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From employees to business owners: How did unlikely entrepreneurs make a career transition with the support of Nokia

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Abstract

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Abstract

Can entrepreneurs be bred through giving people the right incentives and conditions? This question is of great interest by policy makers and entrepreneurship researchers alike. In this paper we present a study of an entrepreneurship program initiated by the Finnish company Nokia, as they were forced to close down several R&D sites around the world due to a fatal corporate crisis. Nokia's Bridge Program enabled laid-off employees to start up their own company under very favorable conditions. We investigate the transition from wage earners to entrepreneurs with focus on the psychological underpinnings and their effects on the transition. Drawing on the literature on organizational death, closure and job loss, our study identified three different patterns of transition to entrepreneurship which resulted in three archetypal types of entrepreneurs: 1) the "born entrepreneurs", 2) the "low-hanging opportunity seeking entrepreneurs", and 3) the "jump-start entrepreneurs". Whereas the two first categories could be expected, the third type shows that despite hesitance to be self-employed, being uneasy with it, risk adverse, and having strong ties to the previous job, these entrepreneurs persevered in their entrepreneurial endeavor, and eventually became comfortable with their new career prospects as self-employed. We explain why and provide the theoretical and practical implications of our findings.

Key words: entrepreneurship; career transition; organizational closure, Nokia

¹ Working paper: please do not distribute without authors' permission.

² Consistent with prior literature, we use the terms entrepreneurship and self-employment

1. Introduction

The call for fostering entrepreneurship has topped the political agenda worldwide in the past two decades. Private enterprises are seen as the primary motor of prosperity and therefore the conditions for creating new ventures have become a topic of interest of policy makers, labor organizations, educational institutions and researchers. The understanding is that entrepreneurship encompasses not only new venture creation, but more broadly, a path to personal development characterized by proactivity, self-initiative, perseverance, creativity and action-orientation (Lackéus, 2015). As a result, the traditional Schumpeterian outcomes of economic growth, innovation and job creation have been supplemented with other effects that include improved equality, increased school engagement and even private achievements like joy and self-fulfillment (Lackéus, 2015). Because these outcomes are specially desired in the current context of workplace uncertainty, flexible careers and rapid change, entrepreneurship has been endorsed as a compelling tool to societal development (QAA, 2012).

This enthusiasm around entrepreneurship has been translated to an increasing focus on how to promote entrepreneurship in society. The issue of how to best develop and nurture entrepreneurs has given rise to a prolific research agenda (Blenker et al. 2014), and in 2006 the European Commission has launched the “Oslo Agenda for Entrepreneurship Education”, a general framework to guide educational actions across member states. Both in the academic and policy-making circles, most discussion resolves around the issue of how to introduce entrepreneurship into educational establishments and to set pedagogical best practices. While most entrepreneurship programs and courses are offered at the university level, more and more initiatives and interventions are emerging in primary and secondary schools as well (Fayolle, 2013). Whereas this is a highly important agenda, which has largely contributed to the formation of entrepreneurs, scant attention has been given to other mediums outside the school system, such as community or corporate programs

A unique and alternative approach of fostering entrepreneurship was devised by the Finnish company Nokia. Challenged in the transition to smart phones, Nokia was forced to exit the handset business (Vuori & Huy, 2015) and had to lay off thousands of employees, especially R&D professionals. As a consequence, it launched a program to assist redundant employees in progressing with their post-Nokia careers. The so-called Bridge Program stipulated five possible paths for re-employment (e.g.

further education, occupation in other Nokia sites), among them the possibility of starting a company. Besides a generous severance package that included full salary up to 1.5 year after contract termination, the entrepreneurship path provided various types of support for nascent entrepreneurs: business coaching, seed capital (without any equity), computers, free office space and favorable access to technology licenses, equipment and bank loans. In this way, the Bridge Program offered conditions that any entrepreneur could wish for, with the view of offsetting resource scarcity, uncertainty and other liabilities typical of the initial stages of venture creation. Another unique characteristic of the Bridge Program is that it targeted an unlikely population that did not fit the entrepreneur's stereotype: The people who embarked on the entrepreneurship track were middle-aged individuals with a long tenure in a large incumbent multinational.

Given its distinctiveness, little is known about whether the conditions put forward by Nokia's Bridge Program are beneficial or what kind of behavior they drive de facto. Is it possible to breed entrepreneurs by giving wage earners a dream start to self-employment? Our study aims at addressing this question by investigating ex-Nokia employees that followed the entrepreneurship path of the Bridge Program in the Copenhagen site, after its closure in 2011. Drawing on survey, qualitative and secondary sources of data, our study focuses on individual-level factors that shape the career transition to self-employment, including identity, emotions, network and resources. Our aim is to examine the outcomes of the Bridge Program from the perspective of the development of entrepreneurs. We intend to delineate the psychological underpinnings of this transition: what types of entrepreneurs resulted from this model? What were the motivations behind their choice?

Understanding entrepreneurial transition under these very special circumstances is a highly relevant question both from a theoretical and a practical perspective. Theory-wise, little is known about the process that leads people to move from employment in an organization to self-employment. While the emphasis on personality traits have long been replaced by an understanding that the entrepreneurial potential lies in every human being (Gartner, 1989), few studies have looked at entrepreneurship as part of career dynamics (Burke et al., 2008). Taking this approach, we identify factors that impact career transition and theorize whether they encourage or discourage entrepreneurship. As Nokia's Bridge Program represents an extreme case for theory building (Eisenhardt & Graebner, 2007), it allows us to

develop a deeper understanding of the emergence of entrepreneurial behavior in conditions of relative resource abundance (i.e. reduced financial liability) and corporate support. From a practice perspective, the Nokia case provides a valuable learning opportunity for both managers and policy makers. Managers that face the challenge of dismissing a large number of employees may learn about how to alleviate its social impact, thus contributing to the company's image and further development. Policy makers that are eager to foster entrepreneurial behavior may learn about the outcomes of this approach and under which conditions it might work, thereby expanding the array of available practices.

This paper proceeds as follows: the following section discusses theoretical insights that explain career transition from the perspective of the entrepreneurship literature. Section 3 introduces psychological aspects of the entrepreneurial transition and the emotional specificities of moving to self-employment at the time of organizational closure. Nokia's Bridge Program is then presented in detail in section 4, together with the methods used for data collection and analysis. Next, the *preliminary* results of the case analysis are described in section 5, followed by its discussion. The paper concludes with implications for further research.

