

Entrepreneurial Propensity for East Africa's Entrepreneurs: The Impact of Failure

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Abstract

The thesis explores the entrepreneurial intentions of individuals after experiencing business failure. It examines the impact of factors such as accessibility to business failure information, personal experience and demonstrated knowledge, with overall failure in business including bankruptcy and insolvency. The study is based on the Theory of Planned Behaviour (TPB), a widely recognised psychological theory that predicts human behaviour, especially in entrepreneurship. It aims to provide evidence that awareness of business failure positively influences the knowledge and perseverance of businessmen in business and other who are planning to start anew. The research shows that awareness of business failure positively influences current business owners' intentions, enhancing their knowledge and resilience.

1. Introduction

Researchers have found that sustainable ventures frequently emerge from the insights gained through previous unsuccessful startup attempts (Ucbasaran et al., 2013; Ning, 2021). This pattern highlights a critical reality in entrepreneurship: more individuals experience the setback of 'failure' than those who achieve immediate success. Unfortunately, this failure often carries a significant stigma, deeply rooted in negative community norms that can perpetuate distrust and skepticism. For instance, it is common for people to view bankrupt entrepreneurs as unreliable or incompetent, fostering a belief that they might conceal the risks associated with future ventures (Ning, 2021; Boafo et al., 2023).

The impact of this stigma extends beyond personal perceptions; it leads to tangible discrimination against entrepreneurs who have previously faced bankruptcy. This is evident in the stringent penalties outlined in bankruptcy and corporate insolvency laws, which create barriers to accessing institutional and private capital. As a result, many aspiring entrepreneurs are discouraged from launching new businesses due to the harsh realities of these legal frameworks and the associated stigma of failure—both at a personal level and within broader institutional contexts (Ucbasaran et al., 2013; Boafo et al., 2023).

Yet, despite these challenges, such legislation plays a crucial role in safeguarding the financial viability of new businesses and protecting the interests of creditors, highlighting the delicate balance between fostering entrepreneurship and ensuring accountability in the business landscape. Entrepreneurial failure is a complex phenomenon that can significantly impact entrepreneurs and their ventures. Government insolvency and bankruptcy laws serve a vital function in managing and alleviating the consequences of entrepreneurial failure. These regulations are designed to provide a framework for struggling businesses, offering protection and guidance during turbulent financial times. However, despite their protective intentions, these laws can inadvertently lead to a sense of stigmatization. Entrepreneurs may find themselves facing social judgment or negative perceptions as a result of their financial struggles, which can have a lasting impact. This stigma may discourage aspiring business owners from embarking on new ventures, leaving them hesitant to start again after experiencing failure. (CoEC, 2007; National Innovation & Science Agenda, 2015; Ajide, 2022). It is vital to strike a

careful balance between the seemingly contradictory objectives of fostering innovation and providing protection through thoughtful legislative reforms. These reforms should aim not only to support the growth of innovative start-ups but also to ensure that these emerging businesses maintain financial stability. At the same time, it is important to safeguard the interests of creditors, ensuring that they are protected in this dynamic economic landscape.

As indigenous entrepreneurs set out on their transformative journey, they carry within them the untapped potential to not only establish high-growth businesses but also to serve as beacons of inspiration for the next generation of young Africans (Ajide, 2022). Their unwavering dedication and tireless efforts possess the power to foster a culture of innovation, compelling individuals to transcend traditional boundaries and contribute to a future that holds the promise of shared prosperity across the vast and diverse African continent. To bring this visionary outlook to fruition, it is of paramount importance to comprehend the intricate correlation between failure and the pursuit of entrepreneurial endeavours.

2. Research Objective

This research study seeks to gain an in-depth understanding of how failure influences entrepreneurial actions within the unique context of Africa. By exploring the challenges and setbacks faced by entrepreneurs in the region, the study aims to uncover the ways in which these experiences shape their decisions, strategies, and overall resilience in building successful ventures. By shedding light on the factors that contribute to business failure awareness and their impact on post-failure phase entrepreneurship, the study will help entrepreneurs, policymakers, and investors make more informed decisions and create a more supportive environment for entrepreneurship in Africa.

