DEVELOPMENT AND VALIDATION OF THE ENTREPRENEURIAL FEAR OF FAILURE (EFOF) SCALE (SUMMARY)

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SUMMARY

DEVELOPMENT AND VALIDATION OF THE ENTREPRENEURIAL FEAR OF FAILURE (EFOF) SCALE

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Principal Topic

Fear of failure (FoF) is the top reason for people to not go into business (Bosma et al., 2007; Henderson & Robertson, 1999). The current options for examining FoF is either the single-item used in the Global Entrepreneurship Monitor (GEM), or the Performance Failure Appraisal Inventory (PFAI), which represents multidimensional concerns of general failure. The PFAI was developed from interviews with American athletes and performing artists, so the perceived consequences of failure may differ from business failure. Due to the gap in the current literature, our goal is to develop a valid measure of entrepreneurial fear of failure.

Method

Factor structure and psychometric properties of our EFoF scale were examined across two samples using Mplus. Sample 1 comprises of 401 Singaporean undergraduates (149 males, 252 females), ages ranged from 18 to 28 years old ($M = 21.72, SD = 1.72$). Sample 1 was collected to explore the factor structure using Exploratory Factor Analysis (EFA) and to test the validity of the EFoF scale. Sample 2 comprises of 364 Singaporean undergraduates (242 females, 122 males), ages ranged from 18 to 27 years old ($M = 21.38, SD = 1.44$). Sample 2 was collected to replicate the factor structure of the EFoF scale using Confirmatory Factor Analysis (CFA) and to examine the internal reliability of the final EFoF scale.

Results and Implications

EFA conducted using Sample 1 revealed a four-factor solution: Fear of financial damages, fear of threat to self-worth, fear of evaluation from others, and fear of career damages. The model fitted our data: $\chi^2 (899) = 2024.13, p = .00, \text{RMSEA} = .06, \text{SRMR} = .04$. CFA conducted using Sample 2 replicated the four-factor solution and we found good fit for a second-order model: $\chi^2 (556) = 1716.87, p = .00, \text{RMSEA} = .08, \text{SRMR} = .06$. Cronbach’s alpha ranged from .84 to .90. Our EFoF scale demonstrated convergent and divergent validity; it was found to be positively related to PFAI and State Trait Anxiety Inventory (STAI) Anxiety Present and weakly related to STAI-Anxiety Absent and Fear of Happiness. Our study supported a final 35-item EFoF scale that captures the perceived consequences of business failure.

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