

Entrepreneurial Intention as Impacted by Knowledge and Experience of Failures among East African Businesses.

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ABSTRACT

The thesis focuses on post-failure phase entrepreneurial intention and the influence of business failure information accessibility, demonstrated knowledge, and first-hand experience of business failure, insolvency, and personal bankruptcy. It aims to understand how these factors affect entrepreneurs' intentions to start new businesses after experiencing failure. The study is set within the Theory of Planned Behaviour (TPB), a well-established psychological theory that predicts human behaviour, particularly in the context of entrepreneurship. It seeks to provide empirical evidence that business failure awareness positively contributes to the know-how and resilience of individuals currently running a business with aspirations to start a new business. This study finds a positive association between awareness of business failure and the intentions of current business owners. It also shows that this awareness contributes to the knowledge and resilience of individuals running a business and those aspiring to start a new one.

Keywords: Entrepreneurial Intention; Business failure; Post failure phase

1. INTRODUCTION

This research aims to explore the impact of business failure awareness on post-failure phase entrepreneurial intention and test various hypotheses related to this topic. Business failure, in this context, includes personal and firm-based failure, business insolvency, and personal bankruptcy. The term "prior knowledge" refers to the accessibility of information, learned knowledge, and first-hand experience of business failure.

Governments worldwide acknowledge the need to support entrepreneurial innovation and have included it as part of ministerial portfolios. In East Africa, official offices have been established to promote it, such as the Centre for Research and Innovations East Africa (CRI), which specialises in capacity building, program evaluations, research, policy advocacy, learning, and knowledge management across Eastern and Horn of Africa. In Rwanda, the National Innovation System (NIS) is being integrated and utilised in the process of building sustainable innovation capabilities. It establishes and reinforces infrastructures and institutions as well as policies to promote innovation. In Tanzania, the National Economic Empowerment Council (NEEC) created The Inclusive National Entrepreneurship Strategy to implement an inclusive entrepreneurship strategy, considering the social and environmental challenges to address the economic, social, and regulatory barriers to equal, effective economic participation by youth, men, and women, the disadvantaged, and other groups (Ning, 2021; Ajide, 2022).

Post-failure phase entrepreneurship is a critical factor in ventures' long-term sustainability and resilience. The continued involvement of post-failure phase entrepreneurs is crucial because it helps to increase the resilience of ventures and protect them from potential risks. This, in turn, contributes to national innovation, transformational employment, economic growth, and global competitiveness (Corner et al., 2017; S. Singh et al., 2015).

Further analysis by the Center for Research and Innovations East Africa (2023) revealed that while nascent firms failed at a rate of more than fifty percent, most young firms, operational for up to four years, continue to be active in the market. This suggests that the high levels of failure are moderated when further analysed by researchers. Strict laws moderate entrepreneurial activity by filtering out weaker ventures and less capable entrepreneurs, while less severe 'fresh start' laws, also known as 'failure friendly', tolerate higher risks of failure, lower levels of capitalisation and support higher levels of innovative start-ups (Howell & Mason, 2015; Boafo et al., 2023). These laws ensure that new firms are financially viable and that creditors are protected.

Entrepreneurial failure is a multifaceted and intricate issue that profoundly impacts entrepreneurs and their ventures. It is influenced by various factors, including government insolvency and bankruptcy laws, which not only moderate these experiences but also have the potential to stigmatise and demotivate entrepreneurs from embarking on new ventures. Finding the right balance through legislative reforms is crucial, as it involves navigating the paradoxical goals of providing encouragement and protection (CoEC, 2007; National Innovation & Science Agenda, 2015; Ajide, 2022).. These reforms aim to support the growth of innovative start-ups while ensuring their financial viability and safeguarding the interests of creditors.

As these native entrepreneurs embark on their journey, they have the potential to establish high-growth businesses and serve as a source of inspiration for future young Africans (Ajide, 2022). Their efforts can help foster a culture of innovation, encourage individuals to think beyond conventional boundaries and contribute to a future that holds the promise of shared prosperity across the African continent.

To achieve this goal, new areas need to be explored better to understand the relationship between failure and entrepreneurial action.

