ENTREPRENEURIAL FEAR OF FAILURE: SCALE DEVELOPMENT AND VALIDATION (SUMMARY)

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ENTREPRENEURIAL FEAR OF FAILURE: SCALE DEVELOPMENT AND VALIDATION

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Principal Topics

Prior research on fear of failure describes it as the appraisal of threats in evaluative situations with the potential for failure (Conroy, 2001). These situations activate cognitive beliefs and affective states about the aversive consequences of failing, triggering different behavioral mechanisms. These mechanisms include avoiding the threat or approaching the threat aggressively (Gray, 1971). Notwithstanding the evidence of the possibility of different behavioral responses to fear of failure, an examination of empirical research in the entrepreneurship literature would seem to highlight that fear is always and only an inhibitor of entrepreneurial behavior. Although this prior research is very helpful in assisting understanding of the effects of fear of failure (Arenius & Minniti, 2005; Langowitz & Minniti, 2007; Minniti & Nardone, 2007; Vaillant & Lafuente, 2007), questions remain regarding the adequacy of measures to fully capture the complexity of the effects of fear of failure. The purpose of this research is, therefore, to develop a multidimensional measure of entrepreneurial fear of failure (EFF).

Methods

Building on prior research (Hayton et al., 2013), we inductively develop the item sets and operationally define seven dimensions of the fear of failure construct (financial security, personal ability, potential of the idea, funding of the venture, threat to social esteem, opportunity cost, and venture’s ability to execute). The initial EFF scale was subjected to exploratory factor analysis using principal-component analysis with oblique rotation, using a sample of students and entrepreneurs. Convergent and discriminant validity of the new measure, as well as its nomological network are examined in two further samples.

Results and Implications

Preliminary results shows that our measure of EFF comprises multiple factors that are specific to the entrepreneurial process. Specifically, the initial solutions showed that the measure is composed of six factors: financial concerns (financial security and funding of the venture merge into a single factor), personal ability, potential of the idea, opportunity costs, threat to social esteem, and venture’s ability to execute. With these results as a foundation, this paper represents an important next step in the development of fear of failure research in entrepreneurship.

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