This study aims to explore how access to information, learned knowledge, individual business failure experiences, insolvency, and an individual's bankruptcy (known as failure in business and the resultant awareness) are related to the attractiveness of entrepreneurial activities after failure. The hypothesis is based on the Theory of Planned Behaviour (TPB) by Ajzen (1991), Kolvereid (1996), Shane (2004), Jenkins & McKelvie, (2016) and Ning (2021), as shown in Figure 1. The study seeks to add to what we know about entrepreneurial intention, including the post-failure phase, and what exactly drives new venture behaviour when it is serial.

3. Literature Review

Entrepreneurship plays a pivotal role in spurring economic development through the creation of new markets, driving forward innovation, and enhancing resource productivity and growth. It stands as a crucial element of national advantage in market economies. Additionally, entrepreneurial firms are instrumental in reshaping market structures, ultimately initiating a restarting process thus redefining economies. Mazzarol's (2011) study suggests that government policies that support entrepreneurship should be tailored to the type of economy in question. By investing in education, financial support, infrastructure, and innovation, governments can help create a conducive environment for entrepreneurship to thrive (Ndofirepi & Steyn, 2023).

In the diverse business landscape of East African countries, entrepreneurs have the option to establish three primary forms of legal organisations: sole proprietorship, partnership, and corporation. Each of these structures comes with its own unique set of benefits and drawbacks, which are contingent upon the specific characteristics of the enterprise (Hisrich et al., 2017). Notably, sole proprietorship stands out as the most prevalent choice, allowing individuals to capitalise on opportunities and effectively manage their expenses, income, and profits for tax and dividend considerations.

3.1 Types of Entrepreneurs

Entrepreneurship is a dynamic and multifaceted concept intricately linked to the experiences and characteristics of the individuals involved. These traits, far from being inherent, are shaped and moulded by each entrepreneur's unique journey within their business ventures. It is paramount to grasp this fundamental dimension to gain insight into the motivations driving entrepreneurial endeavors' (Westhead et al., 2005). Focusing on the post-failure phase and repeated entrepreneurial efforts, it becomes evident that understanding the typology of entrepreneurship is crucial. Research suggests that the level of new venture and the level of entrepreneurial experience and resultant information are intricately intertwined, with each stage fostering the growth of the entrepreneur's expertise. This symbiotic relationship culminates in establishing habitual entrepreneurship through creating multiple concurrent portfolio businesses (Greiner, 1972; Kuratko et al., 2017). After leaving a company or facing failure, entrepreneurs use the knowledge gained from previous entrepreneurial experiences to start new ventures. This represents a transition from starting new businesses to running multiple businesses at the same time, building on the success of an established primary business.

3.2 Entrepreneurs - Post-Failure

Entrepreneurship after a failed venture is an important part of the entrepreneurial journey. In this phase, an individual starts multiple ventures over time by going through the startup process repeatedly. These entrepreneurs, also known as serial or renascent entrepreneurs, have learned from their failed ventures and are likelier to start another business. This distinction is critical because it acknowledges that an entrepreneur may not immediately start a new business after exiting one (Westhead et al., 2005; Petrucci & Milanese, 2022).

Studies reveal that entrepreneurs who embark on new ventures following a previous failure play a crucial role in driving entrepreneurial activity across several European countries surveyed. Their experiences often equip them with invaluable insights and resilience, enabling them to contribute positively to the business landscape and inspire others along the way. In the United States, about 12% of entrepreneurial activity is attributed to these post-failure phase entrepreneurs. They are known for their persistence and their impact on the development of companies and industries. Additionally, they are a key factor in driving economic growth. Studies have shown that businesses established by post-failure phase entrepreneurs are more likely to succeed and their subsequent ventures tend to be more successful due to the knowledge and skills gained from previous experiences. These entrepreneurs are essential to the entrepreneurial ecosystem as they bring valuable expertise and experience, which can lead to further growth and innovation (Petrucci & Milanese, 2022).