1.1 Research Objective

This research study identifies the factors contributing to business failure awareness and how they impact post-failure phase entrepreneurship. This study aims to test a hypothesis that suggests a relationship exists between access to information, learned knowledge, first-hand experience of personal and business failure, business insolvency, and personal bankruptcy (known as business failure awareness), and the perceived attractiveness of entrepreneurial activities after a failure. This hypothesis is based on the Theory of Planned Behaviour (TPB) from Ajzen (1991) and its application in previous works by Krueger and Carsrud (1993), Kolvereid (1996), Shane (2004), Shane et al, (1991) and Ning, (2021). The study aims to contribute to existing knowledge on entrepreneurial intention, the post-failure phase, and the drivers of serial new venture behaviour.

2.0 Literature Review

Entrepreneurship drives economic development, creates new markets, drives innovation, and increases resource productivity and growth. It is a vital aspect of national advantage in market economies, and entrepreneurial firms fundamentally change market structures, leading to a renewal process that pervades and defines market economies.

Entrepreneurship is vital to economic development as it provides employment opportunities and drives innovation, leading to improved welfare and prosperity. Despite not directly measuring post-failure phase entrepreneurship, GEM includes a measurement of established business ownership and discontinuance to better understand early-stage businesses' success and failure rates (Ndofirepi & Steyn, 2023). This helps to determine each economy's entrepreneurial ecosystem and to identify potential areas for improvement.

In the context of East African countries, there are three primary types of legal organisations - sole proprietorship, partnership, and corporation. Each type has its advantages and disadvantages, which depend on the nature of the enterprise (Hisrich et al., 2017; Kuratko et al., 2017; Shane, 2004). Among these, sole proprietorship is the most common type, which individuals opt for to exploit an opportunity and manage their costs, revenue, and profit for income tax and dividend purposes.

2.1 Typology of the Entrepreneur

Entrepreneurship is a complex phenomenon that involves a range of characteristics and behaviours. These traits are not innate; rather, they are shaped by the experiences that entrepreneurs have had and are currently having in their business ventures. Understanding this fundamental dimension of entrepreneurship is crucial to comprehending entrepreneurial intentions (Westhead et al., 2005).

Exploring the typology of entrepreneurship is appropriate to better contextualise and understand the post-failure phase and repeated entrepreneurial efforts. The literature suggests that the stage of venture development and the level of entrepreneurial experience and knowledge are highly interdependent. As firms progress through each stage, the experience and knowledge of the entrepreneurs involved also grow. This symbiotic relationship leads to the development of habitual entrepreneurship by establishing multiple concurrent portfolio businesses (Greiner, 1972; Kuratko et al., 2017).

Upon firm exit or post-failure phase behaviours, entrepreneurs establish subsequent ventures based on the knowledge learned from prior entrepreneurial experiences. This phenomenon describes a progression from a nascent or new experience level of entrepreneurship within startup firms to habitual entrepreneurship via the establishment of multiple concurrent portfolio businesses that leverage the stability of a primary operational stage firm.

2.1.1 Post-failure Phase Entrepreneurs

Post-failure phase entrepreneurship is a compelling aspect of entrepreneurship, where the same individual establishes multiple ventures successively over time by exiting and entering the startup process repeatedly. These entrepreneurs are sometimes referred to as serial or renascent entrepreneurs, who have gained experience from failed ventures and are more likely to start another enterprise. This is an important distinction as it allows for an entrepreneur to exit a business and not start a subsequent business immediately (Westhead et al., 2005; Petrucci & Milanese, 2022).

Research shows that post-failure phase entrepreneurs account for a significant portion of entrepreneurial activity in European countries where surveys were available, such as the United Kingdom, Germany, Norway, and Finland. In the United States of America, approximately 12.5 per cent of entrepreneurial activity is attributed to post-failure phase entrepreneurs. They are known to be more persistent than novice entrepreneurs and drive the evolution of corporations and industries. Furthermore, they are an essential driver of valuable economic growth and job creation in capitalist economies (Petrucci & Milanese, 2022). Firms founded by post-failure phase entrepreneurs are more likely to survive than novice founders, and their subsequent ventures

are more successful from gaining knowledge and capabilities from prior experience. These entrepreneurs are vital to the entrepreneurial ecosystem as they bring their expertise and experience to the table, which can create a ripple effect of growth and innovation.

