

Coping with the influence of fear of failure on entrepreneurial action

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Preface

In front of you lies my master thesis on 'Coping with the influence of fear of failure on entrepreneurial action'. This thesis is part of my master Innovation & Entrepreneurship at the Radboud University Nijmegen. From January up to and including August, I have researched and answered the following research question: *“How do entrepreneurs cope with the influence of fear of failure on entrepreneurial action?”*

This thesis lies in line with my interest in entrepreneurship. Since childhood, I have had the ambition to become an entrepreneur, and in 2019 I made this a reality. With a small team of entrepreneurs, we are developing a platform to disrupt the market of driving schools. In this short period, I have been able to experience the effect of fear of failure on entrepreneurial action in practice, which is an extra motivation to research this topic theoretically. Besides my interest in writing a thesis within the field of entrepreneurship, I addressed a gap within the literature of entrepreneurial fear of failure.

In this preface, I want to thank everyone who has contributed to the realisation of my master thesis. I would like to thank Sibel Ozasir Kacar as a supervisor for her guidance and feedback. Then, I want to thank my fellow students in the feedback circle for providing me with feedback. Especially Giel Scheepers, Timon Schrijver, and Bob van der Zandt who have contributed to the final result. Lastly, I would like to thank my family for their support and encouragement from the start of my educational career to this very day.

To the reader, I will describe how fear of failure influences entrepreneurial action and how entrepreneurs cope with this influence. Finally, I would like to wish you much pleasure reading.

Ivan Roy – August 2021

Abstract

This study explores how fear of failure influences entrepreneurial action and how entrepreneurs cope with this influence. This research' aim has led to the following research question: *“How do entrepreneurs cope with the influence of fear of failure on entrepreneurial action?”*. Eight semi-structured in-depth interviews with entrepreneurs were conducted to answer this research question.

The analysis led to the conclusion that fear of failure can have a motivating and an inhibiting effect on entrepreneurial action. However, all eight respondents were unanimous about the most common motivating effect of fear of failure. An inhibiting effect was sometimes found when especially the financial risk of failure was too high to bear, and financial obligations towards employees were put at risk. Entrepreneurs subsequently used coping responses to deal with the influence of fear of failure on entrepreneurial action. All entrepreneurs used problem-focused coping strategies to control a fear-inducing situation, specifically gathering information and making decisions. Before problem-focused coping, most of the respondents used emotion-focused coping strategies and/or avoidance-focused coping strategies. These two strategies helped entrepreneurs cope with the emotional distress before utilising problem-focused coping strategies to help generate entrepreneurial action. This research concludes that fear of failure most often has a motivating influence on entrepreneurial action. Entrepreneurs then use problem-focused coping strategies, generally in conjunction with emotion-focused and avoidance-focused coping strategies, to cope with the influence of fear of failure on entrepreneurial action.

Keywords: fear of failure, entrepreneurial action, problem-focused coping, emotion-focused coping, avoidance-focused coping.

Table of Contents

1. INTRODUCTION	5
1.1 RESEARCH OBJECTIVE AND RELEVANCE	6
2. THEORETICAL BACKGROUND	8
2.1 ENTREPRENEURIAL ACTION AND FEAR OF FAILURE	8
2.2 COPING WITH FEAR OF FAILURE	12
2.3 CONCEPTUAL MODEL	15
3. METHODOLOGY	16
3.1 RESEARCH METHOD	16
3.2 DATA COLLECTION	17
3.3 RESEARCH APPROACH AND ANALYSIS	18
3.4 RESEARCH QUALITY	20
3.5 RESEARCH ETHICS	21
4. RESULTS	22
4.1 FEAR OF FAILURE	22
4.1.1 <i>Fear of failure as an inhibiting effect</i>	22
4.1.2 <i>Fear of failure as a motivating effect</i>	24
4.2 COPING RESPONSES	29
4.2.1 <i>Problem-focused coping</i>	29
4.2.2 <i>Emotion-focused coping</i>	32
4.2.3 <i>Avoidance-focused coping</i>	34
5. DISCUSSION	37
5.1 THEORETICAL IMPLICATIONS	40
5.2 PRACTICAL IMPLICATIONS.....	42
5.3 LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH	43
6. CONCLUSION	44
REFERENCES	46
APPENDICES	52
APPENDIX I: OPERATIONALISATION	52
<i>Research concepts</i>	52
<i>A priori coding template</i>	54
APPENDIX II: INTERVIEW GUIDELINE.....	55
APPENDIX III: OVERVIEW RESPONDENTS DATA COLLECTION	59
APPENDIX IV: FINAL CODING TEMPLATE	60

1. Introduction

Starting a business initially comes with a desire and is accompanied by evaluating the risks and uncertainties involved (Ng & Jenkins, 2018). In January 2021, the Netherlands counted almost 2,1 million companies, which is 20.9% more than four years prior (Statistics Netherlands, 2021). However, this growing number of companies do not all become successful. Approximately twenty percent of new businesses fail within the first year, half by the fifth year, and solely thirty percent survive the decade (Carter, 2021). The growing number of companies shows the 'desire' entrepreneurs have, and the failure rates indicate the presence of risk and uncertainty (Arpiainen & Kurczewska, 2017; Herranz et al., 2015). Entrepreneurship is an emotional journey that positively relates to entrepreneurial passion, optimism, and vigour (Cacciotti & Hayton, 2015). On the other hand, this journey is also accompanied by negative emotions like grief, doubt, and fear of failure.

In entrepreneurship literature, fear of failure is most often perceived as an emotion inhibiting an individual from specifically starting a business (Cacciotti et al., 2020). Fear of failure occurs not only at this stage, but also active entrepreneurs experience it towards action when the business is up and running (Hunter et al., 2020). For active entrepreneurs, "...entrepreneurial action refers to behaviour in response to a judgmental decision under uncertainty about a possible opportunity for profit" (McMullen & Shepherd, 2006, p. 134). For example, this can be expanding or improving the business by creating a new product or modifying an existing production method (McKelvie et al., 2008). Entrepreneurial fear of failure is a temporary cognitive and emotional reaction to situations of threat to potential achievement (Hayton & Cacciotti, 2018). Acting as a feedback signal indicating business goals are under threat, fear of failure influences entrepreneurial action. Fear of failure is mainly viewed as an inhibiting phenomenon resulting in the avoidance of entrepreneurial action; however, recent studies showed some empirical evidence that fear of failure can also motivate entrepreneurs' actions (Cacciotti et al., 2015; Hunter et al., 2020). This manifests itself in taking an extra step or a challenge. The motivation research endorses this motivating perspective of fear of failure (Conroy & Elliot, 2004). Fear of failure energises achievement behaviour and can provide the drive to achieve in the face of challenge and adversity (Martin & Marsh, 2003). This perspective of motivation research is of relevance in explaining the link between fear of failure

and entrepreneurial action. Entrepreneurial action consists of two focal points: knowledge and motivation (McMullen & Shepherd, 2006). Knowledge addresses the amount of perceived uncertainty, and motivation relates to the willingness to bear uncertainty. For an entrepreneur to undertake entrepreneurial action, his or her motivation must outweigh the perceived uncertainty (Meijer et al., 2007). In short, fear of failure may both inhibit or motivate entrepreneurs towards entrepreneurial action.

Literature on fear of failure mentions that experiencing an emotion like fear of failure results in a coping response (Patzelt & Shepherd, 2009). Coping refers to the thoughts and behaviours used to manage situations that are experienced as stressful, as with fear of failure (Lazarus, 1999). Coping responses can develop resilience for entrepreneurs facing fear of failure, helping them generate action and are therefore of interest for the study (Engel et al., 2019). Within the literature on coping responses, mainly musicians and athletes have shown to use coping responses when experiencing the influence of fear of failure towards their actions (Poczwadowski & Conroy, 2002; Sagar, 2009).

1.1 Research objective and relevance

The available research on entrepreneurial fear of failure focuses on the emotions' inhibiting influence on the stage of starting a business, where our understanding beyond this stage is limited. Thus, the extent to how fear of failure influences entrepreneurial action and how entrepreneurs cope with this influence remains underexplored. Therefore, this is a gap for this research and aim to discover (Cacciotti et al., 2015; Engel et al., 2019; Hunter et al., 2020). This thesis focuses on entrepreneurial action, which occurs after an entrepreneur has started a business. If entrepreneurs do not take action due to fear of failure when they have the intention, potential fruitful products or processes are not realised, and the entrepreneurial performance can be harmed (Van Gelderen et al., 2015). It is generally acknowledged that entrepreneurs take daily action to meet their goals, which means that the inhibiting influence of fear of failure – as described when starting a business – is expected to be different on entrepreneurial action (Morris et al., 2012). For that reason, the following research question is explored:

“How do entrepreneurs cope with the influence of fear of failure on entrepreneurial action?”

Studying the research question is relevant from both an academic and a societal point of view. This empirical study responds to calls from the field of research on entrepreneurship to increase our limited understanding of the influence of fear of failure on entrepreneurial action and how entrepreneurs cope with this influence (Cacciotti et al., 2015; Engel et al., 2019; Hunter et al., 2020). Entrepreneurs take daily action, whereby the inhibiting influence of fear of failure on starting a business is expected to be different on entrepreneurial action (Morris et al., 2012). They are expected to take deliberate and considered action when experiencing fear of failure through coping responses instead of avoiding action (Hunter et al., 2020).

Regarding the societal relevance, the study should be particularly relevant for active entrepreneurs, students within the area of entrepreneurship, and potential entrepreneurs. Fear of failure harms the entrepreneurial performance when business opportunities are avoided instead of exploited, which decreases the likelihood of business growth (Engel et al., 2019). The knowledge and experiences of the entrepreneurs gathered within this thesis may lead to other entrepreneurs generating action instead of avoiding action, which may lead to business growth and performance (Cacciotti et al., 2015; Wyrwich et al., 2015). Also, students and potential entrepreneurs can be educated from these insights for their future actions.

This thesis contributes to the literature on entrepreneurial fear of failure and coping with entrepreneurial fear of failure in two ways. Firstly, the study sheds light on the phenomenon of fear of failure influencing entrepreneurial action, where the focus of the literature is on the influence on starting a business (Cacciotti et al., 2015). The existing knowledge on entrepreneurial fear of failure will be extended by understanding whether the influence of fear of failure on entrepreneurial action is equal to or different from the influence on starting a business. Secondly, the study contributes to the literature on coping strategies by providing insights into how entrepreneurs cope with the influence of fear of failure to generate action. This will be done by researching to what extent coping strategies used by entrepreneurs correspond to coping strategies found in the literature. This then offers practical implications by identifying coping strategies that build resilience in entrepreneurs who experience fear of failure towards taking entrepreneurial action. The coping strategies help entrepreneurs generate action and thereby improve the entrepreneurial performance (Engel et al., 2019).

2. Theoretical background

2.1 Entrepreneurial action and fear of failure

An entrepreneur can be defined as: “Someone who starts their own business, especially when this involves seeing a new opportunity” (Cambridge Dictionary, 2021). Entrepreneurial action is key in the entrepreneurial process, which is a pathway full of decisions an entrepreneur makes (Yagnik & Chandra, 2019). Entrepreneurs “...act on the possibility that one has identified an opportunity worth pursuing” (McMullen & Shepherd, 2006, p. 132). Entrepreneurial action occurs in the form of creating new products or processes, entering new markets, or modifying existing production methods (McKelvie et al., 2008). Entrepreneurial action is broadly concerned with acting under conditions of uncertainty to reach a preferred outcome over time (McMullen & Shepherd, 2006; Wood et al., 2021). In other words, entrepreneurs do not contain all pieces of the puzzle to act with certainty. Instead, entrepreneurs take deliberate and considered action despite the presence of uncertainty that cannot be completely absent (McKelvie et al., 2008; Hunter et al., 2020). Within this study, the assumption is made that entrepreneurs act thoughtfully instead of undertaking impulsive actions with little premeditation (Wood et al., 2021). The type of action taken depends on the level of uncertainty present (McKelvie et al., 2008). In fast-moving industries, which are more experimental and uncertain, actions on a smaller scale will be undertaken. In moderately uncertain industries, entrepreneurs are more willing to take action on a larger scale to maximise revenues. These actions under uncertainty come about iteratively in an interactive cycle between the entrepreneur(s), stakeholders, and the uncertain environment (Wood et al., 2021).