The concept of failure varies depending on the context. What founders may see as a setback could be viewed as a learning opportunity by others, creating a complex interplay of motivations between the business and those who run it. Recognizing these differences is crucial in overcoming challenges on the path to success. (Jenkins & McKelvie, 2016; Al Halbusi et al., 2023). Many entrepreneurs leave their companies because they want to get their investment back or retire to do something else, which is seen as a positive move instead of a failure due to things like poor performance or not having enough money. This is why it is important to look at failure at both the company and individual levels (Al Halbusi et al., 2023) (See Figure 1.0 below).

| | | Objective | Subjective |
|-------------------|------------|--|--|
| Level of analysis | Firm | Bankruptcy/ Insolvency e.g. Jenkins et al., (2014) | Poor Firm Performance e.g. Headd (2003) |
| | Individual | Return to Human Capital e.g. Gimeno et al., (1997) | Personal Failure e.g. Cope (2012) |

Fig. 1 Entrepreneurial failure framework (Jenkins & McKelvie (2016))

Business bankruptcy is often seen as a failure but comparing it between countries is complex. In Rwanda and Tanzania, only individuals can declare bankruptcy when they can't meet their liabilities. However, in Kenya, both business and individual debt events are covered by the Federal Bankruptcy Code. Business bankruptcy can happen when an individual's financial troubles stem from a discontinued business interest that has changed ownership. Furthermore, a struggling company that does not offer a reasonable return on investment for its owner or shareholders may not be classified as a business failure under a more narrow definition of bankruptcy or insolvency. (Quagraine & Dankwa, 2023).

In Rwanda and Tanzania, the concept of bankruptcy is limited to individuals who find themselves unable to fulfill their financial obligations. In these countries, companies are subject to specific insolvency laws designed to address their unique challenges. Conversely, in Kenya, businesses facing financial distress have the option to reorganize under Chapter 11 of the Federal Bankruptcy Code, allowing them to restructure their debts and continue operating. For the purposes of this paper, failure is defined as the point at which an entrepreneur decides to cease involvement in a venture, having determined that it does not meet the essential criteria for economic viability established by their own standards (Ucbasaran. et al., 2013).

While some firms can be revitalized through the voluntary administration processes in various countries, the majority, particularly an alarming 98 percent in Rwanda, do not survive insolvency events. These firms often close down and exit the market entirely. Moreover, entrepreneurs who use their personal assets as collateral for business loans may face financial difficulties, accumulating significant personal debt or, in the worst cases, personal bankruptcy, which can take years to resolve. (Quagraine & Dankwa, 2023).

Countries that enforce strict and punitive laws tend to limit entrepreneurial activity by screening out poor business proposals, ventures with insufficient capital, and entrepreneurs with less experience. Consequently, this results in more robust, expandable, and economically viable ventures (Quach et al., 2021; Petrucci & Milanese, 2022). Countries with less strict "failure-friendly" laws often accept higher risks of failure and have lower levels of initial funding. These conditions tend to attract people with underdeveloped business ideas, which can result in less innovation in start-ups. (Espinoza-Benavides, et al, 2021, pg. 6).

Grief can pose significant challenges to an individual's cognitive processing, leading to difficulties in effectively assimilating and learning from adverse experiences. The array of detrimental responses to grief encompasses heightened anxiety, debilitating panic attacks, persistent phobias, intense anger, overwhelming exhaustion, elevated blood pressure, persistent insomnia, significant weight loss, and profound depression. These emotional and physical manifestations can profoundly impede an entrepreneur's drive and capacity to perform optimally (Quach et al., 2021; Petrucci & Milanese, 2022).