2. Entrepreneurial Career Transition

Self-employment² and wage work have traditionally been understood as distinct career paths motivated by clear trade-offs and followed by different kinds of individuals. Following the legacy of Schumpeter (1934), who contended that only a small fraction of the population undertook entrepreneurial action, a major thrust of the literature is that entrepreneurs differ from non-entrepreneurs (Henley, 2007). Extensive work has been devoted to identifying distinguishing factors related to the personality traits and behavioral patterns of those who start a new venture (McClelland, 1961; Gartner, 1989). Empirical studies from this perspective have gathered evidence showing that entrepreneurs contrast with the rest of the population with respect to age, social background, educational profile, motivation and character (e.g. risk-taking propensity, need of achievement) (Beugelsdijk & Noorderhaaven, 2005). As this line of work has mainly relied on cross-sectional analyses that are

² Consistent with prior literature, we use the terms entrepreneurship and self-employment interchangeably.

restricted to a particular point of time of an individual's career (Henley, 2007), it has been increasingly challenged by a dynamic understanding of career trajectories that go beyond the discrete choice between these two alternatives (Burke et al., 2008).

Interestingly, longitudinal datasets reveal the prevalence of mixed occupation patterns across multiple countries (Folta et al., 2010). Pure entrepreneurs (those that spend their entire career in self-employment) are outnumbered by those who have a diversified career, moving between self-employment and wage work or conducting both simultaneously (Özcan & Reichstein, 2009). Following the fairly recent realization of this phenomenon, a stream of research begun examining individuals no longer from dichotomous perspective, but on a continuum between choosing to spend part or their entire career history on self-employment, including those who initiate a business while simultaneously holding regular jobs, the “part-time” or “hybrid” entrepreneurs.

The literature on mixed entrepreneurship careers primarily looks at drivers of entrepreneurial exit from the point of view of individual predispositions and organizational context. It has provided valuable insights about the determinants of the choice regarding transition to self-employment.

2.1 Individuals predispositions

In their seminal study, Burke et al. (2008) analyzed the career trajectories of 11,361 men and women in the UK over a 9-year period. They proposed a distinction between ‘entrepreneurial types’ (individuals who have been self-employed, try it fleetingly or hope to get around it some day) and ‘die-hard entrepreneurs’ (individuals who persist in self-employment). They found that the determinants differ for each category depending on gender, education, inheritance, psychological profiles and prior experience. Early self-employment (at the age of 23), inheritance (self-employed father and the receipt of financial bequest), higher levels of education and the characteristic of ‘being cautious’ explain why some individuals become die-hard entrepreneurs. Yet, early experience with unemployment reduced persistence in self-employment. Unlike men, women do not appear to persist longer in self-employed if they had entrepreneurial fathers. Besides, family relations such as children do not appear to have any effect on men, but hinder women. Taken together, the key contribution of this study was to push the research agenda beyond the ‘pure worker’ versus ‘pure entrepreneur’ approach toward a dynamic view of career history.

The transition path characterized by hybrid entrepreneurship seems to bear its own specificities too. It may be seen as a learning experience in that it provides a small-scale entry for individuals who are less confident, have high opportunity costs or are targeting uncertain opportunities. Part-time entrepreneurs likely follow three drivers: 1) they may be making an explicit attempt to investigate career transition; 2) they may be seeking nonmonetary benefits (e.g. flexibility) if they are willing to trade off income for these benefits or 3) they may want to supplement income if their entry is induced by negative economic shocks or weak financial positions (Folta et al. (2010). In investigating hybrid entry among 45,000 Swedish men in an 8-year frame, Folta et al. (2010) assert that financial payoffs determine whether individuals move to self-employment. While the authors gathered empirical evidence of stark differences between the determinants of hybrid entry and the determinants of complete immersion in self-employment, they were not able to disentangle the effects of the three transitional rationale. In addition, they found strong support for the conjecture that incremental or hybrid transition subsequently facilitates entry to full-employment. In a similar vein, Raffiee and Feng (2014) analyzed the US National Longitudinal Survey of Youth, using the 1979 cohort for a 14-year sample window. They notice that individuals who are risk averse and less confident are more likely to enter hybrid entrepreneurship relative to full-employment, as it entails less downside risks. Interestingly, once they quit their day jobs, they have significantly better chances of survival (33% decrease in the hazard of exit). The way in which people enter start self-employment has thus important implications on entrepreneurial outcomes.

2.2 Organizational context

In addition to individual-level determinants, some studies have investigated the role of organizational structure and workplace conditions on the movement to entrepreneurship. The basic logic is that organizations are arenas for learning, and as such, they shape employees (directly and indirectly) in a number of ways: 1) in terms of the skills, knowledge and expertise they develop; 2) how they see the world and the values they carry; 3) the networks, contacts and social capital they build; 3) in the way they perceive opportunities (Sørensen & Fassiotta, 2011). Noting that the vast majority of entrepreneurs must leave one company in order to found another, Dobrev and Barnett (2005) looked at features of the organizational context and structure to explain this transition. They argue that the likelihood to entrepreneurship depends on

the individual's role in his/her most recent job, as well as on the organization's age and size. In assessing a large sample of MBA alumni in an American elite business school, the authors corroborate the expectation that, as an organization grows older and larger, employees are less likely to move to self-employment because they become less exposed to outside contacts and entrepreneurial opportunities. Conversely, founder's commitment and identity decline as the organization develops, augmenting their likelihood to leave it and build a new venture.

Whereas the private sector is the empirical context most analyzed in this literature, Özcan and Reichstein (2009) examined the reasons behind the low rate of entrepreneurial exit from the public sector on a large sample of individuals in the USA between 1968-1999. They show that public employees are predisposed not to become entrepreneurs. People enter the public sector because they value job security, stability and free time; and are comfortable in hierarchical and stratified environments. These tendencies are understood to be paradoxical to the dispositions of entrepreneurship, configuring a self-selection mechanism. Özcan and Reichstein (2009) also discovered that tenure further constrains mobility, as individuals who stay in a public job undergo a "bureaucratization" process, in the sense that they are expected to follow systematic rules and procedures, as well as to be conformist, cohesive and collectivist. They distance themselves in this way of the mindset required to become an entrepreneur. Those who manage to go to self-employment seem to do so out of frustration. After experiencing a poor fit with the public sector, these individuals likely become unattractive to the private labor market and find in entrepreneurship a viable option that provides them with psychological satisfaction after being deprived from the sense of influence in public organizations.

