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ENTREPRENEURS’ ATTITUDES TOWARDS FAILURE – AN EXPERIENTIAL LEARNING APPROACH

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ENTREPRENEURS’ ATTITUDES TOWARDS FAILURE – AN EXPERIENTIAL LEARNING APPROACH

Diamanto Politis, Lund University, Sweden
Jonas Gabrielsson, Lund University, Sweden

ABSTRACT

In this paper we employ theories of experiential learning to examine why some entrepreneurs have developed a more positive attitude towards failures compared to others. The empirical findings support our guiding proposition that more favourable attitudes towards failing can be learned through entrepreneurs’ life and work. Our results suggest that previous start up experience is strongly associated with a more positive attitude towards failure. Moreover, we also find that experience from closing down a business is associated with a more positive attitude towards failure. In sum, our findings add to our knowledge of why some entrepreneurs have a more positive attitude towards failures compared to others. It also provides some general implications for our understanding of entrepreneurial learning as an experiential process.

INTRODUCTION

There is a strong success bias in contemporary entrepreneurship research, where many studies focus on identifying successful entrepreneurs or “best practice”. Failure in the context of new and small businesses is on the other hand often overlooked or even viewed in a negative light, even though it represents a significant outcome of entrepreneurial activity (Aldrich & Fiol, 1994; McGrath, 1999). However, recent research in the entrepreneurship domain has recognized that failures can be an important source for the development of skills and knowledge that can be highly useful in subsequent entrepreneurial undertakings (McGrath, 1999; Minniti & Bygrave, 2001). For instance, Sitkin (1992) argues that failure is an essential prerequisite for learning since it provides the opportunity to pinpoint why a failure has occurred. This line of reasoning is also in accordance with McGrath (1999) who stresses that failures can help entrepreneurs to reduce uncertainty and expand the search for new business opportunities.

A prerequisite for coping effectively with a failure situation is that the entrepreneur has a positive attitude towards failures in general. A positive attitude towards failure can for example enhance the willingness to learn from a failure situation and help gaining insights and changing mindsets so that mistakes are not repeated. It can furthermore be argued that a higher failure acceptance stimulate entrepreneurs to pursue an explorative search for new possibilities where learning through experimentation becomes a central learning technique (Sarasvathy, 2001; Politis, 2005). An anti-failure bias can on the other hand have counterintuitive negative effects on entrepreneurial undertakings as it may interfere with individuals’ ability to make sense out of failure experiences (McGrath, 1999; Shepherd, 2003). The willingness to accept failure can in this respect promote entrepreneurs’ willingness to take risks, deal with uncertainty and foster resilience-enhancing experimentation.

Despite the widespread recognition of the role of failures in the entrepreneurial process (Cardon & McGrath, 1999; McGrath, 1999; Thornhill & Amit, 2003) there are remarkable few studies that have examined reasons for why entrepreneurs differ in their attitudes towards failure. To meet this shortcoming we will in this paper examine why some entrepreneurs have developed a more positive attitude towards failures compared to others. Our guiding proposition is that attitudes are largely learned and that this learning occurs through entrepreneurs’ life and work. Based on this guiding proposition, we employ experiential learning theory to identify a set of critical career experiences that may have an impact on entrepreneurs’ attitude towards failure. In sum, we expect experienced entrepreneurs to have
developed a higher acceptance of failures as a way of reducing uncertainty, increasing variety and expanding the search for opportunities (McGrath, 1999; Minniti & Bygrave, 2001).

The rest of the paper proceeds as follows. The next section presents our theoretical framework where we develop hypotheses of why entrepreneurs can be expected to differ in their attitudes towards failure. Thereafter follows the method section with a description of the sample and variables used in the empirical study. Then we present a section with results and analysis. The paper ends with a discussion of the findings and its implications for research and practice.

THEORY AND HYPOTHESES

Entrepreneurs’ Attitudes toward Failure

A failure is generally conceptualized as the condition, or fact, of not achieving some desired result or end. This means that a failure can be said to occur when an individual perform insufficiently with regard to some significant task, or when things in a certain situation does not fall out as well as it was expected. From this definition it is obvious that failure, and even repeated failures, can be seen as a natural part in a process of new venture creation. Entrepreneurial activities are for example often associated with high stress, a multiplicity of obstacles and high uncertainty regarding outcomes (Schindelhutte, Morris & Allen, 2005). Moreover, decision making in entrepreneurial settings often leads to various degrees of error or misjudgements due to the simple fact that the information available is either incomplete or ambiguous (Simon, Houghton & Aquino, 2000). Some degree of failure seems consequently more or less inevitable when entrepreneurs deal with novel and ill-defined business concepts whose commercial applications are not yet fully explored.