The definition of failure varies depending on the context, which can lead to a mixing of closure circumstances and motivations between a business as an entity and the individuals who founded and operate it (Al Halbusi et al., 2023). It is important to note that many entrepreneurs exit their firms for reasons such as realising their investment or retiring to pursue other opportunities, viewed as positive exits rather than negative failures stemming from poor performance or insolvency. This is why it is crucial to analyse failure at both the firm and individual entrepreneur 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)

Figure 1.0: Business and Entrepreneurial Failure – Definitional Framework (Jenkins and McKelvie (2016)

Business bankruptcy is often used as an objective measure of failure, as it is an observable and readily quantifiable event; however, it is not as straightforward as it may appear, mainly if it is being used as a comparative country-to-country measure. Firstly, despite what many believe, a Rwandan company cannot declare bankruptcy, as it is a legal process that only applies to individuals who cannot meet their liabilities and have either filed for bankruptcy or an order has been made against their assets (Quagraine, & Dankwa, 2023). This is also the case in Tanzania, where bankruptcy applies only to individuals, not companies regulated by prevailing insolvency laws. Conversely, in Kenya, the Federal Bankruptcy Code has a broader context and is codified into chapters covering business and individual debt events. In this case, Kenyan businesses that cannot meet their liabilities can be reorganised under Chapter 11 of the Code. To this end, business bankruptcy mainly occurs when an individual's bankruptcy is directly related to their proprietary interest in a business that was discontinued due to the change in ownership per the definition above. A second consideration is that a failing firm that does not provide a reasonable return on investment to its owner or shareholder would not be regarded as a business failure under such a narrow definition of a bankruptcy or insolvency event (Watson & Everett, 1996). Bankruptcy applies only to individuals who cannot meet their liabilities in Rwanda and Tanzania, whereas insolvency laws regulate companies. In contrast, businesses that cannot meet their liabilities in Kenya can reorganise under Chapter 11 of the Federal Bankruptcy Code.

This thesis's most suitable definition of failure is "the cessation of involvement in a venture because it has not met a minimum threshold for economic viability as stipulated by the entrepreneur." (Ucbasaran et al., 2013, p. 175). While internalised stigma, expressed as a loss of self-esteem, uncertainty, grief, and remorse over a firm's personal loss, externalised stigmas of failure are fundamentally rooted in financial mistrust embodied in negative community attitudes,

which include a fear that bankrupt entrepreneurs cannot be trusted, are incompetent, may deceive to disguise risks, and may fail again (Damaraju et al., 2023).

Countries with strict, punitive laws moderate entrepreneurial activity by filtering out poor propositions, undercapitalised ventures, and less capable entrepreneurs. As a result, this leads to the emergence of more resilient, scalable, and economically sustainable ventures (Howell & Mason, 2015). Conversely, nations with less severe "failure friendly" laws tend to tolerate higher risks of failure, lower levels of upfront capitalisation, and are more likely to attract individuals with undeveloped entrepreneurial ideas, resulting in lower levels of innovative thinking start-ups (Espinoza-Benavides et al., 2021, p. 7).

It is essential to learn from failure, and entrepreneurs who demonstrate positive learning from their failure are more likely to receive post-failure capital backing from the venture capital industry. Practical experience is highly valued, and entrepreneurs who show they have learned from their mistakes are likelier to succeed in the future (Byrne, 2021). Entrepreneurial failure has significant personal and social consequences, equally so in Africa (Yeboah-Assiamahet al, 2023).

The aftermath of failure can have significant consequences in several areas, including financial and legal, individual, psychological, societal, and lessons learned. Depending on the severity of the failure, an individual may experience adverse financial and legal outcomes, such as bankruptcy, loss of assets, or legal charges. Additionally, failure can lead to personal psychological damage, such as depression, anxiety, or low self-esteem. Societal stigma, such as shaming or isolation, can also profoundly impact an individual's life (See Figure 2.0 below).

In Kenya, the Bankruptcy Reform Act of 1978 was introduced to protect struggling companies from their creditors. Other countries underwent similar reforms. In Rwanda, the 1966 Bankruptcy Act established a central institution for bankruptcy administration for the first time, and the court system was reformed in 1976 to allow bankruptcy disputes to be heard at the national level. The attitude towards bankruptcy is often linked with economics. The deep recession of the 1980s prompted Tanzania to reassess its position and focus on rescue reforms to the Insolvency Act of 1986. However, Rwanda's attitude towards bankruptcy and insolvency remains influenced by its historical and cultural bias toward creditors (Yeboah-Assiamahet et al., 2023).