By and large, this body of research primarily addresses the link between demographic and social attributes and self-employment transition choices. In recent years, work has also been done in the interface between existing organizations and entrepreneurship with respect to ways that the workplace shapes entrepreneurial activity and outcomes. Yet, significant individual-level "soft" factors such as emotions, identity and attitudinal states remain largely overlooked in the entrepreneurial transition literature.

3. Transitioning at the Time of Closure: Psychological underpinnings

To understand the psychological underpinnings of “entrepreneurs in the making”, we combine theories of entrepreneurial transition and theories of closure and job loss. Given the special circumstances of Nokia’s Bridge Program, we find it relevant to examine how individuals’ psychological state of mind after the closure affects their path towards entrepreneurship. We contend that people who start a company after being laid off are not directly comparable to entrepreneurs who proactively start their own company based on the passion for a specific business idea or a long-felt desire to be self-employed. Similarly, entrepreneurs who are backed by a severance package and a number of support services are not in the same situation as entrepreneurs who have invested their own time and money in the new venture.

By reviewing the closure and job loss literature, we can draw on a number of theories that may explain how and why ex-Nokia employees managed the transition to self-employment.

3.1 Affect related to plant closure and job loss

The literature on organizational death seeks to understand how laid-off employees cope with the transition from employee to unemployed/job seeker. A site closure triggers a process in which a large number of employees with similar experiences and skills are sent out to seek employment in the labor market (Leana & Feldman, 1995). Unlike a planned change, a transition implies a path to an unknown state, in which a myriad of simultaneous and interrelated changes take place (Bridges, 1991:809). To employees who lost their jobs in relation to a site closure, this inevitably leads to a number of perceptions and emotional reactions, for example a tremendous sense of loss, mourning, bereavement, sorrow, and fear of the unknown, which in turn may turn into depression (Stengård et al., 2015; Bell & Taylor, 2011; Marks & Vansteenkiste, 2008; Blau, 2006; Parkes, 1986). Many scholars have compared the reactions of job loss or site closure to the reactions associated with death of a person and the mourning that follows (Bell & Taylor, 2011; Harris & Sutton, 1986). In the long term, the loss of a job wipes away daily routines and sense of control of ones own life, leading to anxiety, agitation, and yearning for what was lost (Shepard, 2009; Prigerson et al. 1997; Leana & Feldman, 1995). Blau (2006) argues that these feelings of grief and depression are greater if the employee is the primary source of income in his/her family and if the tie to his/her community is

strong, especially if the closure of the company also implies leaving the community (Leana & Feldman, 1992).

3.2 The effect of organizational identification on job loss coping

Scholars have linked the perceptions and reactions of job loss to the degree of identification and job embeddedness in relation to the organization. Employment has a number of underlying psychological functions such as social interaction, structure of one's time and status and job loss therefore often leads to a loss of purpose too (Lenana & Feldman, 1995; Jahoda, 1982).

Studies show that, the more the perception of one's self is aligned to the perception of one's employing organization, the stronger the feeling of depression and grief. Organizational identification refers to the "perceived oneness with an organization" (Mael & Ashforth, 1992:103). Mitchell et al. (2001) referred to job embeddedness to describe how different life spaces are interconnected and that, in some cases, this interconnected web is so tightly entangled that people are stuck in it. People are highly embedded in their job when many links are closely knit and not differentiated (Mitchell et al., 2001). A high degree of job embeddedness is likely to reinforce the negative effects in case of job loss. Mitchell and colleagues present three dimensions on which to measure job embeddedness: 1) links people have to different people and activities, 2) the fit and similarities between their job and other aspects of their life spaces, and 3) the sacrifice people would have to make if they left their job in relation to the other life spaces (Mitchell et al., 2001). Mitchell suggest that i) the higher the number of links between the person and the web, ii) the higher the attachment to his/her job; the higher the compatibility between values, visions about the future and career goals the more comfortable a person is in the job; iii) and the greater the sacrifices of leaving the harder it will be to cut off the bond to the organization (Mitchell et al., 2001; Shaw, Delery, Jenkins, & Gupta, 1998). Blau (2006) makes a similar point using the concept of "worksite culture consensus" (pp. 546), suggesting that a great sense of belonging and kinship with the organization and it members strongly impacts anger, depression, and acceptance when loosing a job in a site closure. We hypothesize that the degree of job embeddedness and culture consensus in relation to a closing organization will impact the mindset of the employee and ultimately affect the transition from wage earner to self-employed. If

people's identity is closely tied to their job moving on to a new job will be hard, as it will require the construction of a new identity.

3.3 Stage theories of loss

The organizational death and job loss literatures have described how site closures and employees' reactions may be seen as a process of different stages. When an organization closes down, its employees have to go through a psychological transition in which they mentally let go of the old reality and move on to a new unknown reality in which they have to find a new focus for their future (Häsänen, 2010; Blau, 2006; Bridges, 1991). Many job loss and closure scholars have adopted stage theories of loss, modeled after Kubler-Ross's (1969) process theory of dying. According to this theory, people go through a sequence of stages, such as denial, anger, depression, peace, exploration, and acceptance. This sequence has been noticed in several studies, but the pace of each stage cannot be predicted, just as the final outcome seems to vary (some manage to move on, other get stuck in the anger and depression stages) (Marks & Vansteenkiste 2008; Blau, 2006; Amundson, Borgen, Jordan & Erlebach, 2004; Kubler-Ross, 1969).

Parkes (1986) suggested that pining plays an important role in the grieving process. Throughout different stages people will continue to long painfully to what was lost. According to Parkes (1986), grieving starts with numbness, which then is substituted by pining, which gives place to disorganization and despair, and only then recovery can occur. The focus on pining indicates that people cling onto the past for a long period of time, suggesting this may affect the coping process of moving on to self-employment.

There has, however also been criticism of the application of stage theories of loss to the fields of closure and job loss. Bell and Taylor (2011) pointed to the continuing bonds theory, which challenges the idea that grief is a linear sequence of stages. The continuing bonds theory instead posits that grief is ongoing state and should not be seen as a problem to be solved. People can maintain bonds with the lost past and still form new bonds and relationships (Bell & Taylor, 2011).