The role of uncertainty within entrepreneurial action knows two streams within the literature (McMullen & Shepherd, 2006). The first stream focuses on the extent of perceived uncertainty and often distinguishes entrepreneurial action and entrepreneurial inaction based on differences in knowledge. The degree of uncertainty an entrepreneur thus perceives is seen as a barrier to entrepreneurial action. The second stream refers to an entrepreneurs’ willingness to bear uncertainty and discusses the motivation of an entrepreneur in entrepreneurial action. McMullen & Shepherd (2006) explain that for an entrepreneur to act, it is essential to consider if the entrepreneur is motivated enough, considering the perceived

uncertainty that accompanies the action. This means the entrepreneur's motivation must outweigh the perceived uncertainty to pursue action (Meijer et al., 2007).

The motivation of an entrepreneur is commonly found in the literature of entrepreneurship and especially in the form of achievement motivation (e.g., Sagar et al., 2009; Jain & Ali, 2013; Cacciotti et al., 2015). The need for achievement is an approach motive that orientates an entrepreneur towards success (Elliot, 1999; Sagar et al., 2009). The opposed motivation here is the avoidance of failure, also known as the fear of failure. There is thus a difference in motivation between the need for achievement and fear of failure. "Approach motivation may be defined as the energisation of behaviour by, or the direction of behaviour toward, positive stimuli (objects, events, possibilities), whereas avoidance motivation may be defined as the energisation of behaviour by, or the direction of behaviour away from, negative stimuli (objects, events, possibilities)" (Elliot, 2006, p. 112). Approach motivation encompasses achieving and maintaining positive situations, and avoidance motivation encompasses preventing and escaping negative situations. Within the approach orientation, individuals are motivated by the need for growth and achievement to reach their goals (Brockner et al., 2004; Cacciotti et al., 2015). This motivation can make the potential that can be achieved seem greater, which in turn encourages people to take action. In contrast, within the avoidance orientation, people are motivated by needs for security and safety that lead them to fulfil their goals. This motivation may increase the potential loss to be avoided, which in turn encourages a preference for inaction over action over time.

An unavoidable assumption stated in the literature on achievement motivation is that the experience of fear of failure only turns into entrepreneurial action when this emotion is activated by obstacles that occur in the entrepreneurial process (Conroy & Elliot, 2004; Kollmann et al., 2007). Kollmann et al. (2017) researched three types of obstacles that activate an entrepreneur's fear of failure. These obstacles threaten the success and survival of a business and are characterised by a loss of valuable capabilities or resources. Understanding these obstacles and thus the situations where fear of failure comes from contributes to perceiving fear of failure as a situational and temporary phenomenon, as it is described in this thesis (Cacciotti & Hayton, 2015; Kollmann et al., 2017). This study will begin by researching how fear of failure influences entrepreneurial action. To understand the sequel, the reader

needs to realise where entrepreneurial fear of failure comes from. The three types of obstacles that activate an entrepreneurs' fear of failure are: resource-based obstacles, market-based obstacles, and social-capital-based obstacles (Kollmann et al., 2017).

The resource-based orientation assumes that a company's competitive advantage depends on "...valuable, rare, imperfectly imitable, and non-substitutable resources" (Kollman et al., 2017, p. 284). These tangible and intangible resources contribute to the eventual success of a company. Therefore, the threat of losing or the actual loss of these resources can be a critical threat to a company or an entrepreneur. The research of Kollmann et al. (2017) emphasises one of the most essential resources of a company to be its financial resources. Hence, a critical obstacle that activates an entrepreneur's fear of failure is losing necessary financial resources.

Alongside the resource-based orientation is the market-based orientation that claims a preferential market position to be central to a company's competitive advantage (Kollmann et al., 2017). This market position can be achieved via two different strategies: consumer orientation and competitor orientation. The consumer orientation refers to the creation of added value to customers to meet their needs. Competitor orientation refers to outperforming competitors. The consequence of both strategies is to achieve a preferred position in the market in which a company operates, which is reflected in high customer demand. On the opposite, the obstacles that cause a loss of customer demand and a decrease in sales are a threat to the entrepreneur. To examine market-related obstacles, the study of Kollmann et al. (2017) focused on one obstacle linked to the competitive situation and one obstacle linked to the customer situation. Both obstacles come with a loss of customer demand and should therefore be considered a threat to business goals activating fear of failure as a consequence.

In addition to financial resources and the position of a company in the market, entrepreneurs are closely involved in social environments (Kollmann et al., 2017; Stam et al., 2014). These social environments refer to the social-capital orientation. The social networks of an entrepreneur involve several individuals with whom an entrepreneur has contact, "...including business contacts (partners, customers, suppliers, co-founders, etc.) and private contacts (friends and family)" (Kollmann et al., 2017, p. 285). The social network of an entrepreneur

can make a significant contribution to a company's competitive advantage. This is particularly evident when an entrepreneur's business or personal network provides him or her with information, ideas, advice, emotional support, and reinforcement (Kollmann et al., 2017). The consequence of a supportive network is associated with the perseverance of entrepreneurial action for a company's growth and improved performance. As a result of this reasoning, the third critical obstacle that triggers fear of failure is losing an important tie for the entrepreneur. This could range from losing an employee, core supplier, or customer to losing friends. Thus, the activation of fear of failure due to one of three orientations of obstacles is central as a feedback signal on subsequent entrepreneurial action (Engel et al., 2019; Kollmann et al., 2017).

The starting point of this research is to study how fear of failure manifests in response to entrepreneurial action. Entrepreneurial fear of failure has been widely examined and is mainly seen as an impediment to starting a business and therefore a barrier to entrepreneurial action (e.g., Arenius & Minniti, 2005; Cacciotti et al., 2015; Morgan & Sisak, 2016; Ng & Jenkins, 2018). However, this influence is also contradicted as fear of failure can have a motivating effect on entrepreneurial action too (Hayton et al., 2013; Cacciotti et al., 2015). Entrepreneurs have taken the step of starting a business and must deal with the risks, uncertainty, and emotions involved in running a business (Arpiainen & Kurczewska, 2017). Therefore, where individuals avoid starting a business due to fear of failure, it is expected that entrepreneurs continue undertaking entrepreneurial action when being influenced by fear of failure. The definition given to fear of failure describes the phenomenon as a temporary state rather than an entrepreneur's trait (Nefzi, 2018). The motivation literature describes that entrepreneurs tend to avoid or approach entrepreneurial action when influenced by fear of failure. This study expresses these as *inhibiting* and *motivating* influences on entrepreneurial action. The inhibiting influence of fear of failure might manifest entrepreneurs to "...avoid a situation they have not yet entered, withdraw from a situation that they are already engaged with, reduce their efforts, or redirect these efforts to easier objectives" (Cacciotti et al., 2015, p. 318). The motivating influence might be shaped like "...initial engagement, the application of renewed energy to a task, the maintenance of effort in a given direction, and the selection of a task of a particular level of challenge" (Cacciotti et al., 2015, p. 318). Hence, fear of failure is most often seen as a temporary cognitive and emotional reaction that has an inhibiting effect on

starting a business. There is still a gap in the literature regarding the influence on entrepreneurial action when the business is up and running. Both the inhibiting or motivating effect on entrepreneurial action can, as in the process of starting a business, influence entrepreneurial action and are therefore both included in the study (Cacciotti et al., 2015; Engel et al., 2019; Hunter et al., 2020).

Mitchell & Shepherd (2011) explained three types of fear of failure that can apply to an entrepreneur: the fear of devaluing one's self-estimate, the fear of upsetting important others, and the fear of having an uncertain future. The first type, the fear of devaluing one's self-estimate, refers to an individual's vulnerabilities. These vulnerabilities link to "... fears associated with personal diminishment, fear stemming from a lack of ability and fears arising from a lack of control" (Mitchell & Shepherd, 2011, p. 199). In other words, this type of fear reflects an individual's fear of not possessing the necessary capabilities to accomplish the desired business goals. The second type, the fear of upsetting important others, indicates the vulnerability to the perception of the beliefs of important others to the entrepreneur (Mitchell & Shepherd, 2011). The beliefs and involvement of important others are essential in entrepreneurial action. Therefore, this type of fear addresses the absence of input from significant others necessary to continue entrepreneurial action. The third and final type is the fear of having an uncertain future. As already mentioned, entrepreneurship has uncertainties that cannot guarantee an entrepreneur's future. In other words, this type refers to the fear of failure that is associated with entrepreneurs conducting entrepreneurial action under conditions of uncertainty (Mitchell & Shepherd, 2011). In this regard, entrepreneurs are faced with situations that are new to them and involve a great deal of uncertainty.

2.2 Coping with fear of failure

Whereas research on the role of fear of failure in entrepreneurship has long focused on the inhibiting and motivating effect on an entrepreneur, Engel et al. (2019) shifted their perspective by looking at how entrepreneurs can cope with the influence of fear of failure (Hunter et al., 2020). The authors claim that entrepreneurial fear of failure affects the process of entrepreneurial action and harms an entrepreneur's well-being (stress, anxiety, panic, depression, and frustration) (Cacciotti et al., 2016; Engel et al., 2019; Folkman & Moskowitz, 2004). For that reason, it is essential to understand how they can effectively cope with the

influence of fear of failure on entrepreneurial action. Coping responses can help entrepreneurs build resilience in generating action instead of, for example, avoiding action. An important note is that a motivating effect does not mean the absence of fear. Fear of failure remains a feedback signal indicating business goals are under threat. Coping responses may also help entrepreneurs in generating action in this instance. When entrepreneurial action is inhibited by the negative consequence that fear of failure brings, it is a crucial step to down-regulate the effect of this negative feeling by finding out strategies and mechanisms on how entrepreneurs deal with action under the influence of fear of failure (Gross, 2015; Engel et al., 2019). Within the literature on emotion regulation, downregulating a negative emotion leads to a decreased level of the experience of this emotion. Therefore, Engel et al. (2019) researched whether self-compassion can help entrepreneurs reduce the negative influence of fear of failure towards entrepreneurial action. The authors hypothesised that the level of fear that one interprets depends on the level of self-compassion someone has. More specifically, they theorised that self-compassion mitigates the intensity of the influence fear of failure has on the cognitive evaluation of the threat. The results suggest that self-compassion can be generated by Loving-Kindness Meditation, a form of meditation, which can help entrepreneurs retain the information for which fear of failure is a feedback signal while reducing the negative influence it brings (Engel et al., 2019). These findings help entrepreneurs to build resilience and cope more effectively with entrepreneurial fear of failure. This research was conducted with hypothetical scenarios where fear of failure could be experienced. Therefore the authors recommend future research in an empirical setting where fear of failure influences entrepreneurial action in practice. Generating self-compassion is one example of a coping strategy that can help entrepreneurs cope with the influence of fear of failure on entrepreneurial action. Shifting the emphasis to how entrepreneurs cope with the influence of fear of failure is uncommon within entrepreneurship literature, and the research of Engel et al. (2019) is the only example found by the researcher (Hunter et al., 2020).

Within psychology literature on fear of failure, *coping* is, on the other hand, a common term (e.g., Carver et al., 1989; Poczwardowski & Conroy, 2002; Baker & Berenbaum, 2007; Sagar et al., 2009; Sagar et al., 2010;). As Lazarus (1999) defines: "Coping is a dynamic process that involves a person constantly changing cognitive and behavioural efforts to manage (i.e.,

reduce, tolerate, master) internal and external demands that are appraised as stressful". The possibility of harm, loss, or threat to one's goals and well-being may result in negative emotions such as fear, shame, and anxiety; three common emotions within the literature of fear of failure (Cacciotti et al., 2015; Kollmann et al., 2017). The experience of negative emotions, such as fear of failure, thus result in a coping response (Patzelt & Shepherd, 2009; Shepherd & Patzelt, 2015). As indicated, a coping response can help an entrepreneur build resilience towards taking entrepreneurial action. Types of coping responses that most come forward within the literature are problem-focused coping, emotion-focused coping, and avoidance-focused coping (Baker & Berenbaum, 2007; Parker & Wood, 2008; Poczwardowski & Conroy, 2002; Sagar et al., 2009; Singh et al., 2007).

