.2.2. Participants

The sampling process resulted in 14 interviews. They were conducted as digital video conferences due to the on-going Covid-19 pandemic and were on average 64 minutes long (see Appendix C for interview details). Table 3 displays the participants' most relevant characteristics. CEO status indicates if the respondent is the active CEO of their venture. Founder-CEO duration refers to the number of years the respondent currently has held or, if resigned, did occupy the CEO position in their company. Evidently, there is variance in duration among participants. While founders were asked to reflect on early venture growth retrospectively, the research design (see Section 4.3.1.) welcomed discussion about experiences of the role transition being continuous or repeated later on.

Table 3
Participant Characteristics

Interview	CEO status	Founder-CEO duration
1	Active	20 years
2	Active	10 years
3	Resigned	18 years
4	Resigned	15 years
5	Active	9 years
6	Active	7 years
7	Resigned	6 years
8	Resigned	12 years
9	Resigned	5 years
10	Active	9 years
11	Active	6 years
12	Active	9 years
13	Active	5 years
14	Active	13 years[6]

4.3. Data Collection Process

4.3.1. Research Design

As the prevailing research question was constructed to explore and compare subjective experiences, a cross-sectional study, with individuals as the unit of analysis, was chosen to allow for comparisons and facilitate the uncovering of common themes through information-rich data (Bell et al., 2019). Furthermore, interviews were seen as the most suitable data collection method since an in-depth understanding of personal experiences was required (Bell et al., 2019). Semi-structured interviews allowed for flexibility to capture and understand individual experiences by adapting wording and clarifications, which facilitated interactions with interview subjects while simultaneously ensuring that all study objectives were covered. Although semi-structured interviews diminish comparability possibilities due to focal differences, they allowed interviewees to independently emphasize the components considered especially influential in their role transition, which would not have been possible with structured interviews (Bell et al., 2019).

[6] Participant 14 left the CEO position for some time in the middle of their mandate. The years absent are not included in the number.

4.3.2. Interview Guide and Pilot Interview

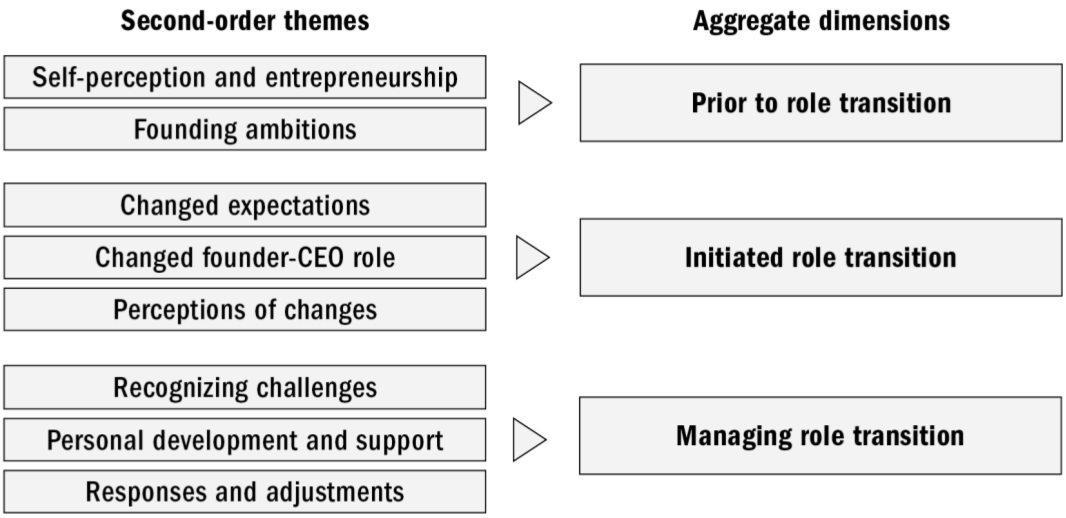
An interview questionnaire covering several aspects relevant to the study, for example, the presence of entrepreneurial identities and individual-specific challenges encountered during venture growth, was constructed and used solely as a guide (see Appendix D). Questions were mainly formulated in an open-ended manner to encourage reflection, and by excluding leading questions and affective wording, the authors could ensure more lucrative and honest answers (Bell et al., 2019). To test the relevance and accuracy of the questionnaire, a pilot interview with a criteria-fulfilling founder was conducted. The interview was regarded as appropriate to include in the final study, but certain questions generating repetitive or purpose-irrelevant answers were removed from the interview guide, narrowing the questionnaire down to 29 questions. The goal was not to ask all questions but rather adapt the conversations to topics preferred by each respondent. Additionally, probing as well as introducing, specifying, and interpreting questions were added when necessary, to ensure that the information provided would be interpreted correctly.

4.4. Coding and Analysis

With the approval of each respondent, the interviews were recorded and transcribed parallel to data collection. After completing all 14 interviews, the authors individually analyzed the material and then mutually compiled the findings using Bell et al.'s (2019) thematic analysis approach. The overall coding of the empirical data generated around 50 first-order concepts. As no new codes emerged in three of the interviews, theoretical saturation was concluded, and no more interviews were conducted (Bell et al., 2019). Thereafter, a theoretical lens was applied to evolve the concepts to the second-order themes and aggregated dimensions presented in Figure 2.

Figure 2

Empirical Overview



4.5. Discussion of Method

Conducting an interpretive and qualitative study requires certain considerations. Its subjective nature means that the researchers' beliefs inevitably shape the research when interpreting and presenting the respondents' experiences. Additionally, the research design diminishes generalizability due to contextual uniqueness (Bell et al., 2019). Nevertheless, by conducting the research employing Bell et al.'s (2019) *trustworthiness* and *authenticity* criteria, the authors have increased the authenticity of the study and its findings. Detailed contextual descriptions and thorough records of the process assure that the research has been carried out in conjunction with good practice and provides other researchers with the information needed to assess the transferability of findings to alternative research areas. Internal reliability has been supported by alternating individual analyses with continuous and open discussions between the authors and by regularly revisiting the source material during interpretations and applications.

