

# Fear of Failure in Entrepreneurship Among Higher Education Student

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## ABSTRACT

Entrepreneurship is an activity to build a new business to get maximum profit. Higher education students experience fear of failure when going to build their entrepreneurship, causing their entrepreneurial plans to fail. This research method with literature study method by collecting the results of previous research and will be drawn out. Collecting research data using reading techniques and collecting results in selected literature studies. The data analysis of this research was done with data reduction, data presentation and reports. The results of this study explain that higher education students who experience entrepreneurial failures are caused by financial and psychological crises.

## Keywords

Fear of failure, financial crisis, psychological consequences, entrepreneurship

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## Introduction

The business world is very much affected by the Covid-19 pandemic like today, as there is a fear of a long history of this pandemic (Donthu & Gustafsson, 2020). The phenomenon of fear can happen to anyone (Christian, 2015) and in any realm (Widiyansa & Buana, 2021) but it is unfortunate that failure is still underestimated by society (Ergun et al., 2017). Fear may arise as an effect of the shame that may be felt when experiencing failure (McGregor & Elliot, 2005). Pressure on work and psychology can have an impact on the emergence of fear of failure among adolescents (Gustafsson et al., 2017). In fact, fear and failure are two things that need to be managed appropriately by both individuals and the environment. Today many campuses are business-based and even explicitly the government has launched entrepreneurship programs for students, but surprisingly there is still little research on fear of failure, especially in entrepreneurship among students, although previously (Goldberg, 1973) has long studied fear in the academic realm. Some have been done such as Cacciotti et al. (2016) and Abdi Zarrin et al. (2020) but specifically in this area it can be said that there are still very few. In adolescence, a study (Sagar et al., 2010) examined adolescent sportsmen, while this article specifically discusses student fear of failure in entrepreneurship. The higher education system in

Indonesia is unique and students are required to be able to balance the demands of education and work from an early age (Aprilinda et al., 2020). While crises affect all types of economic activity, community support programs tend to prioritize and protect established organizations (Giones et al., 2020). Fear of failure is defined as expressed by Sagar and Jowett (2015) as, "the motive to avoid failing in achievement contents where one's performance is evaluated".

## Literature Review

Entrepreneurship is an activity that begins with creating a new organization. Entrepreneurship itself is trying to identify the forms of opportunities that exist. Through this identification, you will get suitable and suitable opportunities so that entrepreneurial activities are formed. Entrepreneurship is building and working on everything, however, in achieving it, entrepreneurship can be said to be very difficult in building it, Entrepreneurship itself is also an activity of individuals who are trying to establish their business or their business through existing opportunities (Wyrwich, 2015).

This entrepreneurial activity has a high level of risk. A person who is going to start a business must be able to know the principle pattern of profit and loss in entrepreneurship.

Entrepreneurship aims to increase profits as much as possible. However, in entrepreneurial activities there is often a high failure rate. Therefore, this entrepreneurial activity can be said to be an activity that has a high risk. Some of the risks that will be accepted by entrepreneurs are including economic, social, career, psychological and health aspects. Entrepreneurship is a dominant factor in the economy (Lee, 2020). Entrepreneurial activity requires motivation and encouragement that is obtained from the closest family or immediate environment.

This motivation will encourage entrepreneurs to form and start new businesses or businesses. Apart from motivation, a high level of creativity is also required in business. According to Deniz, et al. (2011), it is shown that the nature of motivation and creativity are important factors in entrepreneurial activities and success. In this sense it can be interpreted that the need for motivation and creativity to build new businesses and businesses. For entrepreneurial beginners, it is necessary to have high creativity and high motivation.

This high creativity is an interesting form of idea or concept related to the proposed business plan or business that will be carried out. This creativity is needed to make a business product or it becomes different from other business products even though it is the same as the type of product. Creativity is trying to add new things and modify something new and unique to get different results. According to Deniz, et al. (2011) have suggested about the characteristics of someone who has creativity and motivation. These characteristics are individuals who have high motivation and creativity tend to have special skills.