Problem-focused coping strategies refer to task-focused strategies with the intention to reduce an individual's distress by attempting to change or manage the source of distress (Sagar et al., 2009). Particular strategies involved in problem-focused coping are planning, gathering information, resolving conflicts, acquiring resources, and making decisions. Problem-focused coping helps an individual to control a distressing situation which positively affects the individual's well-being. Within the research of Baker & Berenbaum (2007), problem-focused coping was preferred by individuals who experienced achievement stressors. An example of an achievement stressor is fear of failure.

Emotion-focused coping aims to manage the emotional distress that is caused by the situation at hand and includes strategies as denial, focusing on and expressing emotions, the positive reinterpretation of events, lowering goals, and seeking out social support (Baker & Berenbaum, 2007; Lazarus & Folkman, 1984). Emotion-focused coping can thus broadly range from strategies like denying the distress to seeking social support for it. Furthermore, when an individual perceives that nothing can be done to modify the source of distress, which is possible with problem-focused coping, emotion-focused coping strategies are often utilised (Sagar et al., 2009).

Avoidance-focused coping strategies aim to reduce distressing emotions by avoiding a fear-inducing situation. Thereby, additional tension is reduced through cognitive and behavioural disengagement strategies (Parker & Wood, 2008). In practice, this manifests itself in sleeping,

daydreaming, and seeking distraction. This avoiding strategy has proven to reduce distressing emotions, such as fear of failure, in the short term (Sagar et al., 2009). However, it is an ineffective strategy for managing long-term threats and is associated with negative emotional and motivational outcomes. Problem-focused coping and emotion-focused coping are both action-oriented approaches (Baker & Berenbaum, 2007). Avoidance-focused coping is, as the term suggests, an avoidance-oriented approach (Parker & Wood, 2008).

2.3 Conceptual model

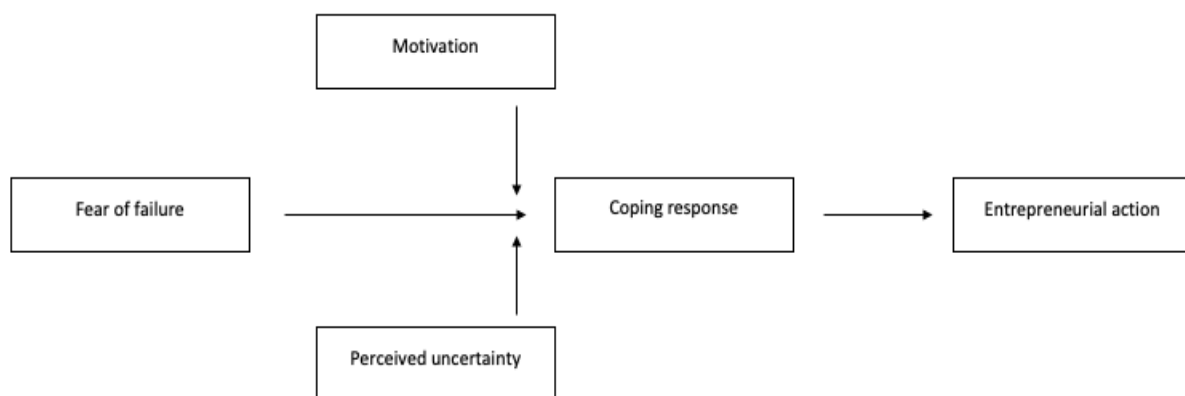


Figure 1: Conceptual model

The conceptual model shows that this study starts by researching how fear of failure manifests towards entrepreneurial action. Fear of failure has been studied as an inhibiting or motivating emotion focused on starting a business. In this study, the influence of fear of failure on entrepreneurial action will be researched (Cacciotti et al., 2015). Generating action when experiencing fear of failure comes with a coping response (Engel et al., 2019). From the literature, three types of coping responses will be taken: problem-focused coping, emotion-focused coping, and avoidance-focused coping (e.g., Baker & Berenbaum, 2007; Sagar et al., 2009). Coping develops resilience for entrepreneurs facing fear of failure and can help entrepreneurs generate action (Engel et al., 2019). Thus, the study includes how entrepreneurs cope with the influence of fear of failure on entrepreneurial action. Lastly, the motivation of an entrepreneur can impact his or her response. An entrepreneur's motivation must outweigh the perceived uncertainty in order for an entrepreneur to act (Meijer et al., 2007).

3. Methodology

3.1 Research method

This study aims to explore how fear of failure influences entrepreneurial action and how entrepreneurs cope with this influence to generate action. Therefore, the aim is to enrich current literature on entrepreneurial fear of failure by studying it in the context of entrepreneurial action instead of when starting a business. The conceptual model shows which concepts are involved in the research to achieve this aim. Studying the research question includes diving into psychologically driven complex concepts that are subjective from an entrepreneur's perspective; one entrepreneur may experience the influence of fear of failure differently than the other (Charmaz, 2006). Entrepreneurs are thus the subject of research, and insights from their point of view on the social phenomenon have provided the answer to the research question. The research question was answered using qualitative research. Qualitative research intends to collect and interpret a deep understanding from the field to make statements about a phenomenon in reality (Azungah, 2018; Barnham, 2015). Qualitative research gives respondents the necessary space – via in-depth interviews – to give the researcher a certain depth of understanding of his or her experiences, perspectives, and feelings in detail (Bleijenbergh, 2015). Therefore, the researcher was required to study entrepreneurs in-depth to find out their experiences, perspectives, and feelings with the concepts of the study, to be able to answer the research question and draw conclusions (Creswell, 2005, as cited in Soiferman, 2010). This depth of understanding cannot be obtained with a closed questionnaire as is usual in quantitative research. In this qualitative research, the researcher could ask follow-up questions to answers given by entrepreneurs to have a more valuable and detailed conversation about the topic. On top of that, quantitative research is usually relevant for obtaining numerical data, but the researcher was much more interested in the why and, therefore, the research is qualitatively oriented (Barnham, 2015). It was studied what influence fear of failure has and why and which coping responses are used and why. This 'why' question can explicitly be answered with qualitative research. Lastly, this study looked in-depth into a select group of entrepreneurs, which is typical in qualitative research (Lanka et al., 2021). Researching a small group of respondents gave the researcher the opportunity and space to broadly identify entrepreneurs' experiences, perspectives, and feelings, as needed in this study.

3.2 Data collection

This study is based on the experiences of entrepreneurs, collected from semi-structured in-depth interviews. In-depth interviews allow the researcher to describe and explain the beliefs, attitudes, perspectives, and practices that entrepreneurs experience and witness towards entrepreneurial action (Bleijenbergh, 2015; Brounéus, 2011). With these features, in-depth interviewing contributed to finding out the experiences, perspectives, and feelings of entrepreneurs, which was required for answering the research question. Eight interviews have been conducted, which is sufficient for conducting a reliable study, according to Dworkin (2012) and Galvin (2015). Also, the researcher noticed similarities in the answers given by the respondents in the last two interviews. Repetition or similarity of given answers shows data saturation and indicates that collecting more data is unnecessary (Saunders et al., 2017). Gathering additional data would no longer reveal valuable new insights into the core concepts of the study (Charmaz, 2006). Thus, the eight interviews have provided detailed information, which is sufficient for answering the research question.

The interview questions were open-ended in nature, which allowed respondents to formulate answers in their own words (Bleijenbergh, 2015). The interviews were set up semi-structured to ensure that all respondents from the study received the same questions to gain reliability of the research and conclusions to take. The disadvantage of a semi-structured interview is that participants can go into less detail, which can negatively affect the validity of this study. The interviews were planned generously in terms of time to gather as much knowledge and details as possible. This ensured that the respondents could go into detail about their experiences and perspectives and share multiple experiences. A relatively limited number of eleven questions were established, so the respondents had the time and space to go into detail about each question. After conducting the interviews, they were transcribed verbatim. Verbatim transcription contributes to capturing 'how something is said'. This is possible by including repetitions, stuttering, interrupting words, and colloquial language. Verbatim transcription is perceived as relevant in research on individuals' experiences and behaviour to include all details; as of relevance for this research (Bleijenbergh, 2015; Rowley, 2012). The operationalisation of the concepts from the study is provided in appendix I and an interview guideline in appendix II.

The respondents were found using the network of the researcher and the network of one of the respondents. The researcher used a non-probability sampling technique, purposive sampling, where respondents were approached that were judged to be of interest to the study (Saunders & Townsend, 2018). This judgement was based on the respondents' level of experience in entrepreneurship. Namely, to gain that deep understanding and insight into entrepreneurial fear of failure, entrepreneurs with a minimum of three years' experience were interviewed. They were expected to have coped more often with the influence of fear of failure on entrepreneurial action than less experienced entrepreneurs and were therefore of a higher added value for the research. The researcher approached six male entrepreneurs from his network and subsequently used a respondents' network for the final two interviews with female entrepreneurs, respectively known as purposive and snowball sampling (Robinson, 2013). Entrepreneurs from different sectors and both men and women were interviewed to get the broadest possible understanding of the phenomenon from the perspective of entrepreneurs (Saunders & Townsend, 2018; Symon & Cassell, 2012). This heterogeneous sample offers the greatest possible variation in the data, which, according to Patton (2002), is considered to be a strength within a study. The risk of selection bias decreased in this study as a heterogeneous sample of entrepreneurs was studied (Collier & Mahoney, 1996). Entrepreneurs are studied in general; for example, the industry or gender has not been included. An overview of the respondents is provided in appendix III.

3.3 Research approach and analysis

Qualitative research has a very explorative nature (Soiferman, 2010). This research gained new knowledge about the phenomenon of entrepreneurial fear of failure towards entrepreneurial action without having formulated hypotheses based on theoretical expectations. Therefore, this research has an inductive approach. What occurs in the empirical reality has guided the answering of the research question. The interviews with entrepreneurs provided insight into the social phenomenon in the context of entrepreneurial action, which has contributed to broadening current literature (George & Bennett, 2005). This inductive approach did not mean that existing theory was discarded. Within this study, the theoretical background was used to guide the researcher in analysing the collected data. This allowed the data to be analysed and the social phenomenon to be better understood. Existing literature is available on the two core concepts of the study: fear of failure and coping responses. The

literature on these two concepts has been used to make both concepts measurable for the interviews and analysis. Both concepts are distinguished through a priori dimensions. Fear of failure can be distinguished into an inhibiting effect and a motivating effect. Coping responses can be distinguished in the dimensions: problem-focused, emotion-focused, and avoidance-focused coping. It is common practice to record these a priori dimensions per core concept in a coding template (Brooks & King, 2014), as shown in appendix I. This coding template shows the core concepts, the various a priori dimensions into which they can be broken down, and the various a priori indicators by which these dimensions can be observed. The indicators by which the dimensions can be observed are also identified based on the theoretical background. This a priori coding template (appendix I) was used to analyse the collected data and initially deductively coding the transcripts, as will be described hereafter.

The analysis of the collected data is of importance to make sense of the transcripts and for the researcher to formulate an answer to the research question. The analysis has been conducted based on the steps proposed by Brooks & King (2014) and are highly suited for analysing interview transcripts. These steps are relevant for an analysis that uses primarily deductive coding based on existing literature and leaves room for emerging indicators or dimensions through inductive coding. In addition, these steps provide flexibility and structure, which is relevant for this exploratory research (Symon & Cassell, 2012).

The first step of the analysis was reading the interview transcripts to gain familiarisation with the data. The second step was preliminary coding the data by highlighting all text fragments that the researcher perceived as relevant for the concepts of the research. Thirdly, a priori dimensions and indicators, as graphically shown in a coding template (appendix I), were applied to the data. This step is known as deductively coding the transcripts. The transcripts were coded by going through the data set and assigning the a priori indicators to the corresponding highlighted text fragments. These indicators then identified the dimension that suited the text fragment, as shown in the coding template. The text fragments were then marked with a colour to link them to a dimension. These same colours were assigned to the dimensions in the coding template. After deductively coding the transcripts, a flexible approach was needed to make sense of the text fragments that did not fit the a priori coding template. Thus, as a fourth step, modifying the a priori coding template was necessary to

understand the full transcripts. One new indicator emerged within this step of inductive coding, namely 'postponing', and observed the avoidance-focused coping dimension. This indicator was subsequently added to the final coding template, as shown in appendix IV. This final coding template contains the emerged indicator and does not include the a priori indicators that were not found in the data. A combination of deductive and inductive coding provided structure and flexibility for the analysis and helped to make sense of the entire interview transcripts. As a final step of the analysis, the researcher checked the full transcripts to ensure no data that could be of importance for the research was overlooked. The eight coded transcripts were subsequently compared with each other to proceed to report the study's findings.