Furthermore, to guarantee that the essence of quotes was kept intact when translated from Swedish to English, oblique translation was used, allowing for transposition, modulation, equivalence, and adaptation that preserve linguistic nuances (Bell et al., 2019). Additionally, the four ethical principles of *harm*, *consent*, *privacy*, and *deception* have been fully integrated into the research process to improve its legitimacy (Bell et al., 2019). Following European General Data Protection Regulation, participation consent forms were collected, and interviewees were informed that their participation was voluntary and could be terminated at any time without further explanation. If requested, all collected data would be permanently deleted and excluded from the report. Moreover, the presentation of findings sought to keep the participants and their ventures anonymous by dismissing any sensitive information.

5. Empirics

Despite sample heterogeneity regarding venture industry, age, and size, several similarities in the founder-CEO role transition experiences during venture growth can be discerned among the interviewed founders. Moreover, even differing experiences converge to a few clear paths that are investigated in the remainder of the thesis.

5.1. Prior to Role Transition

5.1.1. Self-Perception and Entrepreneurship

Self-concept and identity play integral parts in shaping the experience of role transitions. When asked to describe themselves, the interviewees largely mentioned similar personality traits. The most commonly cited were creative, determined, authentic, and risk-taking. Overall, problem-solvers who enjoy establishing companies.

> *"My brain produces new ideas all the time. [...] I operate by constantly doing new things, challenging myself, throwing myself out there without knowing the outcome."* – 7

Furthermore, the traits the founders used to describe themselves were consistent with those they used to describe entrepreneurs in general, with innovative, risk-taking, and determined being the most common ones. They typically perceived entrepreneurs as people who identify and utilize opportunities, build companies, and are problem-solvers.

> *"[An entrepreneur] is someone who can make bricks without straw. Who recognizes how to improve things, doesn't settle. [...] If it doesn't exist, they create it. Constantly raises the bar, notices where to invest, and dares to make decisions and take initiatives."* – 9

> *"I found the opportunity to build something from scratch very exciting. That is like the definition, the essence, of entrepreneurship [...]"* – 2

Consequently, all interviewees stated that they either defined themselves or believed that others would define them as entrepreneurs. Most did not doubt their entrepreneurial trait. Yet, several respondents said that they were not especially concerned with social definitions or expectations.

> *"Personally, I'm born an entrepreneur. Like, I'm born to do this."* – 7

> *"I believe that [the societal view of entrepreneurs] is quite similar to [my view] actually. Frankly, I don't really care about what others think of me. I do my own thing and I'm generally not that concerned with what others think."* – 1

5.1.2. Founding Ambitions

The founders shared two main ambitions with founding their companies. First, to increase their freedom and independently build an entity. Second, creating successful, large, or well-known firms. Some mentioned just one ambition, while others described both.

> *"I recognized self-employment as a freer and better option for me than being employed. [...] I wanted to be able to work with what I enjoyed and make business ideas grow."* – 1

> *"Obviously, we've always wanted to build a very large company and make a lot of money, with all that it entails, but we want to do it the right way [...]"* – 13

The founding ambitions were described to influence the founder's attitude toward continued venture building and leadership. Most respondents argued that it is essential to stay true to their ambitions and keep their goals in mind.

> *"You need a plan for the future, on how to build your organization. Even if you can't afford it – what's the goal of your operation? What are you aiming for?"* – 1

5.2. Initiated Role Transition

5.2.1. Changed Expectations

The founders described how their work, regarding both work tasks and leadership, changed during venture growth. In the start-up phase, they mentioned working hands-on with virtually all company aspects, close to co-workers. Essentially every founder perceived the start-up phase as enjoyable.

> *"Like, I did the marketing, I handled the sales, I oversaw and set up our legal structures, I took care of the book-keeping, made sure there was Friday coffee. Back then, you do everything, basically."* – 6

> *"You're more like a team coach, so to say. You're a group, almost like friends, doing something together. It's a very different type of leadership in the beginning."* – 10

> *"The work [in the beginning] is hard, with many risks, and pays very bad. But damn, you have a lot of fun during that time."* – 4

As the venture grew bigger, so did the importance of conventional CEO duties. All interviewees described how the CEO has ultimate responsibility for the company. Several founders who have raised external capital suggested that introducing external owners and legitimate boards increased demands on the founder-CEO. However, simply employing people outside of the close-knit starting team was also experienced to require more reliable and structured behaviors.

"[The CEO] should have the overall responsibility in the company. You should be able to lead and delegate work, be able to handle business development. [...] When things aren't going as planned, it's the CEO who ultimately should handle these problems." – 1

"[Earlier] you could just do something, without considering other decision-makers. [...] It's not really like that today; instead, there are pilot studies, halfway studies, and a company board. [...] But it's necessary, because you shouldn't take having hundreds of employees too lightly. You are a factor in many families' lives. When you hire someone, there's a lot of responsibility. So, you need to have a control body making sure you don't go bananas as an entrepreneur." – 14

5.2.2. Changed Founder-CEO Role

In the growing organization, founders' work tasks were described as altered to meet stakeholder expectations, commonly expressed as increasingly administrative and less creative. For example, founder-CEOs have to start cooperating with the board and introduce hierarchies.

"The more CEO I became, the less creative I was. And the larger the company grew, the less creative it became, because people expect so much of you [...] In the beginning, you think of something and just do it, everyone becomes inspired and just creates which I love, but as a CEO, you can't really be like that." – 7

"[...] you have a management team and middle managers, with a lot of reports and internal meetings." – 9

Likewise, the founders stated that they needed to exercise more comprehensive and less detailed leadership. Consequently, the importance of communication became greater.

"Basically, I don't do any day-to-day business [today], rather I focus on the long-term strategy, vision, and broader decisions, but I don't really attend to details." – 5

"When the number of employees increases, it isn't really about what you do anymore, instead it's about what you get others to do. And then we return to the issue with having the patience to communicate [...]" – 2

Nonetheless, some interviewees mentioned that the CEO role looks different depending on the company and person. For instance, several respondents still felt that they had entrepreneurial work tasks, often including business development.