Understanding and learning from failure is crucial for entrepreneurs. After facing failure, those who can show that they have learned from their mistakes are more likely to receive financial support from the venture capital industry. Practical experience is highly valued in this context. Additionally, it is important to note that entrepreneurial failure can have significant personal and social implications, particularly in Africa (Yeboah-Assiamah et al., 2023).

The repercussions of failure can have profound and wide-ranging effects, touching upon financial and legal realms, individual mental well-being, and societal perception. Depending on the gravity of the failure, individuals might encounter adverse financial and legal outcomes, such as bankruptcy, loss of assets, or legal ramifications. Moreover, failure can precipitate personal psychological distress, including feelings of depression, anxiety, or diminished self-worth. Societal attitudes, encompassing ostracism or public shaming, can also exert a profound influence on an individual's life.

In Kenya, the inception of the Bankruptcy Reform Act of 1978 aimed to shield struggling companies from their creditors, mirroring similar reforms in other nations. Notably, Rwanda's 1965 Bankruptcy Enforcement Act established a centralized institution for bankruptcy and subsequent reforms in 1975 restructured the court system to adjudicate bankruptcy conflicts up to state levels. Attitudes toward bankruptcy are often intertwined with economic shifts. The profound recession of the 1980s spurred Tanzania to reassess its stance and pivot toward restorative reforms to the Insolvency Application Act of 1985. In this case Rwanda's bankruptcy and insolvency laws are influenced by historical and cultural biases that favour creditors. (Yeboah-Assiamah et al., 2023).

Tanzania and Rwanda, which used to have stricter laws than Kenya, have realised the potential economic benefits of new policies. They have made significant progress in implementing these reforms. The nature of these changes varies by each from country, depending on the existing laws and how they were created. For example, Rwanda handles personal and business insolvencies differently from Kenya and Tanzania, which are governed by a unified law (Nwosu & Esara, 2023). This difference in Rwanda has led to a more forward-looking "fresh start" framework compared to other nations.

In Tanzania, Kenya, and Rwanda, there are laws about personal and corporate insolvency. In Tanzania, personal bankruptcy typically lasts for one year, with income payments continuing for up to three years. In Kenya, the Insolvency Act of 1986 governs an administration regime that allows for the appointment of an administrator by a creditor, company, or its directors. In Rwanda and Tanzania, the administrator's main job is to act in the best interests of the creditors to try to save the company. If this effort fails, the administrator will focus on recovering as much value as possible from the company for all creditors. This process is similar to "Chapter 11" in the United States, but there are key differences. These differences include how the administration period is financed and how much control the administrator has over the business compared to the directors. (Githaiga & Kosgei, 2023).

3.3 The Theory of Planned Behaviour

The Theory of Planned Behaviour (TPB) proposes that individuals' behavioural intentions are shaped by three key factors: their personal attitudes, the influence of social expectations, and their perceived control over their actions. According to Ajzen (1988, 2005, pp. 117–118), people are inclined to engage in a behaviour when they view it positively (attitude), feel pressured by societal norms to do so (social norm), and believe that they have the capability to carry it out (control). In the Theory of Planned Behavior (TPB), perceived behavioral control (PBC) is about what people believe regarding how different factors can help or hinder their ability to act. People evaluate these beliefs based on how much they think these factors can influence their behavior.

3.4 Research Questions

This study aimed to explore the relationship between independent variables and the antecedent perceptions of beliefs within the framework of the Theory of Planned Behavior (TPB). By focusing on individuals currently managing a business venture, we seek to understand how these factors influence their intentions to pursue new ventures in the future. The independent variables are characterized by perceptions related to the post-failure phase and the concept of renascent entrepreneurship. Furthermore, we carefully controlled for moderating variables, such as perceived behavioral control and business failure awareness, to ensure a robust analysis. As a result of this investigation, we have identified four key research questions that will guide our future exploration of this topic.