3.4 Other factors affecting the speed of reemployment

Another relevant sub-field of the job loss and closure literature is related to the pace and path towards reemployment, as well as the antecedents that lead to it. The pressure people are under to find a new employment may vary depending on their

financial and social circumstances. Kodrzycki (1998) found that it took people who were given severance benefits five months longer to find reemployment than people who were on government-mandated unemployment insurance. People with high financial responsibilities (e.g. have more children or a partner that is unemployed) are more likely to be active in their job search and therefore also quicker to find reemployment than people with fewer responsibilities (Kodrzycki, 1998). This shows that financial resources and income security play an important role to most people who lose a job. The backside of this reemployment efficiency is that many people tend to weigh income over job quality, because they are under pressure to provide an income. This means that people will take jobs they do not like just to obtain financial equilibrium (Leana & Feldman, 1995). This indicates that both push and pull factors influence reemployment dynamics. Little research on closure and job loss has focused on the quality of reemployment and what happens after people are back on the labor market, for example as a consequence of entrepreneurial severance packages (ibid).

The closure and job loss literature provides important insights into the state of mind and psychological challenges faced by people who lost their job and then started their own business as part of a reemployment severance package.

4. Method

We analyzed ex-Nokia employees that attempted the career transition to entrepreneurship within the auspices of the Bridge Program in Denmark. Even though the program started in Finland and was carried out in other locations such as in USA and Canada, it presented significant peculiarities in each site with regards to the access to the different resources and the profile of participants, once the Copenhagen site was solely devoted to R&D. Out of the approximately 1,000 people active at the time in Nokia Denmark, 59 chose to follow the entrepreneurship path, giving rise to 38 companies.

4.1 Context

Nokia's Bridge Program was a novel corporate initiative to help employees progress with their careers after being made redundant at Nokia. The motivation for carrying a proactive approach to support reemployment has been credited to the social responsible values of the organization. A worldwide initiative, the Bridge Program was launched in Denmark in April 2011 to last 18 months, when the company closed

its R&D site down as part of a larger disinvestment strategy. 950 out of the 1,003 employees were fired all together from the Copenhagen site, which had been established 16 years before to lead the company's technological development. Out of the 950 employees dismissed, 59 chose the entrepreneurship path in Denmark (6%). The large majority was men (88%), hold a technical position and worked in R&D (85%), whereas the rest were managers (12%) or senior managers (3%). The mean tenure was 9.8 years. In terms of age, 34% belonged to the group 35-44 years and 27% to the 45-54 group; the remaining 9% were younger than 35. Education-wise, most had a university degree – either a master (41%) or a bachelor (38%) – in the science and technology field (84%). Remarkably, 78% had never been involved in the start-up of a company earlier in their careers, and only 12% had a company when the program was launched. Put bluntly, our target population consists of middle-aged men with a long tenure in a large incumbent company without much managerial expertise and virtually none prior entrepreneurial experience.

The closure of the Copenhagen site was a response to the falling market shares and negative consumer reactions experienced at the time of the transition to smartphones. By the fall 2010, Nokia failed to introduce a mobile that matched Apples's iPhone, replaced its chief executive officer (CEO), and abandoned software development for the use of the Windows Phone platform (Vuori & Huy, 2015). Nokia ultimately exited this market in September 2013 by selling the mobile handset business to Microsoft.

The Bridge Program consisted of an unprecedented severance package assisting employees to identify and develop new opportunities after ending employment at Nokia. Among its five tracks – *'find a new job within Nokia'*, *'find a new job outside Nokia'*, *'learn something new'*, *'create your own path'* and *'start a new business'* – the latter comprised financial and managerial encouragement for entrepreneurial activities. In addition to full salary for up to 1.5 year after contract termination, Nokia offered training, funding and help to identify business opportunities and partnerships for those interested in starting a new company, provided that a business plan was submitted. Within its framework, employees could apply for support in the form of a €25,000 grant with no equity ties involved (maximum of four grants or €100,000 per company), professional consultancy (i.e. business counseling), the licensing of Nokia-owned technology, computers, favorable bank loans and free-of-charge use of facilities for a period of time. Out of the surveyed employees that joined the

entrepreneurship track, 78% considered the Bridge Program extremely or very important for their decision to become full-time entrepreneurs. The direct financial support has been credited the most valuable asset by participants, followed by the information on entrepreneurship. This figure is hardly surprising, given that only 3% of the participants did not receive any financial support, whereas 91% did not apply for a bank guarantee and 82% did not make a licensing agreement with Nokia. The direct financial support was mainly used to cover operational costs (energy, rents, phones, etc.) (78%), followed by investments in inventory (34%).

Bridge start-up activities have led to an remarkable result: the establishment of 38 companies in Denmark, not to mention around 400 companies in Finland and over 100 in the USA and Canada. Most started the new venture in groups (76.5%), with an average of 3.5 members in each team. In the autumn 2013, 88% of the Danish companies reported themselves to be active (e.g. creating value, paying salary, generates sales, creating profit, develop products, searching for customers). In 2015 this number has decreased

4.2 Data collection

Our study draws on multiple sources of data, encompassing survey, qualitative and secondary sources of data collected 2.5 years after the launch of the Bridge Program in Denmark.

The survey data was collected in September 2013. The respondents were identified and contacted via e-mail by Nokia, since the company's registry included sensitive information that was confidential to the researchers. All the 59 individuals who joined the entrepreneurship track were identified as our target population. The questionnaire was developed jointly by the research team and the managers of the Bridge Program. It was pre-tested by experts (researchers from universities) and selected respondents. The pre-tests led to the refinement of item wording and the survey structure. The questionnaire was carried out online and in English, since this was the informants' work language. Out of the 59 individuals contacted, a total of 34 usable answers (58%) were returned after two reminders. The survey data provided us with descriptive statistics that improved our understanding of the individuals participating in the program and their respective companies. It has been applied in our study both for the description of the case context and for the corroboration the

insights derived from other data sources. The respondents themselves provided contact information when answering the questionnaire, and were then approached for the collection of qualitative data.

The survey data was extended with semi-structured interviews, which constitutes our primary source of data in this study. Initially, expert interviews were conducted in the spring 2013 with the Head of the Bridge Program at the company's headquarters in Finland and the former Managing Director of Nokia Denmark. The objective was to get detailed insights about Nokia's closedown and the Bridge Program, as well as to negotiate data access. We then carried out 23 interviews with 28 individuals partaking the entrepreneurship track (three were group interviews). The interviews were arranged by calling and e-mailing the respondents of the questionnaire and that had provided contact details (34 in total). They were conducted between October 2013 and January 2014, mostly face-to-face, while four were carried out online via videoconference due to the physical location and the convenience of the interviewees. The interviews ranged from 27 to 110 minutes, amounting to more than 24 hours of records. The questions were open ended and semi-structured, as to provide the interviewees with the freedom to express their opinions and potentially add issues not originally contemplated by us. Our interview protocol is showed in the appendix. Most interviews were held in English, the corporate language of Nokia, while some were held in Danish as to respect the preference of some interviewees. All of them were audio recorded and transcribed for the purpose of coding.