To deal with these highly uncertain situations founders often have to continually adjust their goals and strategies to keep up with changing contingencies as the new venture develops (McGrath & McMillan, 2000; Sarasvathy, 2001). It is thus generally not a question if a failure will occur, but rather when. In fact, the act of failing can even be seen as a signal of some imperfection that needs to be adjusted or some inefficiency of ineffectiveness that is craving attention (McGrath, 1999). Seen in this light, failure is just a temporary phase in an ongoing entrepreneurial process which can be used as a valuable source of learning and improved self-awareness.

In order to learn from a failure situation extant research suggests that it is important to think about why the failure has occurred (Sitkin, 1992; Cannon & Edmondson, 2001). However, a favourable evaluative reaction requires that the entrepreneur has a positive attitude towards the act of failing (Shepherd, 2003). If an entrepreneur views a failure as an opportunity for reflection and consideration which in the long run even may lead to positive outcomes he or she can also be more receptive and deal with the failure situation as a temporal problem that needs to be resolved. With a positive attitude towards failure, the very act of failing can then be confronted, studied and dealt with in a systematic and professional manner (Cannon & Edmondson, 2005).

However, business is very much a competitive world where winners become worshipped while losers are forgotten or even looked down on. Failures in business settings thus have a negative flavour which can significantly influence attitudes and emotions connected to a failure situation (Cave, Eccles & Rundle, 2001; Shepherd, 2004). The pain and fear associated with failure can for example prevent unfortunate entrepreneurs from being true to their potential and hinder adequate and necessary action. In these situations there is a risk of falling into self-denial where only extraneous elements or conditions are blamed as causes of failure (Friedman, 2004). The result may even be that entrepreneurs are overwhelmed with oppressive feelings of incompetence and reduced self-esteem, which can make them stop trying to realize new business ideas. Understanding why some entrepreneurs have a more positive
attitude towards failures compared to others may in this respect increase our knowledge of how a positive attitude towards failure may be developed and encouraged.

**Experiential Learning Theory**

Research suggests that attitudes to a very large extent are learned through social and environmental experiences as individuals encounter different kinds of situations throughout their life or work (Brewer & Hewstone 2003). Based on this observation, we will employ experiential learning theory to identify critical career experiences that may have an impact on entrepreneurs’ attitude towards failure.

A central idea in experiential learning theory is the value of active, personal and direct experiences compared to, for example, only watching others or reading about things (Schön, 1983; Kolb, 1984; Corbett, 2005). Experiential learning is often described as a cyclical process where individuals move back and forth between opposing modes of reflection vs. action, and feeling vs. thinking (Kolb, 1984). Effective learning in this process requires the resolution of conflicts between these two dialectically opposed modes of adaptation to the world, where the learner draw out their attitudes, beliefs and ideas about a topic so that they can be examined, tested, and integrated with new and more refined ideas (Kolb & Kolb, 2005). In its essence, experiential learning theory consequently conceptualizes effective learning as involving both direct action and personal reflection (Schön, 1983; Boud, Keogh & Walker, 1985; Cope & Watts, 2000).

Seen through an experiential learning framework, individuals may over time change (or reinforce) their attitudes and beliefs as they encounter new conditions and new information. The professional career for example exposes individuals to specialized learning environments where they gradually develop a mentality and a common set of values and beliefs about how persons should behave correctly and professionally (Sims, 1983; Schön, 1983; Kolb, Boyatzis & Mainemelis, 2001). However, the professional career can also shape personal attitudes and beliefs through different types of distinct learning opportunities that offer platforms to try out new behaviors and to refine and reframe old ways of doing things (Politis & Landström, 2002; van Gelderen, van de Sluis & Jansen, 2005). These learning opportunities are often caused by “discontinuities” or “critical events” that trigger change in beliefs and value systems (Argyris & Schön, 1978; Wolfe & Kolb, 1991; Cope & Watts, 2000). Some kind of challenging situations, such as transitions, obstacles, or risky situations, can in this respect be considered as a prerequisite for more fundamental forms of learning (Fiol & Lyles, 1985; Cope, 2003).