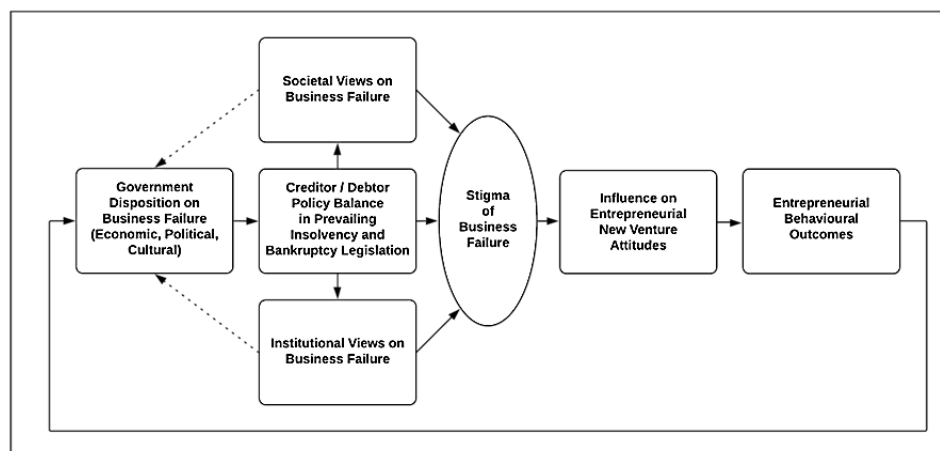


Figure 2.0: Conceptual Relationships between Government Disposition, the Stigma of Business Failure, and the Attitudes and Behaviours of Entrepreneurs

Regarding fresh start measures, Tanzania and Rwanda - countries that historically had more punitive legislation than Kenya - have recognised the economic benefits of such policies and have made progress in their adoption. However, the extent of fresh start reforms varies from country to country, depending on the prior legislative environment and how those laws were constructed. For instance, Rwanda deals with personal and business insolvencies differently, while Kenya and Tanzania are regulated under the same law (Nwosu & Esara, 2023). This separation in Rwanda has allowed for a more progressive "fresh start" baseline compared to other countries.

In Tanzania, personal bankruptcy is usually cleared after one year, but income payments may continue for three years. Kenya also has an administration regime governed by the Insolvency Act 1986, which can appoint an administrator by a creditor, company, or its directors. In Rwanda and Tanzania, the administrator acts in the interests of creditors to rescue the company as a going concern. If unsuccessful, the administrator works to recover as much as possible from the enterprise to benefit the creditors. This approach is similar to "Chapter 11" in Kenya, with some key differences, mainly in how the administration period is funded and where the administrator runs the business rather than the directors (Githaiga & Kosgei, 2023, pg. 2).

2.2 The Theory of Planned Behaviour

The TPB model suggests that behavioural intention is determined by personal attitudes (perceived attractiveness), social influence (perceived social norm), and perceived control over behaviour. Ajzen (1988, 2005, pp. 117–118) summarises these determinants as follows: "People intend to perform a behaviour when they evaluate it positively [attitude] when they experience social pressure to perform it [social norm], and when they believe that they have the means and opportunity to do so [control]."

In the Theory of Planned Behavior (TPB), perceived behavioural control (PBC) is determined by control beliefs and their perceived influence. Control beliefs are related to the degree to which factors facilitate or impede the performance of a behaviour. These beliefs are then weighted by the perceived power of the factor to facilitate or inhibit the performance of the behaviour. PBC is a reflection of perceived behavioural competence and personal, situational control. It measures self-efficacy, which is Bandura's interpretation of feasibility. Ajzen expresses PBC mathematically as:

$$PBC \propto \sum ci pi$$

where ci is the presence of salient control belief(s), and pi is the perceived power or ability of belief factor(s) to facilitate or inhibit it.

2.3 Research hypotheses

H1: Individuals' behavioural intention to be involved in future new business is positively associated with their current perceptions of a) attractiveness, b) social norms, and c) behavioural control.

H2: Individuals' intention to engage in future new business is positively associated with their awareness of business failure while running a business.

H3: The antecedent perceptions of two factors, namely, a) attractiveness and b) social norm, will have a positive effect on the behavioural intention of individuals currently running a business to get involved in future new business ventures. Their perceived behavioural control will moderate this effect in accomplishing the task.