The primary sources of data were supplemented by secondary sources collected via the companies' webpages, the interviewees' social media records (i.e. Linked-in profiles) and corporate reports made available by Nokia. The companies' official registries (CVR registry) were also visited. In addition, we searched for articles regarding the company's shutdown and the outcomes of Bridge Program in the Factiva database (which contains more than 32,000 information sources related to newspapers, journals, magazines, television and radio transcripts from nearly every country worldwide in 28 languages). In total, 27 relevant newspaper articles were retrieved and analyzed. The companies' webpages were visited again two years after the interviews (autumn 2015), as to collect updated information of their status. The various sources were then integrated with the view of triangulating data and thereby building an accurate and holistic view of the case.

4.3 Coding of data

Coding of the interviews was carried out through three rounds of coding. In the first round, we coded for aspects related to starting up a company and the severance package they received. Specifically, we coded for motivation and background for the start up, characteristics of the founders, the resources that the entrepreneurs could tap into in relation to their employment at Nokia, and their collaboration with Nokia and other Nokia entrepreneurs. We wanted to understand the circumstances under which they had started their company and how they used the resources acquired as Nokia employees (knowledge about markets, technologies, management techniques, and networks).

Based on our re-readings of the interviews and on the outcomes of the first round of coding, we began to see some patterns and commonalities, which indicated different types of entrepreneurs. We found that some of the entrepreneurs were very worried about financial and occupational aspects of starting up a company, while others had no worries and were more willing to run risks to obtain their business goals. We found that some had not voluntarily chosen to become entrepreneurs, but found it the most viable option to maintain a reasonable career track and income. We also found that while some seemed not to be particularly interested in becoming entrepreneurs to begin with, they eventually developed a taste for self-employment as they earned more experience.

In the second round of coding, we searched and coded for the characteristics of entrepreneurship based on these findings and we classified the respondents according to three different categories: “born entrepreneurs”, “jump-start entrepreneurs”, and “low-hanging opportunity-seeking” entrepreneurs.

As the entrepreneurs were classified into these three categories, we began a third round of coding. In this round, we coded the entrepreneurs in each category for characteristics related to their background (e.g. job type, tenure and location in Nokia.); their future aspirations; whether they stayed in the Nokia facilities; their founding team (alone or group, friends, worked together, shared passion hobby); their feelings for Nokia (nostalgia, feelings when they closed); status of company (still ongoing, closed, part-time); and about their financial worries or lack thereof (how did they talk about their responsibilities towards their families). This final coding round ultimately gave support to our findings.

5. Findings

The various transition paths experienced by Nokia's ex-employees configure three archetypes of individuals who were in the process of becoming entrepreneurs. Our analysis reveals that several factors shaped and triggered their decision and their path towards an entrepreneurial career: motivation for self-employment, entrepreneurial identity, identification with Nokia, feelings at the time of closure, and the use of skills and resources from the mother company. As Figure 1 illustrates:

Insert Figure 1 about here

These factors had a different impact on the entrepreneurs and variations were considerable between typologies. We labeled the three archetypes accordingly: "born entrepreneurs", "jump-start entrepreneurs" and the "low-hanging opportunity seeking entrepreneurs". Table 1 provides an overview of our findings, which are followed by a thorough explanation of each archetype.

Insert Table 1 about here

5.1 Born entrepreneurs

These are the four individuals that made a quick transition to self-employment and would likely have done it without any support. In fact, two of them had already had a company and the remaining two explicitly affirmed having considered this career track prior to the closure of Nokia. In other words, these were people either with prior entrepreneurial experience or with stated aspirations of becoming entrepreneurs. As one informant related:

"I considered on a regular basis if I should do something else. I've always wanted to be an entrepreneur, create my own company, prior to starting at Nokia, but the stars just hadn't aligned (...) It was a hard competition with the job that I had at Nokia, I loved the culture, the tasks and the challenges I was pretty much able to choose".

It is therefore hardly surprising that these individuals chose the entrepreneurship track of Bridge Program. When asked for the most fundamental reason underpinning the choice to become an entrepreneur in the context of Bridge, 58.8% of our survey respondents replied that they had found "for a long time I have wanted to become an

entrepreneur and now got the chance”. However, this was not reflected in the majority of the interviews. Generally speaking, the “born entrepreneurs” portrayed the same drives as a typical entrepreneur: they were motivated by the challenges and the financial payoffs of the endeavor. In the words of one of the interviewees:

“I came down with kind of three generalized practices. The first thing was that I really wanted to work with something that could help people (...) Then the second one having fun doing it. The third parameter, requirement if you like, was to be able to make enough money on it, obviously”.

The “born-entrepreneurs” did not touch upon their family situation and talked only very little about their financial considerations. The economic aspects of self-employment was not a primary concern, and in this way they distinguished themselves from the other respondents.

Another common characteristic is the fairly strong identification with entrepreneurs. Except for one interviewee, who seemed to be in a transition phase, the others no longer saw themselves as employees (or Nokians) and embraced rather fast the attitudes of a business owner. Moreover, they displayed a positive stance and a sense of comfort and enjoyment with their new position, in which they seemed to thrive. According to one interviewee:

"I have no intention to be the director of (this) company. I want to develop businesses. I hope the next thing is waiting. That is what I will do - I will develop businesses. And have fun. This is the funniest thing I've ever done".

Although they were sad with the closure of Nokia, most “born entrepreneurs” were not nostalgic about their employment time, even if they spoke fondly about it. They predominantly took a stance of distancing themselves from Nokia in an open effort of looking ahead with their careers, as these excerpts exemplify:

“It is like a very strong bond between people in Copenhagen, so breaking that apart and on decisions that are irrational, at least in our mind irrational is actually disappointing”

“It was super demanding work, it was super fun, it was extreme. If you are in that environment for many years, you know, it's like a combination of wild west and lot of cash and lot of travels, extreme, extreme in all the senses”.

While three individuals of this group did not report to draw on the same set of skills during employment in Nokia as in their new venture, one admittedly did so. As his company was focused on developing digital solutions for electronic devices such

as smartphones, competencies were closely related and therefore could be re-deployed in the new setting. Interestingly, all four companies were active four and half years after the closure of the Copenhagen site (in autumn 2015). That is, all “born entrepreneurs” persisted in self-employment.