3.4 Research quality

The quality of research can be assessed according to three criteria: internal validity, generalisability, and reliability (Collingridge & Gantt, 2008). Internal validity means that a researcher measures what he intends to measure. To improve internal validity, the interview guideline was checked by the thesis supervisor, a feedback circle, and potential respondents to ensure the questions were understood as intended. Within the interviews, all respondents were able to answer the interview questions in detail in the context of the study. Internal validity was also improved via the open questions and pre-structuring of the interviews. This gave respondents the space to give their answers and to describe their experiences without being inhibited or directed in giving a certain answer. The interview questions were set based on the literature, and therefore the researcher generally measured what he intended to measure towards answering the research question, which also increased the internal validity. After the interviews were conducted, the transcripts were shared with the respondents. The internal validity increased as all transcripts were evaluated as correctly articulated and captured.

Qualitative research often looks at the analytical generalisability instead of the generalisability from sample to population (statistical generalisability) (Gheondea-Eladi, 2014; Polit & Beck, 2010). The sample of eight interviews did not provide generalisable results for the whole population of entrepreneurs; thus, analytic generalisability looked at the broader applicability of the phenomenon being studied. The particular experiences and knowledge of the

entrepreneurs gained in this study were collected to generalise to a broader comprehension of entrepreneurial fear of failure by focusing on entrepreneurial action. This study has been able to enrich the literature on fear of failure by focusing on entrepreneurial action, which enhances the generalisability of the study (Yin, 2010). Hence, this study applied the literature on entrepreneurial fear of failure and coping responses in the context of entrepreneurial action to answer the research question and thereby provide a level of analytic generalisability.

To increase the reliability of the study, the steps taken during data collection and analysis have been neatly and correctly described as they were performed (Bleijenbergh, 2015; Collingridge & Gantt, 2008). Furthermore, these steps have been reviewed by the thesis supervisor and feedback circle throughout the thesis trajectory, which is known as peer debriefing (Janesick, 2015). Peer debriefing helped the researcher with uncovering assumptions and taken-for-granted biases. Subsequently, the interviews were semi-structured; thus, the same interview questions were used at all interviews to ensure more reliable results (Leung, 2015). Lastly, the interviews were recorded and transcribed verbatim to avoid errors.

3.5 Research ethics

Research ethics have been taken into account throughout the research. Respondents were approached to participate in the study without obligation and anonymously if desired. They were also informed that any personal data shared will only be visible to the researcher and supervisors. In all cases, the researcher kept the obtained (personal) data safe and confidential, which is essential because the research delved into possible sensitive issues for entrepreneurs.

Before the interviews, the participants were asked if they consent to be recorded for transcription purposes. In the interview invitation and when desired at the start of the interviews, the researcher explained the study transparently. The researcher also estimated and communicated the expected interview duration in advance to avoid daily interruptions during the interview. Finally, it was essential to ensure the safety of the participants and researcher in the COVID-19 pandemic; thus, when safety could not be guaranteed by the possibility to keep distance during the interview, an online setting was proposed.

4. Results

This chapter addresses the findings obtained. Firstly, the influence of fear of failure on entrepreneurial action is considered, and then how entrepreneurs cope with this influence.

4.1 Fear of failure

This subsection will describe the results from the interviews addressing the influence of fear of failure on entrepreneurial action when the business is up and running. Fear of failure was experienced differently by entrepreneurs, as both an inhibiting and a motivating effect on entrepreneurial action emerged.

4.1.1 Fear of failure as an inhibiting effect

Entrepreneurs were asked what influence fear of failure has on entrepreneurial action and how this influence manifests in practice. As described in the theoretical background, the indicators that show how an inhibiting effect manifests are avoiding a situation not yet entered, reducing commitment, redirecting efforts into easier objectives, or withdrawing from a situation already engaged with. Three out of eight respondents indicated that fear of failure could situationally have an inhibiting effect on them. This inhibiting effect mainly occurred when entrepreneurs feared the potential financial impact of entrepreneurial action, threatening the continuity of the business and employees' jobs. An inhibiting effect of fear of failure resulted rather in inaction than action in the data, so a reduction or discontinuation of entrepreneurial action. Respondent 8 stated: *"... there is of course also a part with just children. Yes, income is necessary, and they are in a different situation than I am. I am more cautious then, not for myself, but for the people here, I am sometimes prepared to go less for the extreme"*. The inhibiting effect manifested here as the entrepreneur redirecting efforts into easier objectives, where the risks and uncertainties may have fewer extreme consequences. This entrepreneur considered the financial consequences for the company and its employees within entrepreneurial action. After all, there are bills and wages to be paid. The fear of not being able to provide these payments caused more caution, and fear of failure was therefore experienced as inhibiting towards entrepreneurial action. Respondent 1 complemented: *"If I have half an hour a day and I have to choose: what am I going to give that time to? Then I prefer my business, which is successful, where that certainty lies"*. This

respondent was building a start-up alongside his successful primary business. He indicated that fear of failure ensures him to move more towards financial certainty within this primary business and away from the uncertainty he perceives that the start-up brings. He must deal with bills and pay employees so that they can cover their own bills and must therefore focus on his primary business. According to this entrepreneur, fear of failure has an inhibiting effect on his entrepreneurial action from the start-up's perspective alongside his primary business, which manifests itself in reducing commitment. The analysis shows that fear of failure has an inhibiting effect on entrepreneurial action for both entrepreneurs due to their financial obligations. In particular, they take into account the financial obligations that they have towards their employees.

A third respondent also mentioned experiencing fear of failure as inhibiting towards entrepreneurial action. Respondent 6 indicated: *"Fear of failure may cause me not to take on a particular case because I think it is 'too big' or 'too complicated', the risk of failure is too high. So, what will they think of me then, and you can also pull that office-wide? This could also be very damaging"*. The risk of failure means that the possible consequences of failure are too high for the entrepreneur and the company to bear. The financial risk of entrepreneurial action was also emphasised as a potential consequence within this situation, which manifested in avoiding a situation not yet entered. In addition, this entrepreneur mentioned that she considered her image and the image of her firm when experiencing fear of failure. The fear of damage to her image, in addition to possible financial consequences, had a clear inhibiting effect on entrepreneurial action, which was expressed by avoiding a situation not yet entered. The preference for inaction over action was thus a result of the inhibiting influence of fear of failure.

One of these entrepreneurs noted that if this inhibiting effect were to be prolonged, it could have a negative impact on him. An example of such a negative impact is losing motivation, according to respondent 1. This respondent indicated that he was consciously looking for motivators to get out of the inhibiting effect of fear of failure. For him, these motivators are found in progression during the initial phase of seizing an opportunity. For this respondent, an inhibiting effect of fear of failure needs not to be a continuous inhibiting effect; then, the consequence would be the withdrawal from a situation already engaged with. This then

indicates the cessation of entrepreneurial action due to a long-term inhibiting effect. Instead, this inhibiting effect can be interrupted as progress is made: *“Call it rescuing to get out of that inhibiting effect so to speak ... that is in progression, so that you see that it is progressing”* (Respondent 1). The influence of fear of failure thus needs not to be a static concept. For this respondent, an inhibiting effect can be interrupted as progress is made. This shows fear of failure as a more dynamic and situational emotion, with a difference in influence due to the degree of progression. This interruption of the inhibiting effect ensures that fear of failure does not manifest itself as the withdrawal from a situation already engaged with.

The three entrepreneurs who emerged in this subsection indicated that they experience an inhibiting effect of fear of failure on entrepreneurial action when the potential impact of the risk of failure is too high to bear financially. These three entrepreneurs indicated that they consider the financial obligations they have, especially towards employees, and that fear of failure thereby has an inhibiting effect on their entrepreneurial action. It also emerged that possible damage to the image of an entrepreneur or company could be a reason that fear of failure is experienced as inhibiting towards entrepreneurial action. It was complemented that an entrepreneur could interrupt the inhibiting effect when motivators within progression were found, making this inhibiting effect not a static concept.

4.1.2 Fear of failure as a motivating effect

The motivating effect of fear of failure emerged much more often during the data collection than the inhibiting effect. Respondent 5 even implied: *“I sometimes need fear to stay motivated”*. This respondent complemented: *“Fear provides motivation and certainly does not make you crawl into your shell. It is more like, okay, let us do something about it. There is always a moment of 'how am I going to solve this', but somehow you always do. So yes, fear is more likely to motivate”*. All eight respondents mentioned the motivating influence of fear of failure on entrepreneurial action.

At the beginning of the interviews, the entrepreneurs were asked about their motivation and drive in entrepreneurship. Responses of entrepreneurs were: *“That urge to prove, yes I do recognise that”* (Respondent 6), *“...that I get that motivation just to show that I do know and show that we can do it”* (Respondent 1), *“So for me, it is important if they look up to me in*

some way" (Respondent 2), and *"But go and break down that motivation. Then you come to honour, visibility, being seen, and being heard, for example. And if you break that down, then of course there is fear ... yes, that fear may be the cause somewhere, but as a result, I am so motivated"* (Respondent 4). Respondents mentioned the drive for proving themselves, reaching goals, optimism, and aim for a good reputation. These factors can be bundled into the need for achievement that an entrepreneur has. The data shows that this need for achievement is a reason for all entrepreneurs to be motivated by fear of failure towards entrepreneurial action. Thus, respondents experience fear of failure as motivating as they have a high need for achievement. The need for achievement ensures the persistence of behaviour towards entrepreneurial action as entrepreneurs want to achieve their goals and ambitions.

Entrepreneurs were asked about the influence of fear of failure on entrepreneurial action and how this effect manifests itself in practice. The indicators that show how a motivating effect of fear of failure manifests are initial engagement, applying renewed energy to a task, sustaining effort in a direction, and selecting a task with a certain level of challenge. All entrepreneurs indicated that fear of failure could have a motivating effect on entrepreneurial action. This was expressed mainly by continuing the initial engagement or applying renewed energy to a task. The data hereby showed the persistence of approach behaviour and an increased or renewed level of energy towards entrepreneurial action due to the motivating influence of fear of failure. In a few situations, the motivating effect manifested by sustaining effort in a direction or choosing a task with a certain level of challenge. The four indicators are derived from the theoretical background and show how a motivating effect of fear of failure manifested in the interviews.

Several respondents indicated that they experienced fear of failure as motivating towards entrepreneurial action, which was expressed in the continuation of their initial engagement. They indicated that they were pursuing a goal and that the experience of fear of failure motivated them to pursue this goal further, however, with altering the route towards it. Fear of failure was activated, among others, because of the feedback from the environment (customers, colleagues, and business partners). This feedback caused the route to the established goal to change. This was shown, for example, by the following: *"You determine a*

route and set a goal; that goal often comes true, and the journey towards it is often completely different ... I very quickly see an opportunity to bend and turn that, and then we go on" (respondent 3) and *"It motivates ... you keep your goal in mind, only adjust your route"* (Respondent 2). Thus, these respondents indicated that fear of failure was experienced as motivating, making them alter the route to their goal but maintaining their initial engagement. Thus, the motivating effect does not mean that entrepreneurs do not take their surroundings into account. Instead, fear of failure stimulated them in achieving goals after making the necessary adjustments to a product or process, albeit with the same level of commitment with which they started the action in the first place.