H4: Business owners' intentions to engage in new business ventures are influenced by their perceptions of various factors, including a) attractiveness, b) social norms, and c) behavioural control. These perceptions are known as antecedent perceptions of behavioural intention. The

impact of these perceptions on business owners' intentions to engage in new business ventures will be positively moderated by their awareness of business failure.

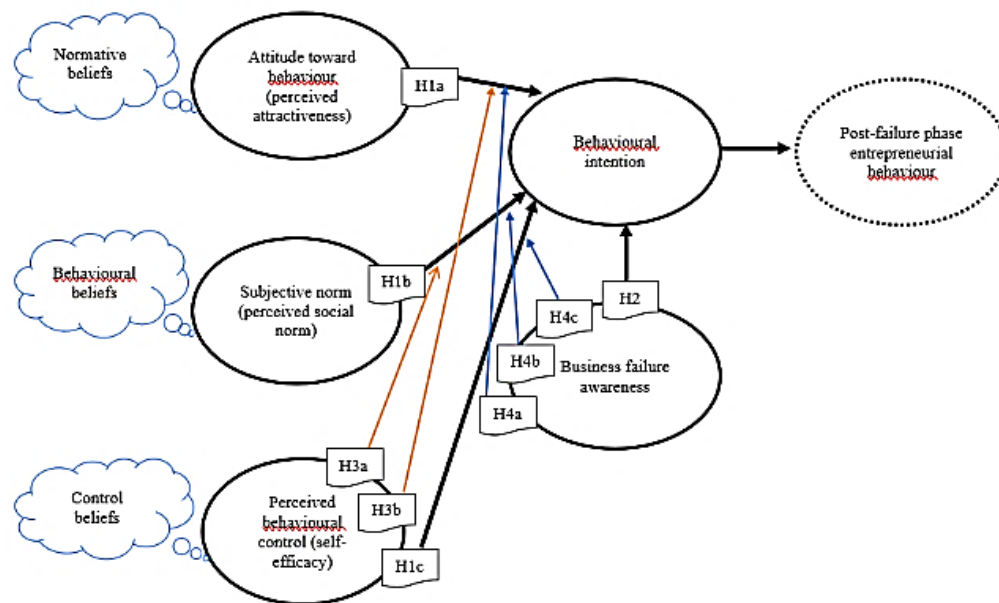


Figure 3.0: Conceptual Model Including Hypotheses

3.0 Research Methods

Entrepreneurship research can be approached in various ways, but interpretive and positivist approaches are two predominant methods. The positivist approach is quantitative and is mainly used to investigate business failure rates and the scale of entrepreneurship. For instance, quantitative studies on entrepreneurship and business failure rates have been conducted by Bosma, et al (2020). The positivist paradigm is the most appropriate approach for empirically testing hypotheses set within Ajzen's Theory of Planned Behaviour. The positivist paradigm is justified from an epistemological perspective, as it provides a more objective approach to research, which is necessary to test hypotheses and establish causal relationships between variables (Clardy, 2022). This approach also meets the research objective: to investigate the factors that influence the likelihood of entrepreneurial success or failure.

In this research, the convenience sampling method was adopted, recognising its limitations regarding external validity and generalizability of the findings. The sample for this research was drawn from a subset of the Qualtrics ESOMAR Online Panel Service to obtain 1,000 valid responses within four standard weeks. Each respondent was provided with clear information about the nature and purpose of the research, and only those who gave explicit consent proceeded with the online instrument. The study received 1,080 valid responses, split across three countries: Rwanda (540), Tanzania (270), and Kenya (270). The survey instrument targeted businesspeople who were previously involved in founding or running a new business venture. The study received 1,080 valid responses, split across three countries: Rwanda (540), Tanzania (270), and Kenya (270). The survey instrument targeted businesspeople who were previously involved in founding or running a new business venture.

Through correlation analysis, the study collectively assesses hypotheses H1a, H1b, and H1c (the perceptions of beliefs) and H2 (business failure awareness). Additionally, hypotheses H3a and H3b (the strength of perceived behavioural control) and H4a, H4b, and H4c (the strength of business failure awareness) are assessed through hierarchical regression analysis.