In addition, it is important to note that experimental learning also requires that individuals can experience and sense the outcomes of their decisions and actions (Russo & Schoemaker, 1992; Sitkin, 1992). When decisions and actions have too distant consequences (in time or space) it becomes difficult, if not impossible to reflect on the experience to learn. Therefore, when it comes to developing a positive attitude toward failure we may expect that the most valuable learning experiences come from critical situations where entrepreneurs also have had the possibility to directly experience the consequences of their decisions and actions. The next section will present three immediate and direct critical career experiences that entrepreneurs may encounter and which can be expected to have an influence on their attitude towards failure.

**Hypotheses**

*Prior start up experience.* The first immediate and direct experience that could have a significant influence on entrepreneurs’ attitude towards failure is prior start up experience. Starting up a business is in itself very much a dynamic process of trial and error (Gartner, 1985) where entrepreneurs often must try out different alternatives and at times engage in unplanned change in order to develop a perceived opportunity into a viable business concept (Kloftsen, 2005; Lichtenstein, Dooley & Lumpkin, 2006). Every start up moreover contains some amount of unique features and challenges that are just impossible
to plan for because the needed information is not yet known or even knowable at the time (Sarasvathy, 2001; Ravasi & Turati, 2005). Having prior start-up experience may thus breed the perception of failure as a temporary phase in the development of a business concept. Entrepreneurs with greater start-up experience can hence be expected to have developed a more positive attitude towards failure due to their own personal experience of the many potential pitfalls that can occur between the initial conception of a business and a successfully launched new venture. Based on these arguments, the following hypothesis is proposed:

**H1:** There is a positive association between prior start-up experience and a more positive attitude toward failure among entrepreneurs.

*Experience of critical setbacks in the new venture creation process.* The second immediate and direct experience that we can identify is whether the entrepreneur has experience of major critical setbacks in the new venture creation process. Critical setbacks is something that can trigger search for alternative and new solutions to a problem (Cyert & March, 1963) and also increase the awareness of the need to view failures as something that may (and often) happens and must be dealt with (Hill & Hlavacek, 1977). Moreover, initial disadvantages in the early development of a new business concept may also lead to more openness for proactive and creative problem-solving, including a more favourable evaluative reaction towards failures (Hugo & Garnsey, 2005). For example, in a recent study of critical incidents in the early stages of new ventures, Kaulio (2003) shows how obstacles that hinder the development of a new venture can make founders aware of problems and make them start initiate strategies to change and modify intended directions. Based on these arguments, we propose the following:

**H2:** There is a positive association between a higher experience of critical setbacks in the new venture creation process and a more positive attitude toward failure among entrepreneurs.

*Business closure experience.* A third immediate and direct experience that potentially could influence entrepreneurs’ attitude towards failure is whether the entrepreneur has previous experience from closing down a business. The closure process is often experienced as an active learning process that leads to valuable information and knowledge that can be exploited in other entrepreneurial settings (Stokes & Blackburn, 2002; Bates, 2005). Experience from closing down a business can for example make entrepreneurs aware of the range of uncertainties and unforeseen outcomes that exist in the context of new ventures (Bates, 2005), and it may help them overcome the stigma associated with failures. The closure process has moreover been found to increase entrepreneurs’ self management skills and their ability to cope with setbacks (Stokes & Blackburn, 2002). From these sources we may expect that entrepreneurs who have business closure experience have developed a more positive attitude toward failure due to the lessons learned from their own closure process. Based on these arguments, we propose the following:

**H3:** There is a positive association between business closure experience and a more positive attitude toward failure among entrepreneurs.

**DATA AND METHODS**

**Sample**

To meet the aim of the study, we designed the empirical study as a questionnaire survey. We derived the measures used in the questionnaire from a careful review of previous theoretical and empirical work on entrepreneurial and experiential learning. Before developing the final research instrument the questions were pilot tested on a small group of practicing entrepreneurs and entrepreneurship scholars. This procedure led to smaller adjustments in the questionnaire.
The questionnaire were sent out in April 2006 to a randomly selected group of 1000 Swedish entrepreneurs that have been involved in starting up at least one independent new venture during 2004. Postal mail addresses and secondary data were collected from Statistic’s Sweden. After the first send-out we received 23 returned envelopes due to problems of finding the individual entrepreneur (unknown address, ownership changes, liquidation etc). This reduced the total number to 977. Following the mail survey and one postal follow up, 236 surveys were returned. This corresponds to a valid response rate of approximately 24.1%. Finally, we excluded the responses from 5 individuals that had no experience of starting up a business. This led to a final sample of 231 cases left for further analysis.