"I believe [the CEO role] varies a lot depending on your personality. [...] If we look at my work tasks today, I do almost nothing practical. [...] But I also think that there are people who are CEOs that are very practical, hands-on." – 10

"I think that an entrepreneur is more focused on developing, finding new sources of income, and the expansion phase. A CEO is perhaps more administrative, ensuring the operations, and so on. [But] our growth is still so extreme that I think you need both parts. [...] We launch new business areas all the time." – 5

5.2.3. Perceptions of Changes

The interviewees concluded that the CEO title and associated work tasks fall naturally, but perhaps not most appropriately, on the founder. Indeed, various respondents expressed a preference for the earlier stages of venture growth, with some considering leaving or already having resigned from the CEO position.

"As a founder and entrepreneur in a growing company, it's rather natural that you take responsibility during a transitional period as CEO. Nothing strange with that; I did it. But perhaps I should have resigned earlier [...] and allowed someone with more CEO experience to take over." – 4

"In many ways, I think that smaller companies are much more fun than large ones, which is kind of paradoxical since you fight like hell to make them bigger, only to think 'remember how fun it was when it was small'." – 12

Several founders reflected on the role changes and expressed dissatisfaction with administrative tasks, increased structure, and extensive liability. The foregoing was described as both burdensome and requiring risk-aversion.

"I get a little restless when there's too many administrative tasks, too much monotonous work, too many 'must do's'. I want to move forward, be at the forefront, where everything happens. But as a CEO, there's a lot of numbers, Excel, presentations, and I've attended an abundance of meetings." – 4

"Today, when the company is worth a lot, there's also a lot at stake. And of course, it affects your risk-taking [...] You're much more careful not to make mistakes as they will have much greater consequences." – 11

Nonetheless, multiple founders stated that they, for the most part, still enjoy their work.

"I find all [growth] phases inspiring as you learn new things, but honestly, I'm not that excited to start over and go back to square one. I enjoy it even more today than yesterday, and I think that's important." – 5

Furthermore, some respondents suggest that the CEO title merely reflects a job position while being an entrepreneur is an identity. Some even argue that labels should be disregarded as they divert attention from ambitions and end goals.

> *"Entrepreneur is what I am; CEO is my position."* – 11

> *"I couldn't care less about titles. People can call themselves entrepreneurs or intrapreneurs or innovators or whatever. Just do things! [...] People want to call themselves so many things, everyone wants to be seen, there's too much nonsense about it."* – 6

5.3. Managing Role Transition

5.3.1. Recognizing Challenges

Some founders explicitly described the difficulties of being an entrepreneurial and creative person while having to balance traditional CEO work tasks in a larger organization.

> *"An entrepreneur doesn't necessarily have to be a CEO. There are many great entrepreneurs who may not thrive in CEO positions because many of the tasks are administrative. [...] The bigger you get, the more formality is needed; you have to report to the board, shareholders, and so on."* – 11

One commonly mentioned realization was that although delegation was both necessary and reduced pressure, it can be notoriously challenging for a founder. Two main obstacles were recruiting skilled employees and avoiding micromanagement.

> *"[Entrepreneurs] must, at a fairly early stage, dare to recruit people who are more experienced than themselves, older and who also dare to question you. [...] It's absolutely necessary [for growth]."* – 2

> *"When you've started something from the beginning and had full control along the way, from the bottom up, there's a sense of panic before you realize that 'this actually works' or even 'this works really well, maybe even better than if I did it myself'."* – 4

> *"It's hard to keep your hands to yourself and not micromanage, but you have to dare to trust other people. [...] There are only so many hours, you can't do everything. If you don't let go of responsibility, you'll become a bottleneck, and then nothing gets done. It's tough. You see others make mistakes, but you have to allow mistakes."* – 11

Indeed, some aspects of the CEO position were perceived as static and simply have to be accepted to reach one's long-term ambitions. Generally, those who most strongly believed that they had to fit a specific preconceived template also perceived venture growth as the most unpleasant.

> *"[The work] has to become more long-term and structured. Moving very fast and putting everything together, you realize that it won't work, because it doesn't happen like that. And that's both annoying and tough, but you have to somehow accept that."* – 11

> *"You have to develop quite a lot to be able to grow with the company. We've probably gone through ten phases and I've worked a lot to keep up with this, refined my qualities that were awesome the first three years but don't really work anymore. But unfortunately, I sometimes feel like it has damaged me, fitting into that template, and it's made me feel a bit unhappy at times."* – 7

5.3.2. Personal Development and Support

Personal development was described as imperative for the founder-CEO role transition, with self-awareness as a critical component.

> *"I believe that you, as an entrepreneur, need to have the ability to make your company grow and understand that you have to change roles. [...] Those [who succeed] understand that you need to work hard as hell in the beginning, but eventually you need to get it together, put that suit on, and get the company in order."* – 8

To facilitate self-awareness, the founders mentioned the importance of being attentive and surrounding yourself with people who offer support and feedback, such as mentors or external networks. However, some founders described internal changes as more unconscious.

> *"It's important to actually work on your leadership, understand how to act and relate to things. And it can be anything from talking to people who have done similar things to being responsive, listening to people around you – how can you develop? You can't take things personally, you have to view it as feedback, as something very valuable, if you want to move forward."* – 5

> *"[I] may not have been actively working on [myself]. But it has probably been a process that you adhere to over time."* – 1

5.3.3. Responses and Adjustments

The founders additionally stated that an essential part of venture growth is to continuously question whether you are suitable for your current role, keeping the organization's best interest in mind.

> *"It's extremely important to improve yourself; you have to find joy in leading people. When you don't enjoy it, I think it's better for everyone that you step down and maybe take a board seat or start a new company. But as long as you find joy and care about developing, I think you can stay."* – 5

Moreover, enjoying your work was considered an equally important factor for many. According to the respondents, being dissatisfied in the founder-CEO role because of unappreciated work is a common source for voluntary founder-CEO resignation. However, founders could delegate unwanted tasks to increase enjoyment, and instead resign for other reasons.