Table 1.0 Hypotheses and Statistical Test

HYPOTHESIS	INDEPENDENT VARIABLE	INFLUENCE	INFLUENCED VARIABLE	STATISTICAL TEST
H1 Perceptions of behavioural intention				
H1a	Perceived attractiveness	+ve	Intention to be involved in a new venture	Correlation
H1b	Perceived social norm	+ve	Intention to be involved in a new venture	Correlation
H1c	Perceived behavioural control	+ve	Intention to be involved in a new venture	Correlation
H2 Business failure awareness				
H2	Positive awareness	+ve	Intention to be involved in a new venture	Correlation
H3 Perceived behavioural control				
H3a	Effect of Perceived Attractiveness	mod	Intention to be involved in a new venture	H. regression
H3b	Effect of perceived social norm	mod	Intention to be involved in a new venture	H. regression
H4 Business Failure Awareness				
H4a	Effect of perceived attractiveness	mod	Intention to be involved in a new venture	H. regression
H4b	Effect of perceived social norm	mod	Intention to be involved in a new venture	H. regression
H4c	Effect of Perceived Behavioural Control	mod	Intention to be involved in a new venture	H. regression

4. Results

The survey conducted to gather data on the entrepreneurial landscape of Rwanda, Kenya, and Tanzania revealed some interesting findings. Of the total respondents, 41.5% were from Rwanda, 31.1% were from Kenya, and 27.3% were from Tanzania. The majority of respondents, about 66.7%, fell in the age group of 25-44, with 66.8% being male and 72.7% being married or in a partnership. Furthermore, the survey showed that a significant % of respondents, 61.5%, had parents who owned or currently own businesses.

The survey revealed that most respondents, i.e., 64%, were either sole founders or co-owners of their businesses, predominantly unincorporated sole traders (47.6%) or incorporated limited liability firms (19.3%). These businesses were spread across a diverse range of well-established industries, with approximately 34.1% of businesses running for three to five years and 17.7% running for six to ten years. Also, most businesses (50.6%) had 25 or fewer employees, and 70.6% had an annual turnover of five million or less.

The survey results also indicated that the respondents positively perceived their businesses and were motivated to succeed. The median and standard deviation of the TPB construct variables, perceived attractiveness, perceived social norm, perceived behavioural control, and behavioural intention, were all high, indicating that the respondents believed their businesses were attractive, that others would approve of their ventures, they had control over their businesses, and they were determined to succeed. The median and standard deviation of the business failure awareness variable were also encouraging, indicating that the respondents were aware of the risks associated with running a business and were taking appropriate measures to mitigate them.

In conclusion, the survey results provide a comprehensive picture of the entrepreneurial landscape in Rwanda, Kenya, and Tanzania. The findings suggest a thriving entrepreneurial ecosystem exists in these countries, with most respondents running well-established businesses. The results can be used to further develop targeted policies and programs to support and encourage entrepreneurship in these regions.

4.1 Description of Current Business Involvement

The survey revealed that 96.7% of respondents ran "for-profit" enterprises, while only 3.3% were "not-for-profit" organisations. 38.8% of the respondents were from Rwanda, 31.7% from Kenya, and 27.9% from Tanzania, while the remaining 1.6% were from other countries. The top six industries, which made up 49.7% of the total sample, participated the most. The industries belonged to a wide range of sectors, including retail trade (13.5%), professional, scientific, and technical services (9.5%), construction (8.0%), manufacturing (7.8%), financial and insurance services (5.8%), and accommodation and food services (5.1%).

The study found that the top five industries with the highest future participation comprised 48.6% of the total sample. These industries were from a diverse range of sectors, including retail trade (11.7%), construction (10.0%), accommodation and food services (9.1%), professional, scientific, and technical services (9.1%), and manufacturing (8.7%).

4.1.1 Descriptive Statistics of Variables

Descriptive statistics provide information about the central tendencies and dispersion of each variable about the population. The variables being analysed are TPB constructs such as perceived attractiveness (TPB_PA), social norms (TPB_SN), behavioural control (TPB_PBC), business failure awareness (IB_FAIL), and behavioural intention (TPB_BI).

