

# Triumph, embrace or offset? Entrepreneurs have different storytelling styles for presenting business closure

*Researchers at Aalto University in Finland have released a pioneering new study that details how entrepreneurs communicate their business failure*

ESPOO, UUSIMAA, FINLAND, January 23, 2020 /EINPresswire.com/ -- New pioneering research shows that entrepreneurs communicate to strengthen their professional image and stakeholder relationships - and avoid blaming others.

Not all companies succeed for one reason or another and statistics highlight that in most countries, more than half of newly created enterprises fail within the first five years. A new study entitled *Post-Failure Impression Management: A Typology of Entrepreneurs' Public Narratives after Business Closure* by researchers at the Aalto University School of Business' Department of Management studies shows that entrepreneurs tend to apply five different storytelling styles when communicating about closing down their business.



'Although many companies fail, there is very little research on what strategies entrepreneurs use when they communicate about business closure. For their future career, the entrepreneur should be able to communicate that she or he remains a competent, professional and credible partner despite his or her failure. That is why we wanted to explore what expressions and impression management strategies entrepreneurs use when communicating the decision to close down their business' says Assistant Professor Ewald Kibler.

The researchers analysed one hundred and eighteen public business-closure statements of IT and software companies from different parts of the world that had closed down their businesses.

The texts were similar in that the entrepreneurs emphasised their efforts, the positive achievements of their companies, and the lessons learned. Contrary to what has previously been found in experimental research, entrepreneurs did not blame other people or external factors for the failure of their business in these public texts.

'By emphasising positive things, entrepreneurs strive to maintain and strengthen their professional image and their relationships with stakeholders, such as company employees, clients and financiers. For the future, this is important because winding up a company often means ending an entrepreneur's current job and livelihood' says Post-doc researcher Virva Salmivaara.

Facts or emotions? Dwelling on the past or moving on for good?

Although the texts had much in common, the researchers also found some clear differences. The distinguishing factors were the semantic patterns and impression management strategies; i.e. the conscious or unconscious means by which entrepreneurs seek to make positive impressions. Different storytelling styles utilise one or more impression management strategies and differences in semantic patterns were, in turn, reflected in the texts as either focusing on people or events or on the past or the future whether the texts expressed emotions or not also distinguished the texts.

'We found five different storytelling styles: Triumph, Harmony, Embrace, Offset, and Show', Post-doc researcher Steffen Farny says.

The storytelling styles Triumph and Harmony both provided examples of competence and positive business outcomes. However, Triumph emphasised the entrepreneur's personal experience, while Harmony also highlighted stakeholders and their importance to the company. The other difference was that Triumph did not express feelings, whereas Harmony favoured expressing positive feelings.

In texts using the Offset style, the entrepreneur focused on future events and promised, for example, to do better in the future. At the same time, she/he could apologise to her/his clients for closing down the company. When using Embrace, the entrepreneur, for their part, emphasised her/his strengths and achievements, but also praised the company's partners and employees, whereas, in Show, the entrepreneur mainly highlighted facts and details. Descriptive of Show was also telling events of the past and expressing negative feelings.

The study of Kibler's research group is the first study based on public business-closure statements written by entrepreneurs, and it provides valuable new insight into how entrepreneurs operate in this challenging situation, both emotionally and professionally. At the same time, new questions have arisen.

'We do not know how the career of the entrepreneurs included in our data evolved after the closure of the companies they set up, so we cannot recommend any of the five narratives/storytelling styles we found. In the future, it would be interesting to study, among other things, whether the positivity and responsibility that entrepreneurs favoured in their statements helped them in their career moving forward' Kibler adds.

The School of Business' entrepreneurship researchers' study has just been published in the prestigious journal *Human Relations*, which publishes top research on leadership and strategy. The researchers analysed the expressions and impression management strategies used by entrepreneurs when announcing the closing down of the business they had set up. Besides, the researchers complemented the data by interviewing some of the entrepreneurs and by analysing the reactions to the termination announcements on social media.

Reference:

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