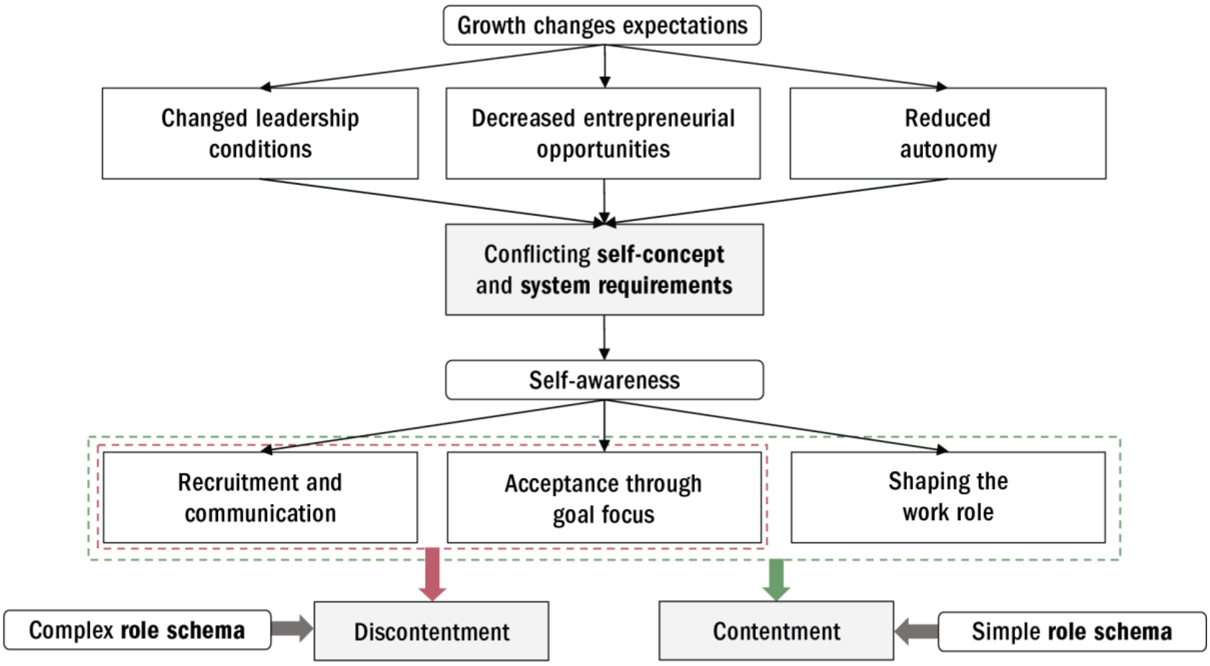
> *"It was a true turning point when we hired a good HR manager who could take care of important staff issues. It was a great time for the company because then I could devote myself to things I considered myself better at. […] Everything became neat and tidy, and I could take a step up; it created a space where I felt 'this is where I should be'. [...] But it requires a supportive organization that I can delegate tasks to, so I can spend my time on entrepreneurial parts."* – 4

6. Analysis

The following analysis presents the most notable role changes experienced by the studied founder-CEOs during venture growth, observed to induce conflicts between internally and externally expected behaviors. Thereafter, different strategies to reduce the perceived internal conflict are interpreted to disclose implications and consequences of role transition. Figure 3 provides an overview of the findings in the analysis.

Figure 3

Analytical Overview (Högberg & Liljestrand, 2021)



6.1. Conflicting Self-Concept and System Requirements

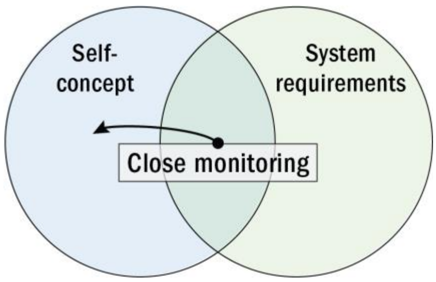
The empirical material concludes that founders-CEOs' self-concepts generally include salient entrepreneurial traits, consistent with the idea that identities guide role engagement (Byrnes & Taylor, 2015). Significantly fewer founder-CEOs equally identify with the CEO position, with several mentioning difficulties balancing entrepreneurial notions against introduced stakeholders' expectations. For instance, employees and external owners were described to facilitate growth but change organizational demands, thus system requirements, in the founder-CEO role. According to Neale and Griffin (2006), this initiates a role transition leading to certain role behaviors being positioned outside the intersection between system requirements and self-concept. Subsequently, the founder-CEOs experience uncomfortable internal conflicts (Ashforth, 2001). Below are three main changes in expected behaviors during venture growth perceived by founder-CEOs to induce role transition.

6.1.1. Changed Leadership Conditions

Before venture growth, direct leadership allows founders to work close to the operative core and consistently supervise employees' work. When hiring more employees, the extensive operations traditionally require more hierarchical structures where founders' direct employee interactions and detail involvement decrease. The founders describe that their commitment and need for control make it difficult not to micromanage despite having other obligations. Consequently, behaviors of close monitoring become undesirable in system requirements while remaining congruent with the self-concept, causing an experienced behavior conflict.

Figure 4

Movement of Leadership Behaviors (Högberg & Liljestrand, 2021)

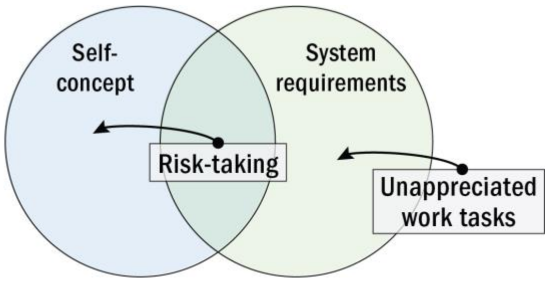


6.1.2. Decreased Entrepreneurial Opportunities

The respondents describe themselves as innovative and determined risk-takers, traditionally entrepreneurial (Ekinci et al., 2020). However, as stakeholders introduced during venture growth expect founder-CEOs to take accountability, founders' feelings of responsibility toward employees and investors motivate risk-aversion. Thus, risk-taking behaviors necessary in the start-up phase are no longer organizationally expected but still part of founders' personalities. Additionally, the founder-CEOs perceive the number of unappreciated work tasks in the CEO occupation as increasing, for instance, time spent on administration. New expected behaviors enter system requirements but are incompatible with the self-concept.