Subsequently, a motivating effect of fear of failure manifested itself for several entrepreneurs in the form of applying renewed energy to a task. In the data, there were instances where entrepreneurs had to regain their energy but also gained extra energy through the motivating influence of fear of failure. The application of renewed energy relates to both these forms of manifestation. Respondent 2 emphasised the motivating effect and stated: *"Yes, then just work day and night ... we are going to do even more because this is going to succeed and the commitment is going up"*. This respondent would do everything possible to make a success of the action and was motivated by fear of failure to realise that. Therefore, fear of failure can ensure that an entrepreneur gathers extra energy to make a success of the entrepreneurial action. This effect arose from this respondent's need for achievement. Fear of failure further motivated him in achieving set goals and ambitions. Furthermore, respondent 7 indicated that fear of failure motivates her towards entrepreneurial action; however, after a moment of freeze. She explained: *"Yes, initially it is a freeze ... and then a matter of capitulating: okay, where are we? What is happening? What can we do about it? And then onwards, picking up and onwards"*. In this situation, the entrepreneur described she experienced the motivating effect after putting the situation into perspective. Then she continued the process of entrepreneurial action with renewed energy. Thus, fear of failure has a motivating effect, but after some time. Both entrepreneurs experienced fear of failure as a motivating emotion on entrepreneurial action. This ensured they continued the action with renewed or extra energy. Fear of failure can thus ensure an entrepreneur to renew energy, but it can also lead to extra energy towards entrepreneurial action.

Respondent 1 explicitly stated that he noticed a motivating effect of fear of failure within his field of expertise while it often inhibited him when acting outside his own sector. He mentioned addressing his own sector: *“This is my company; I really know what I am doing here and ... then I want to show even more that this will work”*. Fear of failure thus situationally has a motivating effect on this entrepreneur, namely within his sector. He explained this by the difference in the knowledge he has in these situations. He has a great deal of knowledge of his own industry, which is why he experiences fear of failure as motivating. This same respondent also indicated, as did respondent 3, that the motivating effect of fear of failure enhanced when progress was made in entrepreneurial action. This also emphasises that the effect of fear of failure is not a static concept. Hence, progression in entrepreneurial action enhances the motivating effect of fear of failure on entrepreneurial action. Respondent 1 subsequently mentioned that the motivating effect of fear of failure – within his comfort zone – manifested that he sustained effort in a direction. Following this, more entrepreneurs indicated that the motivating effect of fear of failure on entrepreneurial action was reflected in the continuation of their proposed course of action. They indicated the following: *“Just try it, throw it overboard, good luck, we are going to do it like this”* (respondent 2), *“It is just a matter of biting the bullet”* (respondent 7), and *“It also motivates you to carry on, by thinking you all just figure it out, we are going to do it like this”* (respondent 8). Here, fear of failure has a motivating effect on entrepreneurial action, which manifests in sustaining effort in a direction. The noticeable difference with initial engagement is that entrepreneurs are less guided by feedback from their environment and rely more on their own knowledge and expertise. They do not adjust the route to their goals in this situation but continue along the proposed path. The analysis thus shows here that the level of knowledge also plays a role in the motivating effect of fear of failure on entrepreneurial action.

One respondent indicated that she particularly experienced a motivating effect of fear of failure when she was approached for a case that only the big offices can generally handle. She mentioned the following: *“If they call you and they have called all of Nijmegen, and nobody dares to do it. And you say yes. ... I am dealing with a case like that, normally only the very big firms do it, and then I do it, maybe I should not have done it, but well ... in some cases that can also motivate you”*. (Respondent 6). Fear of failure was activated due to the proportion and complexity of this case. This entrepreneur felt the urge to prove herself against competitors,

which made her experience fear of failure as a motivating emotion towards entrepreneurial action. This motivating effect of fear of failure namely is precisely why this entrepreneur took on this complex case. Therefore, fear of failure as a motivating emotion can ensure that an entrepreneur chooses a task with a certain level of challenge. Although fear is activated due to being approached for a challenging case, the motivating effect of fear of failure ensured taking on this challenge. The entrepreneur explains this by the need for proving herself against competitors that she experiences in entrepreneurship. Hence, fear of failure has a motivating effect on entrepreneurial action through her need for achievement.

The paragraphs above positively illustrate the motivating effect of fear of failure on entrepreneurial action. However, three respondents who also experience fear of failure as a motivating emotion indicated an opposing side of this influence on their entrepreneurial actions. They indicated that the motivating effect could also be a pitfall for them. *"The consequence of motivation is, of course, that you dig in deeper because of it"* (Respondent 8). An example that this respondent mentioned was the fear of running out of money in a business. A logical consequence, which he described hypothetically, was that an entrepreneur starts putting money into the business privately. He continued by claiming: *"What you see is entrepreneurs putting private money into the business to keep going. What happens is that more and more money is going into the business, so the fear of failure increases as a result, and the problem is getting worse"* (Respondent 8). Respondent 3 complemented that if a situation arose that looked like it was going to fail: *"I would be the last one to say we are going to quit"*. He described his opportunism and motivation as a pitfall in this context. A consequence he imagined could happen when experiencing fear of failure as motivating was a higher financial loss for himself and those around him. This shows that a motivating effect of fear of failure could also have negative consequences for an entrepreneur, which could increase fear of failure in the long run.

In conclusion, the findings show that fear of failure mostly has a motivating effect on entrepreneurial action, whereby sometimes an inhibiting effect occurred. The inhibiting effect was mostly experienced when the financial risk of failure was too high to bear, and financial obligations towards employees or the company's continuity were put at risk. In contrast, all entrepreneurs agreed on the especially motivating effect of fear of failure on entrepreneurial

action. In the various situations described, fear of failure motivated them to approach entrepreneurial action to achieve their goals and ambitions. Thus, according to the respondents, the motivating effect mainly came from their need for achievement. However, in addition to the need for achievement, the level of knowledge also played a role in experiencing fear of failure as motivating towards entrepreneurial action. Thereby, a person's degree of knowledge contributes to the experience of fear of failure as motivating. Subsequently, the motivating effect was manifested mainly in the interviews as continuing the initial engagement or applying renewed or extra energy towards the action. In sum, the motivating effect of fear of failure on entrepreneurial action was given the highest consideration during the interviews with the entrepreneurs.

4.2 Coping responses

The researcher found that all respondents utilised coping strategies to deal with the influence of fear of failure on entrepreneurial action. When fear of failure had a motivating or inhibiting effect on entrepreneurial action, entrepreneurs used coping strategies. A motivating effect of fear of failure did not mean the absence of fear of failure. Fear of failure remains a feedback signal indicating business goals are under threat, and the coping strategies entrepreneurs used helped them manage that experience of fear towards entrepreneurial action. What initially stood out during the data analysis was that entrepreneurs used several coping strategies simultaneously or in sequence rather than just one strategy. The three coping strategies, and more concrete coping strategies utilised within these three main strategies, will be discussed in sequence.

4.2.1 Problem-focused coping

All eight entrepreneurs made use of problem-focused coping strategies, which are task-oriented. These strategies help an entrepreneur to manage and control a distressing situation. To cope with the influence of fear of failure and continue entrepreneurial action, entrepreneurs mainly gathered information, acquired resources, and made decisions. The a priori indicators planning and resolving conflicts were mentioned to a limited extent.

Gathering information was mainly described as further researching and validating the opportunities for entrepreneurial action and learning more about the action at hand. Respondent 2 mentioned: *"...indeed research, gather information, but also adjust the concept as a result of the feedback"*. This directly indicates that, following the gathering of information, decision making is utilised as a strategy by adjusting a product. Gathering information provides more certainty in the process of entrepreneurial action and thereby controls the experience of fear of failure. Several respondents indicated that gathering information from customers is crucial in coping with fear of failure. Respondent 3 indicated: *"...practical solutions that the customer is actually telling ... you actually gather a lot of information. That is how you get rid of your doubts, then you start planning properly"*. The information gathered is then used to plan appropriately. The combination of coping strategies thereby manages the experience of fear of failure towards entrepreneurial action and ensures that entrepreneurs control the distressing situation. Respondent 8 complemented: *"Really just talking, talking to potential customers, to partners, to suppliers. Just validating is what we do"*. Customers provide information here; however, information could also come from colleagues as indicated by respondent 6: *"...colleagues have a completely different view of things, and you learn a lot from that"*. Gathering information was an effective strategy that all respondents used to cope with the influence of fear of failure on entrepreneurial action. Information namely gave respondents more control over the fear-inducing situation.

Three respondents indicated that they acquire resources to deal with the influence of fear of failure. Respondent 1 indicated: *"I need to start acquiring advisors, that can be an action, someone has to help me because that can reduce your fear; hire someone with knowledge"*. Attracting experts is a problem-focused coping strategy that manages fear of failure, as indicated by this respondent. Thus, increasing knowledge, albeit through an external expert, helps to deal with the influence of fear of failure. Respondent 5 mentioned that his fear within entrepreneurial action is no longer being relevant as a company to customers. He stated: *"...keeping yourself, your people, your business, your gear, and everything up-to-date because otherwise you become dusty and we are in the world that the moment you become dusty, you are out of the game"*. He constantly improves his equipment and people by investing, therefore managing and controlling his fear of failure by acquiring resources. Respondent 4 outlined the situation of experiencing fear of failure when he lost a key employee. Within this

practical situation, he aimed to rebuild his organisation by hiring new personnel. Personnel is a clear example of acquiring resources, which subsequently managed his fear of failure. Altogether, these three entrepreneurs indicate that they acquire resources as a coping strategy to deal with the influence of fear of failure to control a fear-inducing situation. Resources can be intangible on the one hand, in the form of knowledge, and tangible, on the other hand, in the form of equipment and employees.

All eight respondents subsequently mentioned that taking decisions is crucial in coping with the influence of fear of failure on entrepreneurial action. Making decisions was mainly a strategy utilised after gathering information or when acquiring resources. After or during these strategies, an entrepreneur must decide how to continue entrepreneurial action and hence manage or reduce fear. Entrepreneurs argued that indecisiveness and postponement are improper and ineffective ways of dealing with the influence of fear of failure in the long run, and that is why making decisions is essential. Examples of responses are: *“At some point, we are just going to do it, just try”* (Respondent 2), *“...if it did not work out, we would just stop and go try something else”* (Respondent 3), *“...first decide on how to proceed, and then you start applying resources to resolve it in the end”* (Respondent 4), and *“Daring to make bold decisions, so daring to make a big decision about costs and a product”* (Respondent 8). On the one hand, these decisions are concerned with continuing entrepreneurial action by modifying a product based on gathered information, investing in necessary resources, or launching a product. On the other hand, it is also a decision to stop pursuing a particular action when there is no market for it. Thus, the respondents indicated that it is crucial to make decisions in the process of entrepreneurial action to cope with the influence of fear of failure. This is because making decisions creates clarity and control rather than situations of uncertainty and doubt with continuing fear of failure. Therefore, making decisions is a highly effective coping strategy to deal with fear of failure and to continue entrepreneurial action, as indicated by all respondents.

Respondent 6 outlined the following in terms of planning: *“...I make those to-do lists and the files that look at me, they come back on that list and often as number one, and then I hope to motivate myself to do that first thing tomorrow”*. In this way, the source of fear is planned and prioritised appropriately. This helped the entrepreneur to manage the experience of fear of

failure. Finally, addressing problem-focused coping strategies, the COVID-19 pandemic can be seen as a conflict for an entrepreneur and his or her business. This conflict also comes with fear of failure: *"During the press conference of Rutte, I was already thinking, okay, this is going to happen, and this is the effect on us. Within half an hour, everyone had received a message, I had already organised a meeting, and I had the complete plan in my head of what we are going to do"* (Respondent 2). For this entrepreneur, planning, resolving the conflict, and subsequently making decisions were utilised strategies to cope with the influence of fear of failure. This emphasises that coping strategies are used simultaneously or in sequence to deal with fear of failure effectively.

In sum, entrepreneurs were unanimous that gathering information provides more certainty and thereby helps to manage and control fear of failure. As a result, they increase their knowledge and can use that towards entrepreneurial action. After gathering information, it is crucial to make decisions. Making decisions, such as modifying a product, deals with fear of failure and helps continue entrepreneurial action. Acquiring resources was also effectively utilised as a coping strategy in dealing with fear of failure to control a fear-inducing situation; planning and resolving conflicts were mentioned to a limited extent.

4.2.2 Emotion-focused coping

In addition to the problem-focused coping strategies, emotion-focused strategies often recurred during the interviews. Seeking social support was a strategy used by half of the respondents; the indicators focusing on and expressing emotions, positive reinterpretation of events, and lowering goals were utilised to a limited extent. Entrepreneurs indicated that they do not deny fear of failure as a coping strategy, thus except for the denial of fear, all indicators from the coding template indicating the dimension 'emotion-focused coping' emerged.