To assess whether the results from the sample can be generalised to the population we conducted chi-square tests between respondents and non-respondents with regard to firm size, sales and industry. No major statistically significant response bias was detected. On this parameter we concluded that a representative sample had been collected.

**Variables**

**Entrepreneur’s attitude towards failure.** Our dependent variable was measured with a two-item, 5-point scale developed expressly for this research. Respondents were asked to rate the extent (1 = very low extent, 5 = very high extent) they agreed with the following statements: i) failures give opportunities for reflection and consideration; ii) failures generally lead to positive outcomes in the long run. A higher score on this scale indicates a more positive attitude to the act of failing. Cronbach’s alpha (α) for this construct was .66.

**Start-up experience.** Our first independent variable was measured as the total number of new ventures that the respondent has been involved in. Due to a skewed distribution within the data, this variable was transformed using a logarithmic transformation. A higher score on this scale indicates greater start-up experience.

**Business closure experience.** Our second independent variable was measured as the total number of business closures that the respondent has been involved in. Due to a skewed distribution within the data, also this variable was transformed using a logarithmic transformation. A higher score on this scale indicates greater business closure experience.

**Critical setback experience.** Our third independent variable was measured with a six-item, 5-point scale developed expressly for this research. Respondents were asked to rate the extent (1 = very low extent, 5= very high extent) they have experience of the following critical setbacks: 1) Problems with developing a new product/service, 2) Problems with finding competent employees to the new venture, 3) Problems with communicating with external stakeholders, 4) Problems with finding long-term finance for the new venture, 5) Problems with finding a profitable market niche for a product/service, 6) Problems with finding a customer base for a product/service. A higher score on this scale indicates larger experience of setbacks when starting up new businesses. Cronbach’s alpha (α) for this construct was .76.

**Control variables.** In addition, we include three control variables in our analysis. First, we control for the total work experience of the respondents as this may be a proxy of the accumulated “wisdom” gained during the career that may influence his/her attitudes toward failures. This variable was measured as the respondents’ total number of years in employment and as self-employed. Second, we control for the gender of the respondents as recent research has indicated that fear of failure in entrepreneurial settings differ between males and females (Wagner, 2007). This variable was measured as a dichotomous variable, indicating if the respondent was a woman (=1) or a man (=0). Third, we control for whether the respondent has experience from taking a university level course in entrepreneurship, as being exposed to structured education can influence the general awareness of the potential pitfalls that may characterize
entrepreneurial undertakings. This variable was measured as a dichotomous variable, indicating if the respondent had any experience from taking a university level entrepreneurship course (=1) or not (=0).

Sample Description

The respondents in our sample represent a broad cross-section of entrepreneurs. The main industries represented with regard to their current business were business services (39.8 %), retail (20 %), manufacturing (10 %) and construction (9.5 %). Their mean age was 44.3 years (min=21, max=68), and the average total years of work experience was 23.16 (min=1, max=50). There were 17 % women in our sample and about 41 % of all respondents had some sort of higher educational experience from university studies. The average number of start-ups among the entrepreneurs was 2.5, and 56 % of the respondents have prior start-up experience, so called “habitual entrepreneurs” (Westhead & Wright, 1998). Moreover, 22 % of the respondents have previous experience from closing down a business. The major reasons reported for business closures were as follows (respondents were able to choose multiple reasons):

- Problems with making the business profitable (52 %)
- A deliberate intent to continue with another venture (52 %)
- Personal reasons, such as ill health, family etc. (41 %)
- To prevent further economic losses (37 %)
- The business performed under expectations (32 %)
- Difficulties in acquiring necessary resources (30 %)
- Bankruptcy due to insolvency (30 %)
- Alternative career opportunities, such as a job offer (28 %)
- Problems to keep up with the fast development on the market (11 %)

ANALYSIS AND RESULTS

The empirical data was analyzed through multiple regression analysis in SPSS. Before introducing the variables in the regression models we carefully examined the data to detect problems of multicollinearity. All correlations between independent variables were below .70. Moreover, VIF factors were also below the threshold levels suggested by Hair, Anderson, Tatham and Black (1998) implying that there were no problems of multicollinearity in our data. Correlations, means and standard deviations for the variables are presented in Table 1. Results from the multiple regression analysis are presented in Table 2.

As can be seen in Table 2, the regression model is significant in explaining the variance in our dependent variable, at p < .01. Some of this variance comes from the effects of two of our control variables. Interestingly, women seem to have a significantly more positive attitude toward failure compared to men. In addition, individuals with experience from taking a university level course in entrepreneurship also have a more positive attitude towards failure. These findings suggest that future studies should at least take these variables into account when examining entrepreneurs’ attitudes towards failure.