This special skill is used to create new things when everyone can't do it but they are able to do it. This is what makes the difference between entrepreneurs who have high motivation and creativity and entrepreneurs who just try. In addition, the next characteristic is someone who has creativity and motivation will be able to carry out activities effectively. Gurbuz (2017) the effective activity in question is that individuals as business actors carry out various kinds of activities that can be carried out quickly and precisely. These effective activities are not only

carried out quickly but, they must also be carried out appropriately, correctly and according to the specified time.

A job that is only fast does not necessarily give maximum results. So, we need effective work results that are fast, precise and correct. Apart from that, this effective activity also has responsibility for its discipline. Entrepreneurs must have a high level of discipline so that their businesses are able to run and be successful. It is different from someone who does entrepreneurial activities, however, only with the aim of imitating similar products that are already well known and in great demand by many people. A person who is an entrepreneur who is unable to make a new product because this type of entrepreneur does not have any special skills or knowledge in the field of entrepreneurship. Entrepreneurs must be able to create products that are different from previous products that have been owned by other people and have been famous for a long time. New actions in producing new products are one of the motivational and creative activities when becoming an entrepreneur.

However, even though business actors have high motivation and creativity, there are still several obstacles experienced by entrepreneurs in establishing their business. This delay is a form of fear experienced by business actors because they are afraid to fail because of the high risk. According to Deniz, et al. (2011) states that fear can be interpreted as a high level of emotional stimulation caused by perceptions related to threats that appear significantly and personally relevant. This fear causes and motivates protective and maladaptive actions, depending on the circumstances. Thus, according to this opinion, it is fear in itself that the data creates poor motivation for a person's psychological health. This fear is a form of obstacle for business actors. The existence of this fear causes the psyche to experience shocks due to a threat. The perception that the business actor raises and raises himself because of his fear is one of the bad motivations. In addition, self-induced fear is also a very unpleasant form of physical and emotional response. So that the physical and emotional responsiveness considers you a form of threat that will bring him down. This can be detected through the form of worry and anxiety. Finally, this

anxiety can provide a stimulus to the perception of bad news about the occurrence of anything that is certainly unpleasant to the listener (Walsh, 2016).

This fear can affect productivity, communication, ability to create and emotional well-being. Because of this fear, the individual does not feel confident in himself for his own abilities so that in the activities he does, it will hinder his development, such as the ability that is not fully expended in managing his business or business. The existence of this fear can also interfere with the emotional well-being of each individual. Gibb (Deniz et al., 2011) claims that individual characteristics such as motivation, awareness, perception, emotion, cognition, action, and synergy have a negative impact when a high level of fear is proven. For example, when fear is strongly felt, a person may not be able to focus effectively when examining a problem because of a disturbed perception of the task at hand.

This lack of focus affects the pattern of entrepreneurial actions and behavior in determining the goals of achieving the business. The perception of that fear will completely inhibit it. Cacciotti (2016) that prolonged fear may lead to psychological and somatic responses to maladaptive behavior to stress. This can also be interpreted as a form of physical tension experienced by a person when he gets a threat such as a self-generated perception. This form of stressful tension can last for nearly a century, countless studies of fear have been carried out and reviewed comprehensively in various disciplines; like psychology and sociology.

This feeling of threat may come from four sources: actual experience. This actual experience is related to the forms of events that he experiences directly and this experience is witnessed directly so that it creates a feeling of threat because he has seen the same event. Next, tell stories about other people's experiences. Stories about other people's bad experiences such as experiencing failure in their entrepreneurial activities are able to provide a form of threat perception to themselves so that they are increasingly afraid to do entrepreneurial activities. However, it is different if he gets a good and enjoyable story experience, then he will feel safe

and motivated to carry out these entrepreneurial activities (Chua, 2015).