Table 2.0: Means (s.d.), Correlation Coefficients, and Internal Reliabilities for the Measured Variables

		Mean (s.d.)	TPB_PA	TPB_SN	TPB_PBC	IB_FAIL	TPB_BI
Perceived attractiveness	(TPB_PA)	4.01 (1.60)	(.86)				
Perceived social norm	(TPB_SN)	3.27 (1.72)	.538**	(.80)			
Perceived behavioural control	(TPB_PBC)	1.78 (1.94)	.342**	.524**	(.85)		
Business Failure Awareness	(IB_FAIL)	3.29 (1.11)	.249**	.562**	.471**	(.86)	
Behavioural Intention	(TPB_BI)	3.02 (1.41)	.755**	.851**	.801**	.539**	(.75)

Table 2.0 displays the five latent constructs' means, standard deviations, internal reliabilities, and correlations. All individual latent variables exceeded Nunnally's recommended threshold level of 0.7, which is a good reliability indicator. One can observe a high positive correlation between behavioural intention and perceived attractiveness, perceived social norm, and perceived behavioural control, with a moderately weaker positive correlation with business failure awareness. Business failure awareness (Figure 4.0) has a high positive correlation with perceived social norms and a noticeably weaker positive correlation with perceived attractiveness. Furthermore, perceived attractiveness and perceived social norms have a moderate positive correlation. The antecedent perceptions were categorised into three constructs - perceived attractiveness, perceived social norm, and perceived behavioural control - for business owners. The study analysed the data and found significant correlations for each construct with $r(549)=.755$, $p<.001$ for perceived attractiveness, $r(549)=.851$, $p<.001$ for perceived social norm,

and $r(549) = .801$, $p < .001$ for perceived behavioural control. As a result, the study concluded that Hypotheses One was supported.

This research study concludes that its findings contribute to understanding the antecedent perceptions of behavioural intention and its correlation to future new business involvement. It suggests that further research can be conducted to expand the study's scope and contribute to the development of knowledge in this field. Although the results do not apply to everyone, the respondents in this study believe they have the essential skills and support to start a new business in the future, providing a starting point to investigate the impact of business failure awareness on them.

Two conclusions can be drawn from the study. Firstly, the Theory of Planned Behaviour effectively predicts future entrepreneurial behavioural intention. It can be used to test hypotheses on external factors that affect individuals' intentions to start a new business. Secondly, positive perceptions of attractiveness, social support, and personal abilities are crucial in shaping the entrepreneurial intention of individuals who have experienced business failure and are currently running a business.

The study was also conducted to test the second hypothesis that Business Failure Awareness positively correlates with the behavioural intentions of individuals currently running a business. The correlation test results have shown a significant correlation of $r(549) = .539$, $p < .001$. This indicates that there is a positive relationship between Business Failure Awareness and the behavioural intentions of entrepreneurs. Therefore, Hypothesis Two has been supported. Applying this construct to entrepreneurial intention and behaviour is an essential aspect of the study. Entrepreneurship is all about identifying opportunities and developing innovative ideas to meet them. This is often done in uncertain markets, and scholars agree that failure is an inevitable outcome of entrepreneurial endeavours. Failure is a widespread phenomenon that has led to a debate on whether it can be useful or harmful.

Sequential entrepreneurs who do not have other ventures may feel the psychological costs of failure more strongly. Secondly, an entrepreneur may remain confident if the nature of the failure experienced is seen as circumstantial and abnormal. However, if failure is repeated, it can be harder to explain and can negatively affect an individual's beliefs, impacting their motivation to identify future opportunities (Westhead et al., 2009; Petrucci & Milanesi, 2022).

Hypotheses three investigates the impact of antecedent perceptions, namely attractiveness and social norms, on the behavioural intentions of individuals currently running a business with regards to future new business involvement. The study used hierarchical regression analysis to reveal two significant outcomes, indicating that perceived behavioural control moderates the relationship between antecedent perceptions and behavioural intentions. The first outcome showed that perceived behavioural control makes a unique contribution of 26.2% to the variance in behavioural intention, following perceived attractiveness, contributing 64% of the variance in the dependent variable, behavioural intention. This means that individuals who perceive themselves as more capable of carrying out the behaviour have a higher intention and probability of performing the desired actions.

The second outcome revealed that perceived behavioural control makes a unique contribution of 17.4% to the variance in behavioural intention after perceived social norm, which contributes 72% of the variance in the dependent variable, behavioural intention. This shows that individuals who perceive themselves as having more control over the behaviour are more likely to have a higher intention of performing it, even when social norms are less influential.

The study also found that the positive correlation between attractiveness and social norms for future new business involvement on the behavioural intentions of individuals currently running

a business is due to positive perceptions of relevant motivations and social support. Perceived behavioural control moderates this relationship, as individual self-efficacy is crucial in determining whether a specific behaviour is achievable.