When it comes to our hypotheses we can see that H1 is supported with a significant (p < .01) association between start up experience and positive attitude towards failure. However, there is no empirical evidence of significant association between higher experience of critical setbacks in the new venture creation process and a more positive attitude toward failure. There is consequently no support for H2 in our analysis. Finally, the results suggest that experience from closing down a business is significantly (p < .05) associated with a more positive attitude towards failure. Thus, there is support for H3.

DISCUSSION AND IMPLICATIONS
Discussion

Researchers have pointed out that individuals perceive risky situations differently depending on whether they frame the situation in a positive or negative light (Tversky & Kahneman, 1981; Slovic, Finucane, Peters & MacGregor, 2002). Analogously, an entrepreneur’s behaviour in a failure situation may vary depending on whether he/she frames temporal failures in a positive or negative light (McGrath, 1999). Entrepreneurs’ attitude towards failure may for example influence their perception of a failure, how they processes and store this information, and ultimately how they deal with the situation (Shepherd, 2003). A richer understanding of why some entrepreneurs have developed a more positive attitude towards failures compared to others thus holds great promise for developing our understanding of entrepreneurial learning and development.

In this study we have used experiential learning theory as a guiding conceptual framework to identify and empirically test a set of critical career experiences that may have an impact on entrepreneurs’ attitude towards failure. In sum, we find that two critical career experiences are associated with a more positive attitude towards failure: prior start up experience and business closure experience. Based on our conceptual framework and findings it seems fair to argue that being involved in multiple start-ups can lead to a more positive attitude towards failure as it confronts entrepreneurs with novel situations that may require development of new ways of coping with problems and opportunities. Also, experience from closing down a business seem to lead to a more positive attitude towards failure by rendering existing behaviors and routines inadequate, which in turn can trigger change in underlying values and assumptions. In sum, these findings give overall support for our guiding proposition that attitudes towards failure can be learned through critical career experiences in entrepreneurs’ life and work. Moreover, it also provides some general implications for our understanding of entrepreneurial learning as an experiential process.

Implications

Among other things, we believe that our findings contribute to a better understanding of the critical role of experiential learning for the development of an ‘entrepreneurial mindset’ (e.g., McGrath & Macmillan, 2000) where failures are seen as opportunities for learning and personal development. Studies generally point out that successful entrepreneurs often credit learning from their past experience as a crucial aspect of their experience base (Cardon & McGrath, 1997; Politis, 2005). However, our knowledge of whether entrepreneurs’ attitudes towards failure may change when they gain experience through life and work has up to date been largely unexplored, despite that the ability to cope with failure often is seen as a core competence in order to successfully pursue an entrepreneurial career (McGrath & Macmillan, 2000; Minniti & Bygrave, 2001). The present study is consequently a step in this direction.

Moreover, the study may also contribute to our knowledge base about habitual entrepreneurship. In short, this stream of research argues that prior start up experience may have a significant influence on the cognitions and behaviours of entrepreneurs (e.g., Westhead & Wright, 1988; Westhead, Ucbasaran & Wright, 2005). Our empirical analysis reveals that experienced entrepreneurs who have participated in prior start ups develop a more favourable attitude toward failures. Moreover, this is also the case if the entrepreneur has experienced a business closure. Given that attitudes are important in determining intentions and behaviour (Fishbein & Ajzen, 1975), our findings consequently support the habitual entrepreneurship thesis as an explanation of behavioural and performance differences between novice and more experienced entrepreneurs.

With regard to practical implications, we also believe that our study may give some suggestions for education. For example, our results indicate that the attitudes toward failures are not homogeneous among entrepreneurs. Rather, this attitude can, at least to some degree, be influenced due to new experiences and new information. Hence, although attitudes result from very complex forces, they are to
some extent learned and what is learned can be unlearned and changed (Hedberg, 1981). Moreover, even if it may be difficult to change attitudes during a course it may be quite possible to do so (with some effort), something which is supported by our finding that experience from entrepreneurship education is significantly associated with a more positive attitude towards failure (p < .05). Scholars designing courses for promoting entrepreneurial behavior among business students could in this respect give appropriate attention to some experientially based course elements, where students are encouraged to try out new things and then reflect on the outcomes of their efforts to understand why they did not achieve some desired result. At best, this may increase the awareness of how failures can be used as opportunities for learning and make students develop a platform of self-confidence from which they can base their future venturing efforts (Shepherd, 2004).