Referring to seeking social support to deal with fear of failure, entrepreneurs mentioned the following: *"My wife has taught me to discuss things with her ... this could also be with colleagues, business partners or clients"* (Respondent 3), *"Of course I could also phone my brother and then you could look for support"* (Respondent 4) or *"Not so much in terms of work, but more in terms of feeling ... if you discuss the situation with a colleague, then it is not so bad. But at that point you just do not feel like it anymore"* (respondent 6). Seeking social

support generally occurs to cope with fear of failure when it activates due to setbacks in entrepreneurial action. Examples of setbacks were that a product did not catch on, a product did not meet the quality requirements, or losing an important employee. The support offered by one's environment is not even about work-related content but purely about helping reduce emotional distress. Support from an entrepreneurs' environment helps change the meaning of the situation and thereby reduces the emotional distress. Respondent 4 specifically mentioned using emotion-focused strategies when fear of failure was activated due to losing a key employee who started his own business. After this respondent initially focused on expressing his emotions, there was also a moment of pride: *"I was also vicariously proud; he was not the first to leave and start his own business ... so I taught them the tricks of the profession"*. The indicators 'focusing on and expressing emotions' and 'positive reinterpretation of events' also emerged here in coping with fear of failure. This respondent first focused on managing the emotional distress by focusing on his emotions and could subsequently positively reinterpret the situation. This entrepreneur had taught his employee the skills needed to start a business, and he was also proud of that. This respondent described himself as an emotional person, making multiple emotion-focused strategies combined highly effective for coping with fear of failure. As has been noted, seeking social support has been cited by several entrepreneurs as an effective emotion-focused coping strategy to deal with the influence of fear of failure. This strategy helps entrepreneurs to reduce an emotional distress when having setbacks. Subsequently, the data also shows that an entrepreneur must sometimes first focus on his or her emotions and is then able to reinterpret the situation positively. Combining these emotion-focused strategies can be effective for an entrepreneur dealing with the influence of fear of failure.

A final emotion-focused coping strategy that emerged in the interview with respondent 1 was lowering goals. With the outbreak of the COVID-19 pandemic, this respondent had to lower the goals of his export plan to Lithuania to reduce the fear of not reaching these goals. This situation of force majeure ensured that the set goals of exporting were not achievable, resulting in the experience of fear of failure. Lowering goals decreased his emotional distress and thereby helped him to deal with the influence of fear of failure. The entrepreneur thus reduced the emotional distress by making the achievability of the entrepreneurial action attainable. As mentioned earlier, entrepreneurs are looking for success, prestige and they

want to prove themselves. Therefore, apart from this exception due to the pandemic, it is assumed that for this reason lowering goals has further not been mentioned as a coping strategy.

Emotion-focused strategies help an entrepreneur cope with fear of failure by reducing the emotional distress. In particular, seeking social support helped half of the respondents towards entrepreneurial action when experiencing fear of failure. When the emotional distress was managed or reduced, entrepreneurs subsequently used problem-focused strategies to continue entrepreneurial action, as discussed in the prior subsection. Whereas some entrepreneurs immediately set to work on solutions via problem-focused strategies, six respondents indicated that they often first deal with the emotional distress by utilising emotion-focused strategies.

4.2.3 Avoidance-focused coping

In the interviews, entrepreneurs have shown a preference for problem-focused coping strategies to deal with fear of failure. At the same time, emotion-focused strategies were used by six of the respondents to cope with the emotional distress. In the third place, referring to avoidance-focused coping strategies, entrepreneurs avoid fear to some extent. The a priori indicators 'seeking distraction', 'sleeping', and 'daydreaming' were avoidance-focused strategies expected to be utilised by entrepreneurs based on the theoretical background. However, it is only indicated that half of the entrepreneurs – when the situation allows it – are prepared to postpone a fear-inducing situation or seek distraction; sleeping and daydreaming have not been mentioned as utilised coping strategies. Postponing a fear-inducing situation is a new indicator that emerged in the analysis that will be discussed later in this subsection.

Seeking distraction came forward, for example, as working on another task, going to the gym, or taking time off work. Respondent 1 mentioned: *"I am not going to deal with it now and just focus on other things and look at it again next week to see if I look at it differently then"*. This respondent consciously sought distraction by focussing on other tasks to look at the fear-inducing situation at a later point in time. All in all, few entrepreneurs seek distraction, albeit to a limited extent, to cope with fear of failure. Respondent 4 could, as opposed to this, not

place himself at all in the avoidance of fear of failure: *"The avoidance behaviour, I do not recognise that at all. I do not run away or hide it or go to the gym for example. No, that does not suit me"*. Thus, some coping strategies are not necessarily effective for all entrepreneurs.

Respondents were thus not necessarily looking for distraction as mentioned in the data, but more often wanted to put a situation ahead – postpone a situation – because 'now' is not the time to act on it. This strategy was raised more often in the interviews than the a priori avoidance-focused strategies. Postponing a situation that activates fear of failure ensures that additional tension is reduced in the short term. Respondents mentioned the following: *"That is also something that can have a positive effect on fear of failure because then you look at it again with an open mind and then maybe you do not see your fear anymore or to a lesser extent or in a different way"* (Respondent 1) and *"For example, if I do not have the answer right away, I often put something aside for a while and then pick it up later. Because then that moment is not the momentum to go through with it. I am quite emotional, but you should not always act out of emotion"* (Respondent 5). Both respondents indicate that a situation where fear of failure was experienced did not always have to be dealt with immediately, so a moment of inaction was apparent. Acting out of emotion was not recommended but postponing and looking at the situation again later with an open mind to deal with fear of failure were for some entrepreneurs. More examples of postponing to deal with fear of failure are: *"Yes, postponing, like, no, I cannot do that or that will go wrong, I will leave it for a while. Yes, that occurs"* (Respondent 6) or *"Then I leave it on the shelf, and sometimes I do not do anything at all, and sometimes it takes care of itself"* (Respondent 7). As indicated by the respondents, postponing tasks or situations – when the situation allows it – can help entrepreneurs deal with fear of failure in the short term by reducing the additional tension. However, respondent 6 complemented that she did not experience postponement as pleasant in the long run and the experience of fear of failure actually increased over time. The negative consequences then overtake the initial positive effect. In sum, half of the respondents indicated that postponing temporarily relieves the tension of fear of failure. This avoidance-focused strategy is only effective in the short term since the situation will have to be dealt with in the near future.

Like emotion-focused coping, avoidance-focused coping was also a strategy that respondents used before utilising problem-focused coping strategies. Avoidance-focused coping has shown

to reduce the influence of fear of failure initially; however, it does not directly ensure the continuation of entrepreneurial action. As also emerged with emotion-focused coping, entrepreneurs use avoidance-focused coping strategies before problem-focused coping strategies. Thus, avoidance-focused coping strategies help entrepreneurs deal with fear of failure, while problem-focused strategies help control and solve the fear-inducing situation and ensure ongoing entrepreneurial action. Thereby, avoidance-focused coping strategies instead result in temporary inaction to deal with fear of failure.

Overall, problem-focused coping strategies are used by all entrepreneurs to cope with the influence of fear of failure on entrepreneurial action. All three types of strategies were used at both influences of fear of failure. The two strategies that emerged primarily within problem-focused coping were gathering information and making decisions. In the first instance, it was considered important to have all the necessary information to deal with fear and then make a decision. A decision can range from modifying a product to simply putting it on the market. Multiple entrepreneurs utilised emotion-focused and avoidance-focused coping strategies to deal with fear of failure. However, these were coping strategies that were used before utilising problem-focused strategies. Therefore, these two strategies helped in coping with the influence of fear of failure on entrepreneurial action but were complemented by problem-focused coping, leading to the continuation of entrepreneurial action.

5. Discussion

This study aimed to explore how fear of failure influences entrepreneurial action and how entrepreneurs cope with this influence. The findings will be reflected on in relation to the literature and subsequently come with various theoretical and practical implications. Finally, the limitations of this study will be addressed, which provide opportunities for future research.

Fear of failure is an emotion that plays an important role in an entrepreneur's journey (Cacciotti et al., 2020). However, past research has insufficiently demonstrated the influence of fear of failure on entrepreneurial action and how entrepreneurs cope with this influence (Cacciotti et al., 2015; Engel et al., 2019; Hunter et al., 2020). Therefore, the broader question this study aimed to answer is how entrepreneurs cope with the influence of fear of failure on entrepreneurial action. Existing literature on entrepreneurial fear of failure has described that the phenomenon can have an inhibiting or motivating effect on an entrepreneur (Cacciotti et al., 2015). However, especially an inhibiting effect is emphasised, specifically aimed at the stage of starting a business. The findings of this study demonstrated, consistent with the literature, that entrepreneurs tend to be motivated or inhibited by fear of failure. In addition, according to this current study, fear of failure does not most often lead to a decrease in an entrepreneur's motivation as discussed in the literature (Sagar et al., 2009), but in most cases to an increase. The study found fear of failure most often as motivating towards entrepreneurial action and thereby contrasts with entrepreneurship literature.

Entrepreneurship literature explained the relevance of including the achievement domain in research on fear of failure (Cacciotti et al., 2015; Sagar et al., 2009). The findings from this study indicated that experiencing fear of failure as a motivating emotion can indeed be explained by the need for achievement that an entrepreneur has. Entrepreneurs' goals and ambitions ensure they experience fear of failure primarily as a motivating emotion and this can be linked with approaching entrepreneurial action (Cacciotti et al., 2015). In addition, also consistent with the literature, the degree of knowledge that an entrepreneur has at his disposal – which lowers the perceived uncertainty – also plays a role in the motivating effect of fear of failure leading to entrepreneurial action (McMullen & Shepherd, 2006). However,

this should not detract from the fact that fear of failure can sometimes also inhibit entrepreneurial action. An inhibiting effect on entrepreneurial action was particularly found when the potential financial risk of failure of the action was too high, and employees' jobs or business continuity could be at stake. On top of that, an inhibiting effect was found when considering the potential damage to the image of an entrepreneur or business and when a certain level of uncertainty was perceived. Although fear of failure thus has mostly shown to have a motivating effect on entrepreneurial action, the inhibiting effect that is extensively described in the literature also occurred (e.g., Arenius & Minniti, 2005; Cacciotti et al., 2015; McMullen & Shepherd, 2006; Morgan & Sisak, 2016; Ng & Jenkins, 2018). This current study thereby enables an understanding of entrepreneurial fear of failure beyond the most often described inhibiting effect on the stage of starting a business.

The findings of this study show that fear of failure is not a static phenomenon. Instead, fear of failure tends to be rather dynamic than often mentioned in the literature (Arenius & Minniti, 2005), depending on the situation in which the phenomenon occurs. According to this current study, the experience of fear of failure can be influenced by the progress in entrepreneurial action an entrepreneur makes. This explains why the influence of fear of failure can change depending on the stage an entrepreneur is at in terms of action (Cacciotti et al., 2015). The results show that an inhibiting effect can be temporarily interrupted when progress in entrepreneurial action is made, and a motivating effect can strengthen as progress is made. Thus, the influence of fear of failure on entrepreneurial action depends on the situation in which an entrepreneur finds him or herself and may change over time. Therefore, based on the findings, fear of failure can rather be described and researched as a dynamic and situational emotion that influences entrepreneurial action. This situational approach is consistent with the studies by Cacciotti et al. (2015) and Morris et al. (2012).

Consistent with the psychology literature on fear of failure, this study shows that a coping strategy follows the experience of fear of failure (e.g., Patzelt & Shepherd, 2009; Poczwardowski & Conroy, 2002; Sagar et al., 2009). This current study provides insights into coping strategies utilised by entrepreneurs to deal with the influence of fear of failure. The found strategies indicate similarities with the literature and deviations. In addition, this study uncovered clear preferences for coping strategies for entrepreneurs. All entrepreneurs

namely utilised problem-focused coping strategies, where six entrepreneurs used emotion-focused strategies and four avoidance-focused strategies. The latter two strategies were then still followed by problem-focused strategies. The preference for problem-focused strategies can be explained as entrepreneurs tend to cope effectively, solution-focused, and task-focused with fear of failure to control a fear-inducing situation. Moreover, consistent with the literature is that problem-focused coping was preferred by individuals to deal with achievement stressors such as fear of failure (Baker & Berenbaum, 2007).