5.2 Low-hanging opportunity seeking entrepreneurs

The “low-hanging opportunity seeking entrepreneurs” consist of a group of ten individuals who saw self-employment as a second-best option, a relatively low risk pursuit within the auspices of the Bridge Program. Moreover, they pursued it half-hearted. Even though none of the survey respondents admitted that entrepreneurship “was the only way out of unemployment for them”, they spoke more openly about their drivers in the interviews. When questioned about their motivation, they clearly described self-employment as a temporary endeavor while they were seeking other jobs:

“It was because I had time to stay at Nokia. I was sitting and looking for work. I looked for work. And otherwise I then spent time to try to start up my company. And there was of course, there was the carrot, you know, I could get some money out of Nokia to start up”.

“I said okay, now, there is a chance to try something new or to get to another job or whatever. But then they mentioned this opportunity, you know, like helping you to learn more about start-up”.

One interviewee mentioned as his key driver the prospect of working with the same group of colleagues. Put differently, he pursued stability in the context of relative resource abundance:

“We actually enjoyed working together, so we thought pretty early that we might want to give it a try and maybe with these bonuses we actually had very little risk. And we are all actually pretty confident about our own skills, so we know that, if something goes really bad, we can find a day job with not too much trouble”.

Unsurprisingly, the “low-hanging opportunity seeking entrepreneurs” had a clear employee mentality and did not see themselves as entrepreneurs. As a matter of fact, they mentioned the financial payoffs in terms of monthly salaries. They showed a strong discomfort about being in the position of business owners, which they hoped to leave soon, for example:

“My number one option was to find another job in Copenhagen”.

“I was [not that keen] on starting on my own (...) We were okay with making a compromise, or not earning tons of money. We actually set the goal that if our salary at the end of the year could have been, or our target was only, “only” you could say, to earn 35,000 Danish kr. each”.

“I'm looking for a regular job really seriously. I think two interviews are coming up next week somehow”.

This group may be considered the most risk-averse, as nearly all informants (nine) verbalized financial worries related to their current situation:

“What is important is that we do not take up a debt. It's not fun if you come to owe half a million, a million or two million. But if we can get a business running...We can leave the sinking ship quickly without costing us anything”.

“Some people left early, very concerned about what would happen and yeah, some of them have regretted it quite a lot, because they didn't get all the bonus for staying around. So it was both great fun and also financially rewarding and the fact that we stuck around till the end got us bonuses, which made it possible for us to start this company, basically be able to work without income for a year and try to build this up”.

The “low-hanging opportunity seeking entrepreneurs” did not portray a strong identification with Nokia, with the exception of one individual. As one informant related:

“I wouldn't go as far as calling it a family, I mean, it's still a corporation, let's not get all crazy”.

As a result of the weak identification with the mother company, most (seven) did not present any nostalgia related to the time of employment at the company, even if nearly all displayed great satisfaction with their jobs:

“I was happy to get up in the morning and go to work. I liked the size of the projects; with budgets of millions (...) People in Nokia were quite educated and the environment was international, and I travelled all over the world. I saw the whole world”.

About half of the individuals from this group displayed strong emotions when they learned that the Copenhagen site would close. Mostly they were very angry and frustrated at the situation:

“I think I tried to get as much money out of the company as possible, now that I was fired. I was of course angry that it had to happen that way”.

All ten entrepreneurs in this category decided to stay in the Nokia building as long as they could. However, with the exception of one person, they did not do so for nostalgic reasons, but for financial reasons, as rent was free of charge.

Regarding outcomes, none of the “low-hanging opportunity seeking entrepreneurs” persisted exclusively in self-employment. Six people closed their business and four had found another paid work, while remaining part-time entrepreneurs.

5.3 Jump-start entrepreneurs

Finally, the “jump-start entrepreneurs” were individuals that had never seriously considered becoming entrepreneurs, yet envisioned an unique opportunity of career transition in the Bridge Program, putting a great deal of effort into succeeding with it. There were nine individuals in our sample that felt that they received an once-in-a-lifetime occasion to start a new venture. As our informants described:

“We felt this was a great opportunity, with the Bridge Program to start our own company (...) due to this very generous retention bonus we actually had some money to get the company started, not depending on having a salary for quite some time. So this was kind of a unique opportunity which we probably won't have another time. If you have this drive to do this, now was the time”.

"I say it straight out: the reason that I went into this, to start a new company was that I simply could not manage to go into another large company where there was a lot of processes and deadlocks”.

These results find resonance in our survey data. Whereas 14.7% of our respondents stated that they had moved to self-employment because they found “an attractive business opportunity through the Nokia Bridge Program”, 17.6% affirmed that they were “able to start a business around an innovation/capability I had been developing at Nokia”. Only one interviewee from this group had previous experience with self-employment, yet stated clearly that it needed a spark to start-up again:

“When I was working for Nokia I didn't give it much thought (...) I think I needed a sort of kick, because I had been working for Nokia for maybe too long. It was very

convenient and the salary was great, working environment was great and even the cafeteria was kind of great. Nice colleagues, so you sort of get into this state where you don't really question things around you (...) So I think I needed this kick”.

As the above extract reveals, a common trait of the “jump-start entrepreneurs” is that they felt they were forced to move out of their comfort zone and yet they longed for times of greater security. They had a sense of uneasiness and displacement, which they struggled with. In their words:

“I think that of course, being comfortable is good, because you never have any major issue in life and whenever you have an issue, somebody rescues you”

“Obviously it's a shame we stopped there, because it could have been nice with a permanent job for the rest of the life”.

They did not see themselves as entrepreneurs as such, and displayed a great identity with paid workers. Most of them (six) described concerns about the future regarding how they could cope with an uncertain private financial situation. Moreover, many spoke copiously about their ex-colleagues, whom they still had a strong connection to. The longing for stability is further evidence by the nostalgic feelings presented by half of the interviewees from this group:

“Nokia was really a good place to be as an employee, which also meant that if you have come into the Nokia family (...) it is really difficult to leave it and try something new”.

The other half behaved more closely to the “born entrepreneurs” and did not think much about the employment time.

“I just feel like I moved on, I don't really feel any connection to these ex-Nokians”.

Regardless of their current sense of identification with Nokia, all “jump-start entrepreneurs” manifested strong emotions related to the closure of the company, such as sadness, chock, anger and disappointment:

“We were of course angry at the management that has been there for many years. They got it to go wrong”.