Research Limitations

We acknowledge that our study may have some methodological limitations. The most important limitation is perhaps that our research design is cross-sectional which make it impossible to resolve issues of causality. Basically, this means that we only can rely on our theoretical framework to interpret cause and effect. The contrary interpretation, that people with more positive attitude towards failure seek certain experiences, can be just as tenable from our data. Another limitation is that the study is based on responses from entrepreneurs from one single country (Sweden). We know that entrepreneurial attitudes vary between countries (Mueller & Thomas, 2000) and country specific contingencies may thus limit the generalizability of our findings to other countries. Additional studies with longitudinal designs and conducted in different countries should hence be done to test the robustness of our results across contexts.

Suggestions for Future Research

Future research in this area can take several interesting avenues. Future research could for example refine and extend our highly exploratory scale that we have used to measure our dependent variable. At best, this may in the future lead to a standardised measure of entrepreneurs’ attitude toward failure which exhibits acceptable reliability and validity across contexts. Another interesting path is to explore the links between a positive attitude towards failure and the use of real options reasoning (McGrath, 1999) or effectual decision making (Sarasvathy, 2001). As have been pointed out in this study there seem to be connections in the underlying logic of these concepts. A third research endeavor could be to explore if contingencies such as aspiration levels (Cyert & March, 1963), the magnitude of failure (Sitkin, 1992), or the time frame in which repeated failures may occur may have an impact on entrepreneurs’ attitude toward failure and their ability to cope with a failure situation. Furthermore, the contingencies that influence entrepreneurs’ ability to persevere and remain motivated through repeated failures is another issue that is highly interesting to explore further.

The findings in study also opens up for additional learning theories as explanations of why some entrepreneurs have developed a more positive attitude towards failures compared to others. For example, favorable attitudes toward failures may be reflected from important peers in the social environment of the entrepreneur, such as parents, friends, or leaders. This suggests that social learning theory (e.g., Bandura, 1977; Scherer, Adams, Carley & Wiebe, 1989) may be an appropriate complementary framework to use in the context of how entrepreneurs’ attitudes toward failures are shaped. In sum, all the areas suggested above could provide valuable knowledge of how entrepreneurs develop attitude towards failures through life and work and how entrepreneurs may incorporate lessons from failures in their subsequent careers.

CONCLUSIONS

We have in this study provided some preliminary insights with regard to the role that critical career experiences can play for the development of entrepreneurs’ attitudes towards failure. A positive attitude
toward failure can be a significant asset for entrepreneurs as it can help them to deal with and learn from their mistakes and to move forward. However, so far little effort has been made to examine why some entrepreneurs have developed a more positive attitude towards failures compared to others. The main focus in prior research on failures in entrepreneurial settings has rather been to investigate its causes, often with the intent to give prescriptions of how to avoid them. Failure in this stream of research has moreover been treated as an anomaly or a deviation from the normal state of affairs.

In contrast, we believe that a much more viable path is to view failure in processes of new venture creation as something unavoidable that can present opportunities for learning and development (McGrath, 1999). Rather than continuing a research path where we continue to add further stigma to the failure concept in lectures and academic writings this approach can increase our knowledge of how budding and practicing entrepreneurs can use failures as valuable learning experiences. Hopefully, future research will continue to add to our emerging knowledge base of how enterprising individuals can develop and nurture a favourable entrepreneurial mindset where failures are used as opportunities for learning and development in the process of new venture creation.

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REFERENCES


### Table 1: Descriptive Statistics and Correlations

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<td>Entrepreneurship education</td>
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<td>Start up experience (LN)</td>
<td>.30**</td>
<td>.08</td>
<td>-.24**</td>
<td>-.03</td>
<td>.64</td>
<td>.68</td>
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<tr>
<td>Critical setback experience</td>
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<td>.02</td>
<td>-.20**</td>
<td>-.00</td>
<td>.64</td>
<td>.68</td>
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<td>Business closure experience (LN)</td>
<td>.26**</td>
<td>.07</td>
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<td>-.03</td>
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<td>.23**</td>
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<td>.37</td>
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*p < .05.

**p < .01.

### Table 2: Regression Analysis

<table>
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<th>Model and variables</th>
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<tr>
<td>Work experience</td>
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<tr>
<td>Business closure experience (LN)</td>
<td>.19*</td>
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R² = .19

Adj R² = .17

F (sign) = 7.1**

The table reports β (partial standardized coefficients), R², adjusted R² and significance level *p < .05, and **p < .01.