Figure 5

Movement of Entrepreneurial Behaviors (Högberg & Liljestrand, 2021)

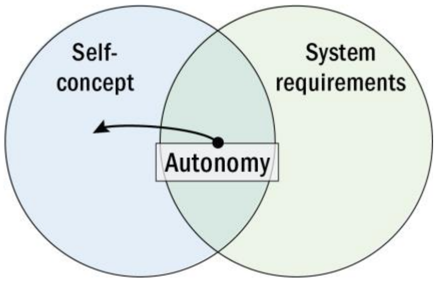


6.1.3. Reduced Autonomy

The founders mentioned initial ambitions of freedom, autonomy, and power – suggesting that company founding can fulfill entrepreneurial needs (Shepherd & Patzelt, 2018). However, when simultaneously aiming for business growth and success, it is crucial to employ knowledgeable and intelligent workers and not uncommonly engage with venture capitalists. The founders suggest difficulties accepting the restrictions these parties can impose on their independence through propositions and demands. Growth aspirations lead to feelings of diminished power and control, and the autonomous behaviors that founders desire no longer harmonize with system requirements.

Figure 6

Movement of Autonomous Behaviors (Högberg & Liljestrand, 2021)



6.2. Strategies to Resolve the Conflicts

As Neale and Griffin (2006) suggest, the empirics show that founders aim to reduce the experienced conflicts by adjusting role components to position expected role behaviors in the intersection or removing behaviors altogether. Nevertheless, such attempts are fully mediated by self-awareness.

6.2.1. Self-Awareness as a Mediator

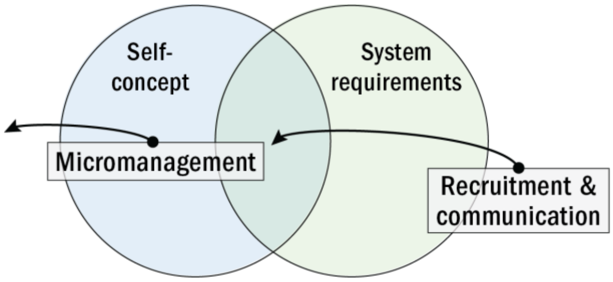
The founder-CEOs agree that self-awareness is the most critical factor mediating founder-CEO role transition. Some individual-level adjustments during growth are described as unconscious, for instance, automatically internalizing externally expected behaviors noted to help the organization. Nonetheless, self-awareness is needed for the founder-CEOs to realize that they must actively respond to changed expectations as well. Otherwise, the founder is likely inappropriate for the CEO role and could inhibit organizational success, potentially provoking involuntary founder-CEO exits (Wasserman, 2008). Although all respondents considered themselves self-aware, they recognized the significance of support and constructive criticism from mentors, stakeholders, and networks. Such assistance facilitates the advancement of self-awareness, personal development, and the understanding of how different strategies can reduce experienced internal conflicts while fulfilling external expectations.

6.2.2. Recruitment and Communication

The first strategy used by founder-CEOs to reduce the experienced conflict, primarily related to detail orientation, is to employ ambitious and competent workers and adequately communicate the company mission and vision. Then, the founders' confidence in operations being conducted according to their aspirations can increase, and the strive for perfection can be satisfied without closely monitoring employees. The founder solves the conflict by removing organizationally undesired behaviors of micromanagement from the role and replacing them with appropriate recruitment and communication practices – congruent with both self-concept and system requirements.

Figure 7

Adjustment of Leadership Behaviors (Högberg & Liljestrand, 2021)

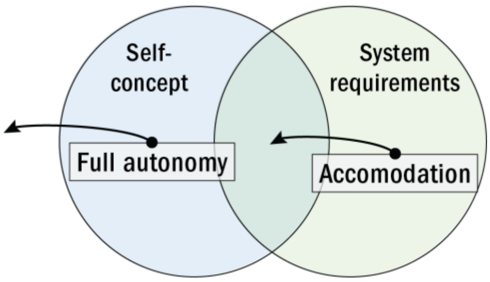


6.2.3. Acceptance Through Goal Focus

The founder-CEOs state that some changes in system requirements are inevitable and unalterable, and consequently, simply must be accepted. Such acceptance is suggested to be achieved by adopting a holistic perspective and actively focusing on ambitions and business goals. In combination with self-awareness, the focus can result in an idealized self, making it easier to internalize organizational needs crucial to achieve such aspirations (Byrnes & Taylor, 2015; Neale & Griffin, 2006). For instance, hiring highly competent people can be perceived as threatening to founders' decision-making power. By reminiscing that those employees are central for success, the desire for and behaviors related to full autonomy abandon the self-concept while stakeholder accommodative behaviors, congruent with new system requirements, are accepted into it.

Figure 8

Adjustment of Accommodative Behaviors (Högberg & Liljestrand, 2021)

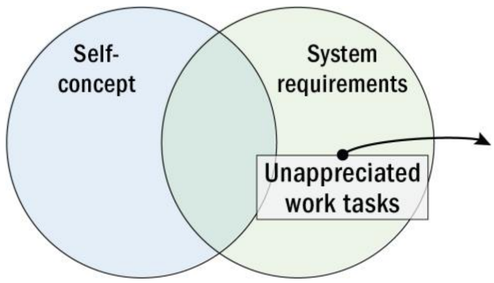


6.2.4. Shaping the Work Role

Even when striving for an idealized self, Neale and Griffin (2006) suggest that changes to the self-concept are uncomfortable. Therefore, an important option to reduce the experienced conflict is to modify the new system requirements. Although their freedom is more constrained than before introducing stakeholders, several founder-CEOs experience enough autonomy to adjust some work tasks to make their work more enjoyable. By delegating personally unwanted assignments to other employees, for example, delegating administrative duties to focus on strategic questions more aligned with entrepreneurial desires for innovation, behaviors in system requirements incompatible with the founder's self-concept are removed from the role.

Figure 9

Adjustment of Work Tasks (Högberg & Liljestrand, 2021)



6.3. Differing Strategies and Transition Outcomes

The empirics suggest that founder-CEOs use the strategies above to reduce the conflict between their self-concept and system requirements in different combinations, which results in contrasting transition experiences. A relation between role contentment and the complexity of role schemas could explain the phenomenon.