“When I am together with old Nokia people, we talk about it. So Nokia just get a slap in the back because it has been sold to Microsoft, which is so pitiful”.

Besides, they draw very much on the same set of skills as in the time of employment in Nokia. Two of the interviewees perform the same job in their new

companies, while six developed similar products or services as they did as wage earners. Regarding entrepreneurial outcomes among this group, we have mixed picture of persistence. Whereas five were still working full-time for their own companies at the time of data analysis, four had found other paid work and moved back to employment.

The reason we categorized these nine individuals as “jump-start entrepreneurs”, despite their differences, was the fact that they all started on the transition quite hesitantly (unlike the born entrepreneurs), yet seemed to adapt more comfortably to their new daily realities (unlike the low-hanging opportunity seeking entrepreneurs”) and this seems to have had an effect on whether these individuals were persistent in their effort as entrepreneur. Arguably, the “jump-start entrepreneurs” were the most remarkable individuals from our sample, in the sense that they did not seem to display any of the typical entrepreneurial predispositions (e.g. they seemed to be very risk-averse), yet managed the entrepreneurial transition fairly well or at least, gave a fair chance to self-employment. Nokia’s support was possibly most efficacious for this group.

6. Discussion and Concluding Remarks

In order to understand the societal and political implications of entrepreneurial severance packages, we must first understand the circumstances of these entrepreneurs. The entrepreneurs investigated in this study were not purely self-driven entrepreneurs who became entrepreneurs by their own initiative. They were people who first lost their jobs, were then offered a severance package in which help to start up a company was one option. The job loss, closure and organizational “death” literature is useful, as it provides information about the individual-level reactions and feelings typically experienced by employees when a company or a site closes down.

Framing a start-up study as “transition” highlights a gap in the entrepreneurship literature, namely that we know only little about the extent to which people’s attachment and feelings towards their pre-transition employment/life-style affect the transition and their success as entrepreneur. The entrepreneurship literature on transition provides some, however limited, knowledge about the transition of individuals to becoming entrepreneurs.

In relation to the closure and job loss literature, the born entrepreneurs did not show signs of grief of the Nokia closure, nor did they long for the good old days.

These individuals looked forward and were fully embedded in their new career reality from the very early stages. By not identifying strongly with Nokia and not having high job embeddedness (cf. Blau, 2006; Mitchell et al., 2001), the transition was painless to these entrepreneurs. Furthermore, the born entrepreneurs also did not have financial worries about their future as entrepreneurs.

This was instead the case with the “low-hanging opportunity seeking entrepreneurs”. Their main demotivator as self-employed was the financial uncertainty. As suggested by the reemployment literature (Kodrzycki, 1998; Leana & Feldman, 1995) these individuals embarked on the Bridge program to avoid income instability, and were motivated by the prospect of buying time to find a better job. In this pursuit they were less preoccupied with the quality of the “job” as an entrepreneur. Interestingly, the low-hanging opportunity entrepreneurs did not have a strong identification with Nokia or their colleagues either (like the born entrepreneurs). Although they all stayed in the Nokia offices as long as they could, they did so for financial reasons, not for nostalgic reasons. In this sense the low-hanging opportunity entrepreneurs never saw the Bridge program as a way to make a transition towards self-employment.

Whereas the presence of “born entrepreneurs” and “low-hanging opportunity entrepreneurs” were expected categories, the “jump-start entrepreneurs” were a more surprising and interesting category. To these individuals the closure of the Copenhagen site was a chock, which caused great disappointment, anger, and sadness in all of them. Our data do not provide dynamic insights into how people’s emotions developed during the transition. However, at the time of the interviews, half of the “jump-start entrepreneurs” were still pining for their days in Nokia, while the other half seemed to be past that stage. This could either be an indication that they did not go through the stages of recovery at the same pace; that some get through more slowly than others (cf. Parkes, 1986). It could also indicate, as suggested by Bell and Taylor (2011) that people are able to maintain bonds with the lost past and still move on. Although not all these entrepreneurs were pining for the past, they all had a strong ongoing relationship with their ex-colleagues at Nokia and spoke of them frequently in the interviews. They also spoke fondly of the financial security of a job and the uncertainty of being self-employed created a sense of uneasiness and worries in relation to their role as a breadwinner. Nevertheless, and unlike the “low-hanging opportunity entrepreneurs”, the “jump-start entrepreneurs” had a persistent will to

continue as entrepreneur as long as they possibly could. The present focus of the literature on entrepreneurial transition does not explain these nuances as it contains only limited views into the psychological aspects of transition. Nevertheless, these occurrences appear to hide some explanations as to why some fail and why some succeed in the transition. Framing our analysis as "transition" highlighted to what extent people's attachment and feelings towards their pre-transition employment/lifestyle affect the transition as entrepreneur. Therefore, as this a story of a group of people who decided to go through this transition because they were losing their jobs, and not because they were dreaming of becoming self-employed, we looked for possible explanations in the literature on individuals in relation to 'organizational death', closure, and job loss.

It is highly relevant that this is not a 'happy' story to start with, and that this adventure involved only little risk compared to other start-ups. This group of people decided to go through this transition because they were losing their jobs, and not because they were dreaming of becoming self-employed, So while much entrepreneurship literature focuses on people that were intrinsically driven to start on their own company and willing to risk high, people who start in these kinds of dramatic circumstances and with this kind of financial backing are bound to have a different path and a different motivation (or lack thereof).

We found that, while a few are simply natural born entrepreneurs, the majority of the Nokia entrepreneurs were grasping the opportunity just because it was there. Of these, some ended up exactly as it could be expected, namely by quitting with the first chance to get a full time job (the "low-hanging opportunity entrepreneurs"). But another group, the "jump-start entrepreneurs", was a bit more surprising. They were not particularly motivated to be self-employed to begin with, but ended up with a taste for it. By using the closure and job loss literature, we can explain how they over time managed to get over or live with the (painful) memory of the happy Nokia days and establish a new meaningful work life as entrepreneurs.

The study shows that the entrepreneurial transition takes time fundamentally because people have to establish a new identity, find new communities to belong to, and become comfortable with their new reality. Can this kind of programs (Nokia's Bridge Program) prepare people for that? We argue: Yes they can. By giving people a longer buffer time for this transition to occur (through resources and uncertainty reducing financing schemes) thereby creating a safe transition zone, some "unlikely"

entrepreneurs can eventually succeed in this transition and stay entrepreneurs.