- RQ1: What external macroeconomic factors influence entrepreneurial beliefs regarding involvement in business after experiencing failure?
- RQ2: How do perceptions of the attractiveness, social expectations, and self-efficacy related to post-failure or renascent entrepreneurial endeavors affect actual behavioral intentions?
- RQ3: What impact do the information, knowledge, or experiences related to business failure, insolvency, and bankruptcy outcomes have on entrepreneurial perceptions?
- RQ4: How do information, knowledge, or experiences related to business failure, insolvency, and bankruptcy outcomes influence future behavioral intentions in the post-failure phase or in renascent entrepreneurial endeavors?

The Theory of Planned Behavior (TPB) model explains three types of beliefs that influence entrepreneurship: behavioral, normative, and control. These beliefs show how perceptions affect intentions to start a new business (Ajzen, 2019). The key perceptions are:

- How attractive people find the motivations for starting a business
- What social norms exist about getting involved in a business
- How capable individuals feel about starting a business themselves.

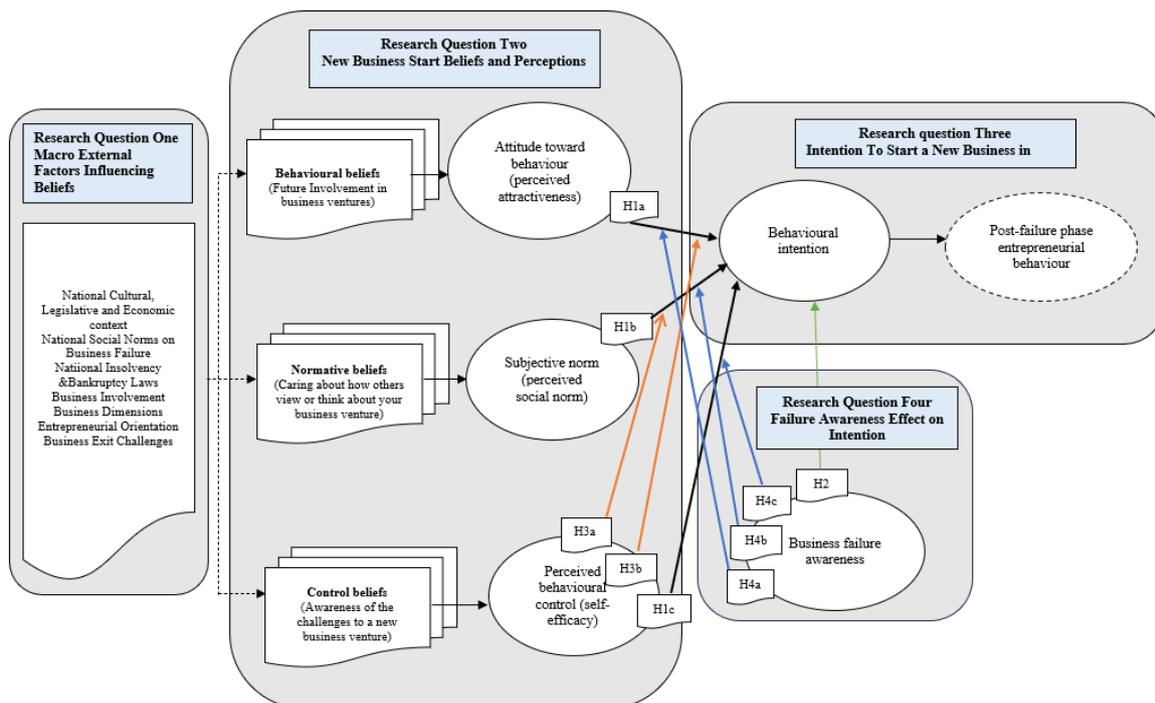


Fig. 2 Conceptual model

4. Research Methods

A total of 1,080 people took the survey, out of which 549 individuals were eligible to run a business and expressed their desire to start a new business in the future. These eligible respondents were from three different countries, namely Rwanda (41.5%, Frequency 228), Tanzania (27.3%, Frequency 150), and Kenya (31.1%, Frequency 171).