The study by Baker & Berenbaum (2007) indicates that individuals do not seek social support for achievement stressors. Conversely, this current study has shown that half of the respondents actively seek social support in their environment as a coping strategy and experience the benefits of talking to others when coping with fear of failure. The literature further states that emotion-focused coping strategies are only utilised when problem-focused strategies are ineffective (Sagar et al., 2009). In contrast, the results of this study have shown that these two coping strategies are used in a complementary way by entrepreneurs. So, these two strategies reinforce each other rather than replace each other. All respondents used problem-focused coping strategies, but it was more effectively used in conjunction with emotion-focused strategies for six of the respondents. The literature explains that emotion-focused strategies are used when the individual perceives that the stressor is beyond his or her control (Sagar et al., 2009; Sagar et al., 2010). Entrepreneurs' preference for problem-focused strategies shows that they experience fear of failure to be within their control in contrast to the literature. With these strategies, entrepreneurs aim to work task-focused to control the experience of fear of failure.

Problem-focused strategies are effective strategies that aim to control stressors (Sagar et al., 2009). The preference for problem-focused coping can thus be explained since entrepreneurs showed a preference to work task-focused, seek solutions, and control fear-inducing situations. This may also be a reason why entrepreneurs have not mentioned some coping strategies from the literature, namely: denial (emotion-focused coping), sleeping (avoidance-focused coping), and daydreaming (avoidance-focused coping). These three strategies do not control fear of failure as with problem-focused strategies, as they are perceived as ineffective strategies to deal with fear of failure (Sagar et al., 2009). Subsequently, the lowering of goals

as an emotion-focused strategy occurred only once in the data. Lowering goals can help an individual to reduce an emotional distress. However, entrepreneurs clearly indicated their drive to achieve goals and ambitions, which is assumed to be why lowering goals has further not been utilised as a coping strategy. In addition, some entrepreneurs indicated that avoidance-focused strategies are ineffective for them. This is also expected to be due to their preference for controlling a situation through problem-focused coping strategies.

Finally, a new avoidance-focused strategy has been identified with this study, namely: postponing. Half of the respondents indicated that fear of failure decreases temporarily when a fear-inducing situation is postponed. Thus, even though entrepreneurs prefer working task-focused, they are not automatically inclined to do so immediately. This implies that entrepreneurs sometimes avoid fear of failure temporarily to prevent them from acting out of emotion, leading to a moment of inaction. After that, problem-focused coping strategies follow to cope with the emotion and approach entrepreneurial action. These results show that entrepreneurs prefer to avoid standing still as a business and want to keep making progress by subsequently utilising problem-focused strategies. This may be the reason for the lesser use of avoidance-focused strategies in comparison to problem-focused strategies. The preferences for coping strategies of entrepreneurs thereby differ from studies by Sagar et al. (2009) and Sagar et al. (2010), where emotion-focused and avoidance-focused strategies were most used. A possible explanation for this is the difference in types of respondents. Entrepreneurs have namely indicated a preference for problem-focused strategies to control a fear-inducing situation, whereas athletes prefer many ineffective emotion-focused and avoidance-focused strategies to cope with fear of failure (Sagar et al., 2009; Sagar et al., 2010).

5.1 Theoretical implications

This study comes with several theoretical implications. First, this study provides insights into the influence of fear of failure on entrepreneurial action, thus when the business is up and running. In this study, fear of failure was examined situationally, and the results showed that the influence on entrepreneurial action could alter depending on the situation in which an entrepreneur finds him or herself. This approach made it possible to discover that fear of failure most often has a motivating effect on entrepreneurial action. This is contrary to the most often inhibiting effect found in the literature in the early stage of entrepreneurship

(Cacciotti et al., 2015; Hunter et al., 2020). The inhibiting effect has been found, albeit to a much lesser extent. Ultimately, fear of failure influences entrepreneurial action, but most often to the opposed direction than primarily described in the literature (Arenius & Minniti, 2005; Cacciotti et al., 2015; Morgan & Sisak, 2016). Corresponding to the entrepreneurship literature is the importance of including the achievement literature in researching fear of failure. According to this study, the need for achievement is essential in experiencing fear of failure as motivating.

Despite the motivational effect that fear of failure most often has, it remains an emotion that acts as a feedback signal indicating business goals are under threat. Second, as the literature indicates, coping strategies are used to deal with the influence of fear of failure (Patzelt & Shepherd, 2009). This studies' findings indicate that also entrepreneurs use different coping strategies to deal with fear of failure. From a broader perspective, this shows that entrepreneurship involves both dealing with the business and dealing with the emotions that an entrepreneur experiences (Engel et al., 2019). The latter refers to the coping strategies identified within this study to deal with fear of failure. The results are consistent with the literature regarding applying three types of coping strategies, namely: problem-focused, emotion-focused, and avoidance-focused coping strategies (Baker & Berenbaum, 2007; Parker & Wood, 2008; Poczwadowski & Conroy, 2002; Sagar et al., 2009). Building on the literature on coping with fear of failure, a clear preference for problem-focused coping strategies emerged in this study, with emotion-focused or avoidance-focused strategies often preceding this. The findings reveal that a combination of several strategies was used by entrepreneurs to effectively deal with the influence of fear of failure on entrepreneurial action. In contrast to the literature, this shows that emotion-focused strategies in conjunction with problem-focused strategies can be effective for entrepreneurs (Sagar et al., 2009). Both strategies reinforce each other rather than replace each other. Furthermore, the data demonstrated that entrepreneurs do not use the strategies denial (emotion-focused coping), sleeping (avoidance-focused coping), and daydreaming (avoidance-focused coping). This might be explained by the fact that these are ineffective strategies, with entrepreneurs preferring effective problem-focused strategies to deal with fear of failure. In addition, a new avoidance-focused coping strategy emerged within this study – postponing – which shows that entrepreneurs do use ineffective strategies, but to a lesser extent.

5.2 Practical implications

The practical implications of this study should be of interest to active entrepreneurs but may also be relevant to potential entrepreneurs and students within entrepreneurship in the future. The findings of this study are of interest when experiencing the influence of fear of failure on entrepreneurial action, which is common within the entrepreneurial journey (Cacciotti et al., 2020). This study shows that optimism, setting goals, and having high ambitions contribute to experiencing fear of failure as a motivating emotion towards entrepreneurial action. The motivating effect can ensure the continuation of entrepreneurial action as opposed to an inhibiting effect, which leads to inaction and avoidance behaviour. Entrepreneurial action can then lead to business growth and performance.

It is suggested not to ignore or underestimate the experience of fear of failure since it is a feedback signal indicating business goals are under threat (Kollmann et al., 2017). Instead, utilising coping strategies help an entrepreneur deal with the influence of fear of failure to manage the emotional distress. Coping strategies help continue undertaking action under the influence of fear of failure, rather than avoiding it, to increase the likelihood of business growth and performance (Van Gelderen et al., 2015). The findings suggest that entrepreneurs can effectively cope with fear of failure by utilising problem-focused coping strategies. The fear-inducing situation can then be managed and controlled to continue entrepreneurial action. For entrepreneurs who are higher in emotions, problem-focused strategies are often more effective in conjunction with emotion-focused and/or avoidance-focused coping strategies. Following the findings of this study, entrepreneurs could utilise these strategies before using problem-focused strategies to cope with the influence of fear of failure. Emotion-focused strategies help an entrepreneur reduce the emotional distress, and avoidance-focused strategies temporarily reduce tension and prevent an entrepreneur from acting out of fear. Avoidance-focused strategies tend to reduce the tension of fear of failure in the short term; however, they are ineffective for dealing with fear of failure in the long term. The use of emotion-focused and/or avoidance-focused coping strategies before problem-focused strategies have been found to be effective in dealing with the influence of fear of failure. According to the findings of this study, utilising these coping strategies relates to undertaking entrepreneurial action under the influence of fear of failure. Thereby, this study has practical implications for entrepreneurial growth and performance.

5.3 Limitations and directions for future research

Despite the implications of this study, there are some limitations to address that come with opportunities for future research. This research focuses on coping with the influence of fear of failure on entrepreneurial action. Due to the scope of the research, fear of failure is included as a broad concept. This offers room for future research to divide fear of failure into, for example, types of fears. This will allow coping responses to be determined more specifically for specific types of fears. Subsequently, this study collected data from a heterogeneous group of entrepreneurs. Only the respondents' experience in entrepreneurship was considered; variables such as gender, type of entrepreneur, industry, or location were not included in the study. On the one hand, this is due to the scope of the study, and on the other hand, this study aimed to map fear of failure in a broad understanding for entrepreneurs in general. This offers room for future research following this study. There is a possibility that fear of failure is experienced and coped with differently between genders or industries. On top of that, some respondents also indicated that there are different types of entrepreneurs. For example, one respondent could imagine different results between empathic entrepreneurs and entrepreneurs who would go to any length for success. A promising avenue for future research could be to consider types of entrepreneurs, gender, location, or industries when coping with the influence of fear of failure.

6. Conclusion

The conclusion in this chapter provides the contributions of this study and answer to the research question: *“How do entrepreneurs cope with the influence of fear of failure on entrepreneurial action?”*.

The contribution of this study to the literature on entrepreneurial fear of failure is two-fold. First, this study contributes to broadening the understanding of entrepreneurial fear of failure. Entrepreneurial fear of failure has been given a richer understanding by focusing on the influence on entrepreneurial action, where the literature focuses on starting a business (Cacciotti et al., 2020). This study concludes that fear of failure most often has a motivating effect on entrepreneurial action and thereby shows that the most common influence of fear of failure differs on the stage of the entrepreneurial journey. The findings show that this most often motivating effect can be explained by the need for achievement experienced by entrepreneurs. Moreover, the study concludes that fear of failure has shown not to be a static concept. The situational approach of this research can explain the dynamic description of fear of failure in this study. Hence, an inhibiting effect can be interrupted, and a motivating effect can strengthen when progression in entrepreneurial action is realised.

Second, this study contributes to the literature on coping with fear of failure by providing insights into how entrepreneurs cope with the influence of fear of failure. When experiencing fear of failure, entrepreneurs utilise coping strategies to deal with the emotion. Entrepreneurs prefer working task-focused to control a fear-inducing situation and therefore utilise problem-focused coping strategies. Most entrepreneurs cope more effectively with the influence of fear of failure by using emotion-focused and/or avoidance-focused coping strategies before utilising problem-focused strategies. Here, different strategies thus reinforce each other in succession, rather than one strategy being used instead of another strategy. On top of this, new insights have been offered by indicating which coping strategies from the literature were not used by entrepreneurs and by adding a new avoidance-focused strategy, namely: postponing. The preference for working task-focused did not mean that problem-focused strategies were always utilised in the first instance when fear of failure was experienced. In conclusion, entrepreneurs mostly utilised problem-focused coping strategies to deal with the

influence of fear of failure. Emotion-focused and avoidance-focused coping strategies were thereby often utilised before problem-focused strategies. This study's findings may enable entrepreneurs to cope effectively with the influence of fear of failure on entrepreneurial action. Thereby, potential fruitful products and processes can be realised when experiencing fear of failure, and entrepreneurial growth and performance can be achieved.

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Appendices

Appendix I: Operationalisation

The research concepts and a priori coding template of the research will be defined and shown in this appendix. The concepts are taken from the conceptual model, and the definitions are retrieved from the theoretical background. Then, the concepts are made measurable for the interviews and analysis through dimensions and indicators, also derived from the theoretical background. The dimensions and indicators are then graphically shown in the a priori coding template.

Research concepts

Fear of Failure

The aim of the research and the research question consists of two constructs: fear of failure and coping response. The first construct is fear of failure. The researcher aimed to explore via interviews how fear of failure influences entrepreneurial action. From the literature, it can be derived that 'influencing' occurs in two ways: inhibiting and motivating (Cacciotti et al., 2015; Engel et al., 2019; Hunter et al., 2020). The entrepreneurs also mentioned these two influences (dimensions) in the interviews. Various indicators can observe these two dimensions. In the theoretical background, several indicators have been mentioned that might appear per dimension. These are listed in the subsequent a priori coding template.