6.3.1. Combination of Strategies

The founder-CEOs who actively utilize all three presented strategies to reduce their experienced internal conflicts find a pleasant combination between enjoying work tasks and satisfying organizational needs. However, some founder-CEOs perceive the system requirements added during venture growth as more static than others. They acknowledge the need for responding to the misalignment between the role components but feel compelled to internalize new expected behaviors rather than sustainably altering both self-concept and system requirements. The significant changes this imposes on the self-concept have damaging effects on founders' main personas and is perceived as distressing. The risk of failing to align role behaviors then increases and the experienced conflict continues, possibly resulting in founder-CEO exit.

6.3.2. Role Schema as a Moderator

The empirics suggest that the role holder's perception of if, and how, the role can be altered, related to the complexity of their role schema (Griffin & Neale, 2006), influences how satisfactory founder-CEOs experience the role transition. Many interviewees stated that they were unfazed by general, societal beliefs of traditionally expected founder-CEO role behaviors. Instead, goals and ambitions should govern founder-CEOs' work. This attitude implies a simple role schema, leading to fewer and more flexible expectations that cognitively enable founder-CEOs to alter system requirements.

Conversely, founders who believe that system requirements could, or should, not be changed have more complex preconceived role schemas of the CEO position that influence their behavior, even when it opposes their self-concept. Consequently, if the new system requirements match their pre-existing role schema, it is difficult for founder-CEOs to change their perceptions of role expectations (Neale & Griffin, 2006). They attempt to reduce the experienced conflicts by internalizing the new behaviors rather than changing system requirements, resulting in discomfort.

7. Conclusion and Discussion

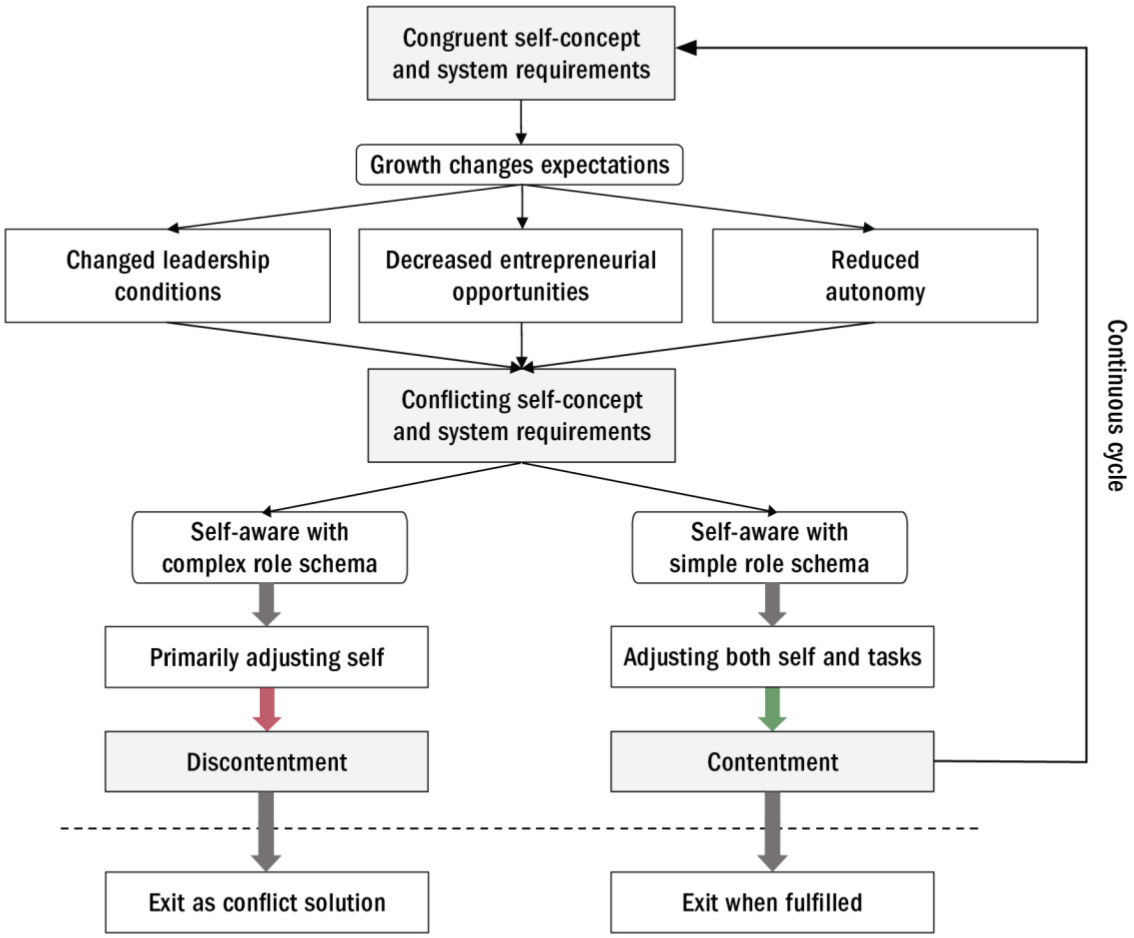
7.1. Answer to Research Question

This study has investigated how current and former founder-CEOs experience role transition initiated by venture growth. Figure 10 summarizes the founder-CEO role transition as interpreted by the thesis authors through 14 qualitative interviews conducted to answer the research question:

How can founder-CEO role transition during venture growth be understood from an individual perspective?

Figure 10

Founder-CEO Role Transition During Venture Growth (Högberg & Liljestrand, 2021)



The study found that behaviors expected of founder-CEOs by stakeholders, such as external owners and employees, during venture growth initiate role transitions through changing leadership conditions, entrepreneurial opportunities, and autonomy. As the founder-CEOs' new role requirements do not align with the founders' entrepreneurial self-concepts, the founders experience internal conflicts, which they, given a certain level of self-awareness, attempt to reduce through different strategies. Although non-exhaustive, two main adjustment approaches have been identified.