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------|--|-----------|---------|---------------|--------------------|
| Valid | Sole trader | 257 | 46.8 | 47.6 | 47.6 |
| | Pty. Ltd (Proprietary Limited Company) | 104 | 18.9 | 19.3 | 66.9 |
| | Ltd. (Limited Company) | 57 | 10.4 | 10.6 | 77.4 |
| | Limited liability partnership | 54 | 9.8 | 10.0 | 87.4 |
| | Cooperative | 11 | 2.0 | 2.0 | 89.4 |
| | Joint Venture | 44 | 8.0 | 8.1 | 97.6 |
| | Trust | 11 | 2.0 | 2.0 | 99.6 |
| | Other | 2 | 0.4 | 0.4 | 100.0 |
| | Total | 540 | 98.4 | 100.0 | 200.0 |
| System | 540 | 1.0 | 100.0 | | |
| Total | 549 | 1.0 | | | |
| | 549 | 100.0 | | | |

Fig. 3 Type of business entity

4.1 Descriptive Statistics of Variables

The descriptive statistics provide valuable insights into the central tendencies and variability of each variable as they relate to the broader population being studied. Specifically, this analysis focuses on several key constructs from the Theory of Planned Behavior (TPB). These constructs include perceived attractiveness (*_PA_*), which reflects individuals' views on how appealing a certain behavior or outcome may be; social norms (*_SN_*), which capture the influence of societal expectations and the behavior of peers on individual decision-making; and perceived behavioral control (*_PBC_*), which assesses how much control individuals feel they have over engaging in specific behaviors. Additionally, the analysis examines awareness of business failure (*_FAIL_*), which refers to individuals' understanding and recognition of the potential risks associated with business endeavours. Lastly, behavioral intention (*_BI_*) is investigated, indicating the likelihood that individuals will engage in a particular behavior based on their attitudes, social pressures, and perceived control. Together, these variables provide a comprehensive overview of the factors influencing behavior within the context of the studied population.

| | | Statistics | | | | |
|------------------------|---------|------------|---------|---------|-------------------|------------------|
| | | TPB_PA | TPB_SN | TPB_PBC | IB_FAIL | TPB_BI |
| N | Valid | 549 | 549 | 549 | 549 | 549 |
| | Missing | 0 | 0 | 0 | 0 | 0 |
| Mean | | 4.0113 | 3.2745 | 1.7830 | 3.2870 | 3.0229 |
| Median | | 4.1905 | 3.4111 | 2.1111 | 3.4762 | 2.9404 |
| Mode | | 4.43 | .00 | 3.07 | 4.52 ^a | .00 ^a |
| Std. Deviation | | 1.60438 | 1.72029 | 1.93591 | 1.11257 | 1.40894 |
| Skewness | | -.517 | -.123 | -.514 | -.528 | -.061 |
| Std. Error of Skewness | | .104 | .104 | .104 | .104 | .104 |
| Kurtosis | | -.009 | -.814 | -.558 | -.911 | -.633 |
| Std. Error of Kurtosis | | .208 | .208 | .208 | .208 | .208 |
| Minimum | | -.86 | -1.14 | -3.78 | 1.00 | -.43 |
| Maximum | | 7.00 | 7.00 | 5.00 | 5.00 | 6.15 |

a. Multiple modes exist. The smallest value is shown

Fig. 4 Key Statistics: Perceived Behavioural Control (*_BI_*), Perceived Attractiveness (*_PA_*), Business Failure Awareness (*_FAIL_*) Perceived Behavioural Control (*_PBC_*), , and Perceived Social Norm (*_SN_*)

The survey, which aimed to capture the entrepreneurial dynamics in Rwanda, Kenya, and Tanzania, uncovered compelling insights. Of all the participants, 41% hailed from Rwanda, 31% from Kenya, and 27.4% from Tanzania. Notably, most respondents, accounting for approximately 66%, fell within the age bracket of 25-44. Additionally, 67% of the participants were male, and 73% were either married or in a partnership. The survey also revealed that a significant proportion of respondents, amounting to 61%, had parents who either currently own or had owned businesses.