Motivation and perceived uncertainty

Motivation and uncertainty play an important role in the influence of fear of failure on entrepreneurial action. Motivation deals with the willingness to bear uncertainty, which must outweigh the perceived uncertainty in order to pursue action. (Meijer et al., 2007). In the interviews, entrepreneurs gave examples of when their fear of failure influenced entrepreneurial action. In these situations, the researcher was also curious about the motivation and perceived uncertainty. An entrepreneurs' motivation can namely impact his or her response.

Coping response

The second theoretical construct of the study is a coping response. A coping response is defined as “...a dynamic process that involves a person constantly changing cognitive and behavioral efforts to manage (i.e., reduce, tolerate, master) internal and external demands that are appraised as stressful” (Lazarus, 1999). Thus, these refer to strategies that an entrepreneur carries out towards entrepreneurial action when being influenced by fear of failure. These coping strategies help manage and reduce the influence of fear of failure on entrepreneurial action (Engel et al., 2019). Three types of coping responses (dimensions) have been taken into account (Baker & Berenbaum, 2007; Sagar, 2009). The three dimensions can be observed by several indicators that are retrieved from the theoretical background. These indicators are more specific coping strategies, as can be seen in the subsequent a priori coding template.

Dimensions	Coping responses
Problem-focused coping	Task-focused strategies with the intention to reduce an individual’s distress by attempting to change or manage the source of distress. Examples are planning, gathering information, resolving conflicts, acquiring resources, and making decisions.
Emotion-focused coping	Strategies to manage the emotional distress that is caused by the situation at hand. Examples are denial, focusing on and expressing emotions, the positive reinterpretation of events, lowering goals, and seeking social support.
Avoidance-focused coping	Strategies to reduce distressing emotions by avoiding the problem and thereby reducing tension through cognitive and behavioural disengagement strategies. Examples are sleeping, daydreaming, and seeking distraction.

Entrepreneurial action

The research aims to study how fear of failure influences entrepreneurial action and how entrepreneurs cope with this influence. A central term in the research is, therefore, entrepreneurial action. Entrepreneurs “...act on the possibility that one has identified an opportunity worth pursuing” (McMullen & Shepherd, 2006, p. 132). Action occurs in creating new products or processes, entering new markets, or modifying existing production methods

(McKelvie et al., 2008). In the interviews, entrepreneurs were asked to share examples of entrepreneurial actions that are in any way related to this description which were influenced by fear of failure. As described in the theoretical background, the influence of fear of failure will lead to a coping response, which helps an entrepreneur generate entrepreneurial action (Engel et al., 2019).

A priori coding template

The operationalisation can be further clarified by the a priori coding template of the two core concepts: fear of failure and coping response. The a priori dimensions and indicators visible at both constructs are retrieved from the theoretical background. This a priori coding template shows how the constructs were measured within the interviews and helped the researcher ask the right questions. The first five interview questions (appendix II) helped the researcher get to know the entrepreneur and develop an example of entrepreneurial action that the subsequent questions could go into greater depth with. The numbers shown in the coding template represent the interview questions in appendix II.

Theoretical construct	Dimensions	Indicators	References
<i>Fear of failure</i>	Inhibiting effect (6, 7 & 8)	Avoids a situation not yet entered (9)	Cacciotti et al., 2015; Engel et al., 2019; Hunter et al., 2020
		Withdraws from a situation already engaged with (9)	
		Reducing effort (9)	
		Redirecting efforts to easier objectives (9)	
	Motivating effect (6, 7 & 8)	Initial engagement (9)	
		Application of renewed energy to a task (9)	
		Maintenance of effort in a given direction (9)	
		Selection of a task of a particular level of challenge (9)	
<i>Coping response</i>	Problem-focused coping (10)	Planning (11)	Baker & Berenbaum, 2007; Parker & Wood, 2008; Poczwardowski & Conroy, 2002; Sagar et al., 2009
		Gathering information (11)	
		Resolving conflicts (11)	
		Acquiring resources (11)	
		Making decisions (11)	
	Emotion-focused coping (10)	Denial (11)	
		Focusing on and expressing emotions (11)	
		Positive reinterpretation of events (11)	
		Lowering goals (11)	
	Avoidance-focused coping (10)	Seeking social support (11)	
		Sleeping (11)	
		Daydreaming (11)	
		Seeking distraction (11)	

Appendix II: Interview guideline

- Dutch followed by English -

Goedemorgen/Goedemiddag,

Mijn naam is Ivan Roy en ik ben masterstudent Innovatie & Ondernemerschap aan de Radboud Universiteit in Nijmegen. Voor de afronding van mijn studie doe ik onderzoek naar de invloed van de angst om te falen op ondernemend handelen en hoe ondernemers vervolgens omgaan met deze invloed. Met deze scriptie wil ik erachter komen hoe u als ondernemer omgaat met de invloed van de angst om te falen op ondernemend handelen.

Ik wil u bij voorbaat bedanken voor uw participatie aan mijn onderzoek middels dit interview, die natuurlijk volledig vrijblijvend is. Ik wil uw toestemming vragen om het interview op te nemen, zodat ik deze na afname kan transcriberen. Dit is compleet voor mijn eigen gebruik.

Mocht u vragen hebben tijdens het interview, kunnen we deze natuurlijk direct doornemen. Heeft u nog vragen voordat we beginnen?

Introductie participant

1. Kunt u uzelf voorstellen, uw route naar en ervaring met ondernemen en meer vertellen over uw bedrijf?
2. Wat is uw motivatie in ondernemen?

Sleutelwoorden: falen vermijden, succes behalen, visie ondernemerschap.

Entrepreneurial action

3. Hoe ziet het proces van ondernemend handelen er voor u uit? Dus het proces van het aangrijpen van een kans?
4. Welke rol speelt onzekerheid binnen dit proces?
5. Welke rol speelt motivatie binnen dit proces?

Sleutelwoorden: voorbeeld(en), kansen grijpen, waargenomen onzekerheid (kennis), dragen van onzekerheid (motivatie), risico, motivatie, benaderen/vermijden, ondernemend handelen.

Fear of failure

6. Welke rol speelt de angst om te falen voor u in dit proces? (Waarom?)
7. Wat is uw ervaring met de angst om te falen in ondernemerschap? Heeft u een of meer voorbeelden?
8. Welk effect heeft de angst om te falen voor u op het uitvoeren van ondernemend handelen? (Waarom?)
9. Hoe uit dit effect zich richting ondernemend handelen?

Sleutelwoorden: emotie, barrière, remmend effect, motiverend effect, benaderen, vermijden, tijdelijke situatie, onzekerheid, voorbeelden.

Coping responses

10. Hoe gaat u om met de angst om te falen in ondernemen? (Waarom?)
11. Welke strategieën/mechanismen gebruikt u bij ondernemend handelen wanneer u de angst om te falen ervaart? (Waarom?)

Sleutelwoorden: probleem-georiënteerd, emotie-georiënteerd, vermijdings-georiënteerd, omgangsacties, strategieën, ondernemend handelen.

Heeft u meer ervaringen met betrekking tot het onderzoek die u zou willen delen? Heeft u daarnaast verdere vragen over het interview dan wel het onderzoek? Zijn er onderwerpen of momenten aan bod gekomen waar u op terug zou willen komen?

Tot slot rest mij u te bedanken voor uw tijd en deelname aan dit onderzoek. Hierop volgend zal ik de opname gaan transcriberen en dit transcript zal ik u toesturen. Hiermee wil ik u de gelegenheid geven het transcript te controleren om te bekijken of de antwoorden die u gegeven heeft kloppend zijn of dat eventuele aanvullingen nodig zijn.

Wilt u dat ik mijn onderzoek na afronding toestuur? Dan wil ik u nogmaals bedanken en een fijne dag wensen.

Good morning/Good afternoon,

My name is Ivan Roy, and I am a master's student in Innovation & Entrepreneurship at the Radboud University in Nijmegen. To complete my studies, I am researching the influence of fear of failure on entrepreneurial action and how entrepreneurs cope with this influence. With this thesis, I want to find out how you, as an entrepreneur, cope with the influence of fear of failure on entrepreneurial action.

I would like to thank you in advance for your participation in my research through this interview, which is, of course, completely voluntary. My preference is to transcribe this interview after it has been conducted, for which I would like to ask you if I may record the interview. This is entirely for my own use.

Should you have any questions during the interview, we can, of course, go through them immediately. Do you have any questions before we start?

Introduction participant

1. Can you introduce yourself, your route to, and your experience with entrepreneurship and tell us more about your company?
2. What is your motivation in entrepreneurship?

Keywords: avoiding failure, need for achievement, vision entrepreneurship.

Entrepreneurial action

3. What does the process of entrepreneurial action look like to you? So, the process of seizing an opportunity?
4. What role does uncertainty play for you in this process?
5. What role does motivation play for you in this process?

Keywords: example(s), seize opportunities, perceived uncertainty (knowledge), bearing uncertainty (motivation), risk, approach/avoid, entrepreneurial action.

Fear of failure

6. What role does fear of failure play for you in this process? (Why?)
7. What is your experience with fear of failure in entrepreneurship? Do you have one or more examples?

8. How does fear of failure influence you in undertaking entrepreneurial action? (Why?)

9. How does this effect manifest itself towards entrepreneurial action?

Keywords: emotion, barrier, inhibiting effect, motivating effect, approach, avoidance, temporary situation, uncertainty, examples.

Coping responses

10. How do you deal with fear of failure in entrepreneurship? (Why?)

11. What strategies/mechanisms do you use to generate entrepreneurial action when you experience fear of failure? (Why?)

Keywords: problem-focused, emotion-focused, avoidance-focused, process, coping responses, strategies, entrepreneurial action.

Do you have any further experiences related to the research that you would like to share? Do you have any further questions about the interview or the study? Are there any topics or moments that you would like to come back to?

Finally, I would like to thank you for your time and participation in this research. I will soon transcribe the recording and send it to you. This will allow you to check the transcript to see if the answers you have given are correct or if any additions are needed.

Would you like me to send you my research after I have completed it? Then I would like to thank you again and wish you a pleasant day.

Appendix III: Overview respondents data collection

Respondent	Characteristics
Respondent 1	Male – 14 years of experience. Company in web hosting. Duration: 1h 04m
Respondent 2	Male – 23 years of experience. Company in traffic training. Duration: 1h 25m
Respondent 3	Male – 40+ years of experience. Founder of start-up accelerator. Duration: 0h 57m
Respondent 4	Male – 17 years of experience. Company in recruitment and selection. Duration: 1h 27m
Respondent 5	Male – 5 years of experience Company in creative video production. Duration: 0h 49m
Respondent 6	Female – 18 years of experience Company in labour and business law (Notary). Duration: 0h 55m
Respondent 7	Female – 5 years of experience Company in humidifiers and coolers. Duration: 0h 33m
Respondent 8	Male – 5 years of experience Company in electric car-sharing. Duration: 1h 15m

Appendix IV: Final coding template

The analysis of the interview transcripts had a flexible approach, where deductive coding with the a priori coding template was followed by inductive coding (Brooks & King, 2014). Deductive coding was highly useful for the analysis where inductive coding was necessary for making sense of the indicator ‘postponing’ that observed the dimension avoidance-focused coping. Therefore, the following final coding template of the study is shown below. This final coding template also excludes the indicators that did not emerge during the analysis.

Theoretical construct	Dimensions	Indicators	References
<i>Fear of failure</i>	Inhibiting effect (6, 7 & 8)	Avoids a situation not yet entered (9)	Cacciotti et al., 2015; Engel et al., 2019; Hunter et al., 2020
		Withdraws from a situation already engaged with (9)	
		Reducing effort (9)	
		Redirecting efforts to easier objectives (9)	
	Motivating effect (6, 7 & 8)	Initial engagement (9)	
		Application of renewed energy to a task (9)	
		Maintenance of effort in a given direction (9)	
		Selection of a task of a particular level of challenge (9)	
<i>Coping response</i>	Problem-focused coping (10)	Planning (11)	Baker & Berenbaum, 2007; Parker & Wood, 2008; Poczwardowski & Conroy, 2002; Sagar et al., 2009
		Gathering information (11)	
		Resolving conflicts (11)	
		Acquiring resources (11)	
		Making decisions (11)	
	Emotion-focused coping (10)	Focusing on and expressing emotions (11)	
		Positive reinterpretation of events (11)	
		Lowering goals (11)	
	Avoidance-focused coping	Seeking social support (11)	
		Seeking distraction (11)	
		Postponing (11)	