First, founder-CEOs with strong beliefs of how CEOs should behave view their role requirements as static and perceive adjustments to the self-concept as the primary method of reducing the experienced conflicts. However, as identity changes are uncomfortable, the strategy is likely to lead to prolonged discontentment where founders eventually leave their position to pursue other roles with more aligned behavioral expectations. Second, founder-CEOs with flexible views of the CEO position will try to reduce the experienced conflicts by changing both themselves and role requirements. Such a transition is experienced as less draining, and the founder-CEO is more content. Nonetheless, it should be noted that new conflicts might emerge during continued organizational growth, which would make the founder-CEO role transition a continuous cycle until growth stagnates or the founder resigns for other reasons than internal conflict.

7.2. Contributions

Similar to previous research, the findings of this study suggest that stakeholder expectations during venture growth require founder-CEOs to change their behavior (Greiner, 1972/1998; Picken, 2017a; Powell & Baker, 2014). Still, the behavioral changes are challenging to manage due to conflicts between internally desired and externally demanded behaviors (Dobrev & Barnett, 2005; Ekinci et al., 2020). However, where Ekinci et al. (2020) conclude that founder-CEOs must adapt themselves to new role expectations, this study can provide further nuances. The findings suggest that although some changes to self-concept are crucial during the role transition, it is important to employ several adjustment strategies, including changing role requirements. Similarly, Boeker and Karichalil (2002) argue that entrepreneurs have no natural interest in business management, but the thesis authors conclude that entrepreneurs can appreciate the CEO role if they delegate unappreciated work tasks.

Indeed, a main contribution of this study is the discovery that different combinations of strategies, reducing the behavioral conflicts experienced by founder-CEOs during venture growth, result in different role transition outcomes. Founder-CEOs with complex CEO role schemas feel pressured to alter their identities to reduce the experienced dissonance. As significant identity adjustments are distressing, the finding could explain the previously mentioned high founder-CEO turnover (He et al., 2010; Wasserman, 2008). Conversely, the suggestion that more flexible views of the CEO role cognitively allow founders to adjust their work tasks could provide further insights into why some entrepreneurs are more content and remain as founder-CEO over time. Thus, the findings of this study can develop Neale and Griffin's (2006) model by suggesting that role schemas primarily function as moderators in founder-CEO role transition, rather than being initiators of transitions.

Ultimately, this qualitative investigation showed how meso-level expectations of institutionalization during venture growth initiate micro-level adjustment processes. Without any behavioral changes, founder-CEOs cannot satisfy stakeholder demands, which could cause venture failures (Freeman & Siegfried, 2015). Similarly, if founders experience the behaviors expected by stakeholders as both inevitable and unaligned with their self-concepts, they are more likely to resign. By relating the notion that founder-led ventures have been shown to generate especially great value (Adams et al., 2009; He et al., 2010), thus being imperative for societal development (Dobrev & Barnett, 2005; Toma et al., 2014; Yeong, 2012; Zajko, 2017), the findings of how founder-CEOs can feel content in their role while attending to stakeholder expectations have macro-level implications as well.

7.3. Implications for Practitioners

This study illustrates the process of founder-CEO role transition, which can aid entrepreneurs interested in governing their ventures through and beyond the turbulent initial growth phase, whether growth is an ambition or the result of other aspirations. The main finding for practitioners is that they can alter the role requirements to ensure contentment if they are cognitively open to doing so. Although non-exhaustive, Figures 3 and 10 highlight the importance of self-awareness and indicate possible strategies to manage role transition. Such strategies include recruiting competent employees and exercising effective communication, regular self-evaluation and goal focus, as well as adjusting the work role by removing unwanted work tasks. By implementing these findings onto individual founder-CEO journeys, the experienced internal conflicts can be resolved faster.

7.4. Discussion of Limitations

Despite the authors' precautions, certain limitations should be noted. Due to investigating founders' historical experiences with a constructivist approach, the findings are primarily based on participants' retrospective recollections and the authors' abilities to interpret and illustrate these. Consequently, the portrayals of the occurrences discussed might not be entirely accurate or complete. Additionally, as the context and overarching subject of the thesis were provided to the participants before the interviews, their answers could, consciously or unconsciously, be skewed toward making their entrepreneurial characteristics and experiences seem more important than in actuality.

Furthermore, as the study was limited to founders already having experienced role transition, survivorship bias may exist (Cassar, 2007). However, as some respondents spoke openly about their previous or current discomfort, the study does not only include "success stories". Nonetheless, the authors acknowledge that external factors, such as industry maturity (Picken, 2017a), could influence the perceived intensity of role transitions to a more considerable extent than discussed. Overall, the findings are recognized as non-exhaustive. For example, complete lack of self-awareness has been excluded from Figure 10 since the authors identified a tendency of this resulting in involuntary founder-CEO exit, an aspect previously delimited from the study.

7.5. Recommendations for Future Research

Future research could attempt to develop and expand the founder-CEO role transition model presented in Figure 10, thus making it more comprehensive. For example, further investigation regarding the effects emerging from lack of self-awareness could be performed. Likewise, involuntary exits could be included and more deeply analyzed to better understand founders' difficulties managing change. Furthermore, it would be interesting to investigate if, and how, it is possible to make complex role schemas more flexible, as the model presented suggests that this would facilitate the role transition and increase contentment. Additionally, although not identified by the authors, examining if there are instances where system requirements are truly static, and if so, how founder-CEOs then ensure contentment could further complete the model. Lastly, relative to the retrospective limitation, a longitudinal, real-time study during initial venture growth could generate further insights into the transition experience regarding on-going internal conflicts, required adjustments, and adopted strategies.

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Appendices

Appendix A

Four-Point Approach to Qualitative Sampling

	Name	Definition	Key decisional issues
Point 1	Define a sample universe	Establish a sample universe, specifically by way of a set of inclusion and/or exclusion criteria.	Homogeneity vs. heterogeneity, inclusion and exclusion criteria
Point 2	Decide on a sample size	Choose a sample size or sample size range, by taking into account what is ideal *and* what is practical.	Idiographic (small) vs. nomothetic (large)
Point 3	Devise a sample strategy	Select a purposive sampling strategy to specify categories of people to be included in the sample.	Stratified, cell, quota, theoretical strategies
Point 4	Source the sample	Recruit participants from the target population.	Incentives vs. no incentives, snowball sampling varieties, advertising

Note. Adapted from "Sampling in Interview-Based Qualitative Research: A Theoretical and Practical Guide," by O. C. Robinson, 2014, *Qualitative Research in Psychology, 11*(1), p. 20. Copyright 2014 by Oliver C. Robinson.