The study has practical implications for policy makers, in that this ‘experiment’ sponsored by Nokia provides indications of whether entrepreneurship can be bred through this type of facilitating initiatives. A first instinct would be that such severance scheme could only breed ‘pseudo-entrepreneurs’, not real ones, because their motivations to be an entrepreneur are inadequate. However, this study shows that the romanticized idea of a true entrepreneur (e.g. Burke et al., 2008; Henley, 2007; Schumpeter, 1934) vs. the impossible self-employed (e.g. public employees as suggested by Ozcan & Reichstein, 2009) may be an insufficient perspective. A process view of entrepreneurship transition seems more relevant, at least when it concerns creating growth through severance packages or similar initiatives. The “jump-start entrepreneurs” should show policy makers that providing resources (financial and others) and a safe working zone, and thereby time, to potential entrepreneurs may lead to new venture creation.

(This is an early draft of a paper in progress. The analysis as it is presented here is not yet complete, but is expected to be so before June 1st 2016)

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Figure 1

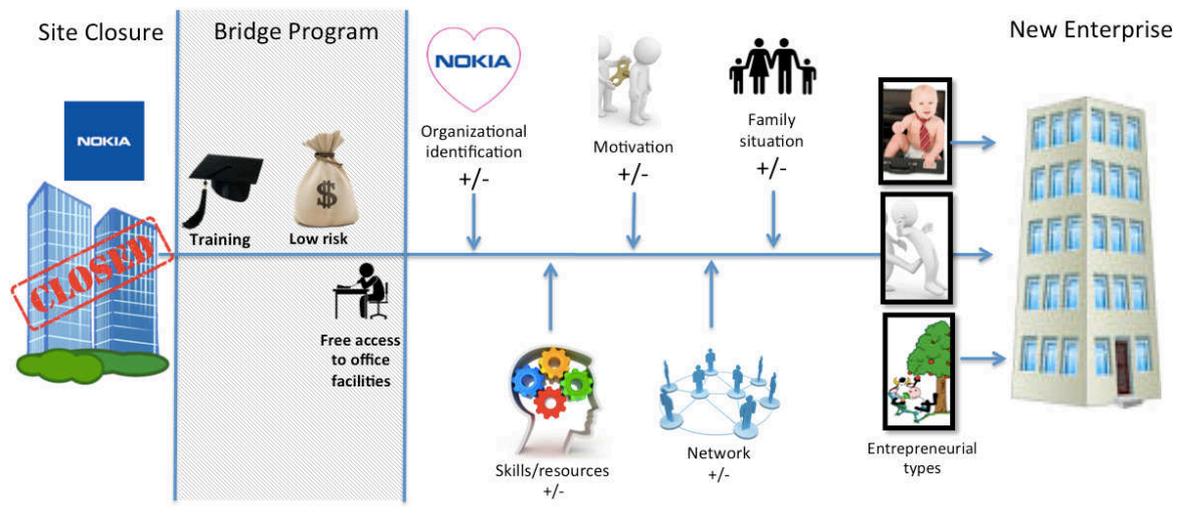


Figure 1: Entrepreneurial Transition under Nokia's Bridge Program
(Source: Authors' elaboration)

Archetypes	N	Definition	Motivation	Identity	Feelings for Nokia	Similarity	Success
Born entrepreneurs	4	Individuals that made a quick transition to self-employment and would likely have done it without the support of the Bridge Program	Always wanted to have their own company and some (2) had had previous experience. Motivated to do something exciting, to have fun and earn money	Portray a strong identification with entrepreneurs. One presents mixed feelings between being entrepreneur and an employee (a transition phase). Even if praising the time at Nokia, they do not present a very strong Nokian identity.	The closure was expected by some and caught others by surprise. Even if presenting a lot of criticism to the managers that took this decision, did not verbalize nostalgic feelings for Nokia.	Only one interviewee draws on the same set of skills in this company as the time in Nokia.	(100%) All four were still going on with their ventures.
Jump-start entrepreneurs	9	Individuals that had never seriously considered becoming entrepreneurs, yet envisioned an unique opportunity in the Bridge Program and put a lot of effort into transitioning to self-employment	Got an once-in-a-lifetime opportunity to start a company. One mentioned that it wanted to avoid the bureaucracy of big companies.	Do not identify themselves strongly with entrepreneurs; still carry a lot of the mindset of employees and most openly declare financial worries.	The closure of the Copenhagen site awoke many strong feelings, such as sadness, shock, anger and disappointment. Half were very nostalgic of the times in Nokia.	Most interviewees (6) develop similar products and services. Some (2) do exactly the same as their prior job.	(60%) Five were still working for their new ventures at the time, while four were not.
Low-hanging opportunity seeking entrepreneurs	10	Individuals that saw self-employment as a second-best option, an easily obtainable opportunity in the context of the Bridge Program, and pursued it half-heartedly	Could not get another job and found it an interesting opportunity in the meantime.	Strong identification with an employment mindset. Discomfort in the position of entrepreneurs. They are very concerned with financial outcomes. Do not identify strongly with Nokia	Most interviewees (7) were not nostalgic about employment time in Nokia, even if all speak very fondly of it.	Only two performed similar tasks or used the same set of skills as in the time of employment	(40%) Four worked as part-time in their ventures, while 60% have closed it

TABLE 1
Characterization of Entrepreneurs from Nokia's Bridge Program in Denmark
 (Source: Authors' elaboration)

Appendix 1: Interview Protocol

Individual motivation

- Why did you start your own business when you got to know that Nokia would close?
- How did you react when you learned Nokia would close down?
- What role did the Bridge Program play in your decision?
- Do you think you would have started regardless of Nokia's support?

Start-up

- Where does the idea for your product come from?
- With whom did you start the company? Why?
- What support did you get from the Bridge Program?
- How do you evaluate the Bridge Program?

Relation to Nokia

- How did you use Nokia's past resources in your company:
 - Internal: competencies, products, technologies, routines
 - External: external contacts
- To what extent does your product resemble something Nokia offers?
- To what extent do you use contacts from Nokia? Are you in touch with ex-colleagues?
- To what extent do you use contacts (outside Nokia) you have built in your time in the Nokia?
- Does your company have any kind of cooperation or relation to Nokia?
- How do you feel about Nokia?

Future perspectives

- What will happen to the company in the future?
- What are your ambitions?

Additional question to interviewees who have closed the business

- What was decisive for you to choose to close the company?