Furthermore, the survey findings highlighted that 64.5% of the respondents were either sole founders or co-owners of their businesses. These businesses were predominantly unincorporated sole traders (48%) or incorporated limited liability firms (19%), spanning across a diverse range of well-established industries. Approximately 34% of the businesses had been operational for three to five years, while 18% had been running for six to ten years. Moreover, the majority of businesses (51%) had 25 or fewer employees, with 71% reporting an annual turnover of not more than five million.

The results also shed light on the positive outlook and motivation of the respondents regarding their businesses. The median and standard deviation of the TPB construct variables, including perceived attractiveness, perceived social norm, perceived behavioural control, and behavioural intention, were notably high. This indicates that the respondents believed their businesses were appealing, anticipated approval from others, felt in control of their businesses, and were resolute in their determination to succeed. Moreover, the median and standard deviation of the business failure awareness variable were encouraging, signifying that the respondents were cognizant of the risks linked with running a business and were actively taking measures to mitigate them.

In conclusion, the survey outcomes provide a comprehensive portrayal of the entrepreneurial landscape in Rwanda, Kenya, and Tanzania. The findings suggest the presence of a thriving entrepreneurial ecosystem in these countries, with most respondents managing well-established businesses. These insights can be leveraged to craft targeted policies and initiatives aimed at further bolstering and fostering entrepreneurship in those countries.

4.2 Research Questions, Resolutions and Contribution to Knowledge

In summary, the following research questions illuminate key findings and contributions to our understanding of entrepreneurship in the context of failure. Per the first research question, it was found that a variety of external factors—ranging from political climates and cultural norms to social dynamics—play a critical role in shaping entrepreneurs' beliefs and perceptions. These extrinsic influences serve as foundational elements that precede an individual's intention to engage in entrepreneurial activities after experiencing failure, highlighting the complex interplay between context and entrepreneurial mindset.

The second question's finding provides that the way entrepreneurs perceive the attractiveness of new opportunities, the expectations held by their social circles, and their self-confidence significantly affect their willingness to pursue entrepreneurship following a failure. Positive perceptions in these areas can significantly bolster an individual's intentions to re-enter the entrepreneurial landscape. Moreover, self-efficacy—an individual's belief in their own capabilities—emerges as a strong predictor of future success, underscoring its importance in the journey of creating new businesses after setbacks.

The third question's finding suggested that an entrepreneur's awareness of business failure is positively linked to their subsequent decisions to launch new ventures. Strengthening this awareness through education and access to case studies about learning from failure can foster a culture of resilience among entrepreneurs. This understanding can facilitate quicker recovery from setbacks, as it helps demystify the challenges of entrepreneurship and makes the prospect of future endeavours more appealing and less daunting.

Lastly, the fourth research question found that cultivating an understanding of past failures not only enhances one's overall knowledge but also builds resilience—qualities that are essential for future business leaders. Entrepreneurs currently involved in business ventures should critically assess their capacity to embark on new projects, incorporating a nuanced understanding of business failure as a vital consideration in their decision-making processes. These findings convey clearly how various factors interplay in an entrepreneur's journey after experiencing failure.

5. Conclusion

5.1 Implications for Theory

The research study provides a significant contribution to the field of entrepreneurship by presenting a theoretical framework and empirical evidence that supports the idea that individuals' exposure to information about failure, insolvency, and bankruptcy, along with their knowledge and first-hand experience of these situations, can positively influence post-failure entrepreneurial perceptions and intentions. The study builds existing theoretical knowledge about entrepreneurial intention and emphasizes the crucial role of individuals' beliefs and perceptions in forming post-failure entrepreneurship behavioral intention.