Appendix B
E-Mail to Prospective Participants (Translated Into English)

Dear [Name],

My name is [First- & Last name] and I am a third-year student at the Stockholm School of Economics. My partner [First- & Last name] and I are currently conducting a thesis in management about the transition from founder to leader in a growing venture.

Given your success with [company], we would be truly grateful for the opportunity to talk to you about your personal experiences as a founder, leader and CEO. We believe that your insights would be highly valuable for us to achieve the most credible and relevant results.

Our goal is to investigate the challenges and changes entrepreneurs have to deal with during the transition from founder in a start-up to leader in a larger organization as the venture grows. Furthermore, we aim to generate insights and recommendations for other entrepreneurs who intend to experience this transition in the future.

Preferably, we would like to conduct the interview as soon as possible during a period starting next week until the middle of March. My partner and I have flexible schedules, and the interview will be performed digitally. You will remain completely anonymous, and all data collection will adhere to GDPR guidelines.

It would be a great pleasure if you participated in our study. We look forward to hearing from you soon and feel free to contact us if you have any questions or concerns.

Kind regards,
[First- & Last name]

Appendix C

Table of Interview Details

Interview	Length	Date
1	1:48:58	2021-02-16
2	1:00:54	2021-02-25
3	1:52:55	2021-02-25
4	1:07:54	2021-02-26
5	51:44	2021-03-02
6	54:20	2021-03-03
7	1:06:42	2021-03-04
8	1:07:35	2021-03-04
9	55:51	2021-03-08
10	25:29	2021-03-08
11	56:37	2021-03-10
12	59:12	2021-03-15
13	52:14	2021-03-16
14	1:02:17	2021-03-18
Minimum	25:29	
Maximum	1:52:55	
Average	1:04:29	
Median	1:00:03	

Appendix D
Interview Guide (Translated Into English)

Introduction

- Your participation in this academic study is voluntary and anonymous.
- If you at any point wish to terminate your participation, the collected data will be permanently deleted.
- You may leave the interview or choose not to answer a question at any time without further explanation.
- To be able to transcribe the interview and analyze the data, do we have your permission to record the interview?
- Do you have any questions for us before we begin?

Background

1. What were your ambitions when founding [company]?
    - What did you look forward to the most/felt the most excited about?
    - Any worries?
2. Was [company] your first experience of founding a company?
3. Could you briefly describe the company's growth journey, primarily concerning employees? Steady, fast?
    - Has the owner- and board structure changed? What do they look like today?
    - *If the person is no longer the CEO:* For how long were you the CEO?
4. How would you describe yourself?
    - How would your employees describe you?

Founder-Entrepreneur

5. How would you define an entrepreneur?
    - Do you think the broader society has the same idea of an entrepreneur as you do?
6. What do you think has influenced your idea of what an entrepreneur is?
7. Would you define yourself as an entrepreneur? Why/why not?
8. Does the definition of an entrepreneur differ from the definition of a company founder?
9. What does a founder do in their start-up?
    - What work tasks did you have?
    - What skills are necessary?
10. How did you feel about leading the company in the start-up phase?
    - Did you feel like a leader?
    - Did you like your work role?
    - What type of leadership was necessary in the beginning?
11. Could anyone found and manage a company successfully? Why/why not?

CEO

12. How would you define a CEO?
    - What characterizes a CEO?
    - How do you think society perceives CEOs?
13. More specifically, what work tasks does a CEO perform?
    - How is this similar or different to working as a founder in a start-up?
    - Who has expectations and demands? How do these requirements and stakeholders differ from the startup phase?
14. Do you feel primarily as a CEO or as an entrepreneur, or both?
    - How do you think this has affected your work?
15. Do you feel like you can be entrepreneurial in your current work environment? How?
    - Has your risk-taking changed during the growth process?
16. Do you feel like you fit in the work role you have today?
    - How do you feel about leading the company, as a CEO, now that it has grown? Is it as you expected?
17. Could anyone become a successful leader? Why/why not?

Transition

18. What is the most challenging part for an entrepreneur at the individual level when going from leading a start-up to a larger company during growth?
    - How did you experience it?
    - What did you do to solve the problem? (Process, mindset?)
    - Have you learned to manage similar problems today?
19. What became different when the company grew, that you had not anticipated before?
    - What expectations did you face, that you had not faced before?
20. Have you had to change your mindset/actions compared to how you usually thought/acted in the start-up phase? Do you have any examples of a situation when this was especially notable? How did that feel?
    - What skills have you had to develop?
    - Have you ever realized "too late" that you had to change?
    - Have you actively worked on changing yourself?
    - Do you think that other entrepreneurs have to change? How good are they at that?
21. How was it to transition from leading a small team to a lot of people?
    - How did your leadership change?
    - How did you communicate the company's/your vision and ensure that everyone moved in the same direction as the number of employees increased?
    - What changes did you have to make in your actions/mindset to manage this?

22. How did you feel about delegating responsibilities to new co-workers?
    - How do you think other founders feel about this?
23. When and why did you start the process of creating a management team?
    - How do you work within the team? Did any dilemmas emerge? About what?
24. Have you doubted yourself or your role at any point during the growth journey? How did you handle that?
25. Do you miss anything from the start-up phase?
    - Is there something about your current work that you prefer, compared to back then?

Other

26. Have you taken any courses related to entrepreneurship or leadership? If yes, how did that contribute to your development? If no, why not?
27. How would you feel about resigning from the CEO position?
    - How would you feel about leaving the company entirely?
28. What do you think are the most common reasons for founders to leave the CEO position?
    - *If the person is no longer the CEO:* Why did you resign from the CEO position?
29. What words of advice would you give to others who plan to or have recently founded a company and would like to continue to lead it through growth?
    - Mistakes to avoid, main insights?

Note. The wording of some questions was slightly altered when the respondent was a resigned founder-CEO.