Where hypothesis four is concerned, the results showed that business failure awareness had a significant unique contribution of 13.1% to the variance in behavioural intention after perceived attractiveness, which alone contributed 57% of the variance in the dependent variable. However, business failure awareness had no significant effect on the variance in behavioural intention when interacting with perceived social norms or perceived behavioural control. Therefore, hypothesis four is partially supported.

Conclusion

The study presents an important contribution to the field of entrepreneurship by offering a theoretical framework and empirical evidence that supports the view that individuals' exposure to information about failure, insolvency, and bankruptcy, knowledge of their outcomes, and first-hand experience of them, can positively moderate post-failure entrepreneurial perceptions and intentions. This study builds upon existing theoretical knowledge on entrepreneurial intention and demonstrates the critical role of an individual's beliefs and perceptions in forming post-failure entrepreneurship behavioural intention.

The research findings demonstrate that the beliefs of individuals currently running a business and their perceptions of them play a crucial role in forming post-failure phase entrepreneurship behavioural intention. The study also highlights the influence of business failure awareness on this cohort of individuals. It finds evidence that this knowledge highly correlates with intention and positively moderates their perceived attractiveness (attitude) towards behavioural intention. Additionally, the study provides a case study of the empirical application of the theory of planned behaviour by Ajzen (1991) in entrepreneurial intention research. The Theory of Planned Behaviour (TPB) has become one of the most widely used theories in social psychology. It has been applied successfully to entrepreneurship theory through the works of Kolvereid (1996), Shane (2004), Shane et al. (1991) and Srivastava et al. (2023). This study further demonstrates the efficacious use of TPB for research in the field of entrepreneurial intention research, based on the early works of Bird (1988).

Entrepreneurial intention has been extensively researched, with many focus areas (Munir et al, 2022). One of the areas that has received significant attention is entrepreneurial failure and its impact on future business start-up intentions. There are differing views on the role of failure in entrepreneurship. While some scholars argue that failure provides an opportunity for learning and growth (Wang et al., 2022), others suggest that it may be a challenging process. Entrepreneurs may struggle to translate their failure into a future business start-up (Byrne, 2021).

Cope (2011) has found that individuals who have previously achieved business success are better equipped to manage the emotional stresses of failure than those who have not. In this case, prior business achievements are a source of reassurance that they could succeed, given their knowledge of failure. Ucbasaran et al. (2003) have also noted that confident and optimistic individuals are more likely to view adversity as a challenge, transform problems into opportunities, rebound from setbacks more readily, and persist with their projects (Schwaiger et al., 2022). Kusa et al. (2023) have further added that highly confident entrepreneurs are better positioned to start and succeed. Confidence and optimism are key characteristics that allow entrepreneurs to push through challenges and setbacks and persist in their pursuit of success. Nevertheless, overconfidence can lead to initial failure. However, it is also a trait that enables entrepreneurs to "bounce back" from failure and start anew.

In conclusion, while failure is inevitable in entrepreneurship, how entrepreneurs perceive and manage failure can significantly impact their future business start-up intentions. Successful prior business achievements and a confident, optimistic mindset can provide entrepreneurs the resilience needed to overcome the challenges of failure and achieve their goals.

In terms of practice and policy, two important findings from a recent study are worth noting. Firstly, individuals currently running a business find starting a business more attractive when informed and knowledgeable about failure, insolvency, and bankruptcy outcomes. This finding suggests that entrepreneurs who have failed in the past are more likely to succeed if they understand the causes of their failure and the implications it may have on their future endeavours.

Secondly, the study shows that business failure awareness is not considered an essential ability when assessing future business intentions. This means many entrepreneurs do not consider failure a possibility when starting a new venture. This lack of awareness can be detrimental to their future business success. Therefore, it is recommended that the government, institutions, and educators support current business operators by providing them with relevant information, educational programs, and practical case studies on business failure to increase awareness on the subject.

By doing so, individuals currently running businesses will be more able to build failure-resistant businesses by designing key metrics to monitor points of failure and implementing relevant business structures to offset the more severe effects of failure. This recommendation can lead to lower insolvency rates and shortening failure recovery periods by encouraging entrepreneurs to start again with more resilient ideas and business execution designs.

In conclusion, the government, institutions, educators, and individual entrepreneurs must work together to achieve the right equilibrium to encourage post-failure phase behaviours. By doing so, entrepreneurs will be better equipped to succeed in their future endeavours, and the economy will benefit from a more robust and resilient business ecosystem.

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