The findings of the research illustrate that the beliefs and perceptions of individuals currently running a business play a pivotal role in shaping post-failure phase entrepreneurship behavioural intention. The study points out that being aware of business failures affects individuals' intentions. This awareness helps improve their attitude toward starting a business. The study applies the Theory of Planned Behavior (TPB), created by Ajzen in 1991, to the topic of entrepreneurial intentions. The TPB is a well-known theory in social psychology and has been used successfully in entrepreneurship research by various scholars. This study shows how TPB can effectively help us understand entrepreneurial intentions, building on the earlier work of key researchers in the field.

The research study provides a significant contribution to the field of entrepreneurship by presenting a theoretical framework and empirical evidence that supports the idea that individuals' exposure to information about failure, insolvency, and bankruptcy, along with their knowledge and first-hand experience of these situations, can positively influence post-failure entrepreneurial perceptions and intentions. The study builds on existing theoretical knowledge about entrepreneurial intention and emphasises the crucial role of individuals' beliefs and perceptions in forming post-failure entrepreneurship behavioural intention.

According to Cope (2011), individuals who have previously achieved success in business possess a greater ability to navigate the emotional challenges of failure compared to those without such accomplishments. This is attributed to the fact that prior business achievements offer them a sense of confidence and reassurance, making them more resilient in the face of adversity. Ucbasaran et al. (2003) have also observed that individuals with a strong sense of confidence and optimism are adept at perceiving challenges as opportunities, bouncing back from setbacks, and persisting with their endeavours (Schwaiger et al., 2022). Additionally, Hayward et al. (2010) and Kusa et al. (2023) have emphasised that entrepreneurs who exude high levels of confidence are better positioned to initiate and succeed in their ventures. Confidence and optimism are fundamental traits that empower entrepreneurs to overcome obstacles and setbacks, enabling them to stay committed to their pursuit of success. However, it's important to note that excessive overconfidence can lead to initial failures, although it also equips entrepreneurs with the resilience to rebound from setbacks and start anew.

In summary, while failure is an inevitable aspect of entrepreneurship, an entrepreneur's approach to and management of failure significantly influences their future intentions to start a business. Previous successful business endeavours and a confident, optimistic mindset can equip entrepreneurs with the fortitude needed to overcome the challenges of failure and realize their aspirations.

5.2 Implications for Policy and Practice

This study emphasises the critical importance of failure awareness among entrepreneurs and the significant impact it has on their future endeavours. It underscores how individuals who have experienced business failure in the past are more likely to succeed if they possess a profound understanding of the causes and consequences of their failure. Many entrepreneurs often ignore the chance of failure when starting a new business. This oversight can put their future success at risk. The study calls for strong support from the government, institutions, and educators. They should provide business owners with important information, educational programs, and real-life examples of business failure. This will help raise awareness about this important topic.

Additionally, the text emphasises that by enhancing awareness and understanding of business failure, current business operators can fortify their businesses by implementing key performance indicators to monitor failure points and relevant business structures to mitigate the severe effects of failure. This approach has the potential to significantly reduce insolvency rates and expedite recovery periods, empowering entrepreneurs to relaunch with more robust ideas and business execution designs.

In conclusion, this study argues for collaborative efforts among the government, institutions, educators, and individual entrepreneurs to foster post-failure phase behaviours. It stresses that through this collective endeavour, entrepreneurs can be better prepared to succeed in their future endeavours, ultimately contributing to a more resilient and thriving business ecosystem.

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Conflict of Interest

The authors declare that there is no conflict of interests regarding the publication of the paper.

Author Contribution

The authors confirm responsibility for the following: study conception and design, data collection, analysis and interpretation of results, and manuscript preparation.

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