If you experience a bad story, it tends to reverse direction to thwart the intention it has in building its business. Furthermore, the influence of assumptions and interpretations of other people's behavior. The assumptions and perceptions of others are not necessarily the truth. The assumptions and perceptions that other people have are also a form of their personal experiences so that if they are applied to others, the results are not necessarily the same. So, in building a business there is no need for assumptions or perceptions from other people because bad motivation must be discarded and only take good motivation. This is also often experienced by students in universities. As a student, the ability to organize in organization is needed as exemplified, namely building entrepreneurship.

Students experienced a fear of the threat of failure. Many college students have resigned themselves to build their entrepreneurship. The reason it has is because the risk of failure experienced by novice entrepreneurs is very large, so that business activities require large costs as well. If there is a failure, it will cause a very large loss. Students do not have high motivation for the entrepreneurial success they will live through. The student is afraid of failure when he is going to build his initial business (Hayton, 2014).

The student felt that he was unable and not ready to do this business because several factors influenced one of which was the story experience he got from his friend. That bad experience ut is told to students who are about to start their business. Through this story, students who are about to start their business rethink to continue their business opening activities or thwart their intention to open the business. Through stories, these experiences also cause students to have fear. This fear is a form of threat that he experiences both physically and psychologically. In their psychological state, the student will experience stress because of the story of his bad experience obtained from the friend's story (Hayton, 2014).

In this case, the student should not need assumptions or perceptions from the surrounding environment, both from his friends and from his

closest people. As a prospective entrepreneur who will lead to success, he must be brave in facing the high risk of failure. These students must have an optimistic nature in facing various kinds of problems, especially those related to the form of threat they are experiencing. This condition causes the need to know the causes of fear of failure in entrepreneurship experienced by college students along with things that affect the fear of failure experienced by higher education students who are about to start their new business.

### Methodology

According to Zed (2014), the literature or literature study method is a method used by collecting data from literature. Zed also added that library research is carried out by each researcher with the main objective of finding a foundation or foundation to obtain and build a theoretical foundation, a framework of thought. This research will use descriptive qualitative research with the method of literature study or literature study. This method is used to trace the results of previous research related to the research to be carried out.

In the previous research, it will be selected and selected according to the research to be carried out so that new conclusions will be obtained related to the fear of entrepreneurship in higher education students. The data sources of this research will of course be obtained from scientific journals and scientific articles that have official ISSN so that the data obtained is also valid. The technique of using data in this literature or literature study method uses reading activities. Reading here aims to see the results of research that has been done by previous researchers. Then, the next activity is to take notes.

On the data record by recording relevant research results and in accordance with the criteria for the research to be carried out. Then, after the notes, data processing will be carried out. Data will be collected and compared with other research so that they will be able to draw new conclusions on the answers to the research results related to the fear of entrepreneurship in higher education students and allegations or also known as research hypotheses. So that researchers can group, allocate, organize, and use a variety of libraries in their fields.

The data analysis technique in this study was proposed by Miles and Huberman (Moleong, 2017) who carried out qualitative data analysis activities in three activities, namely: (1) data reduction. At this stage the data that has been obtained will be reduced. The purpose of reduction is simplification of data. Take data that matches the problem. Findings that are outside the context of the problem will be discarded and not used. (2) presentation of data. At this stage, the data has been simplified and has been carried out in the previous stage, namely data reduction.

So, at the data presentation stage, namely compiling the data in a structured and neatly organized manner. Presentation of data can be done by presenting it through graphs and diagrams. (3) drawing conclusions. The simplified data are then arranged and presented appropriately. So, the next step is the withdrawal stage. At this stage the results of the research can state whether the research carried out is in accordance with the theory that has been put forward or not. The correlation between theory and reality of facts so that conclusions can be drawn.

### Results and Discussion

The fear experienced by entrepreneurs in building their business is due to several assumptions and perceptions they have. Some of these perceptions and assumptions are:

#### Financial Consequences

Entrepreneurs, especially students, have assumptions and perceptions that the costs used to open a business are large enough so that students will think twice in determining their plans. This large cost is possible for a student not to have a large amount of capital and if the student has large capital, he / she will also receive assistance or support from his parents. A business that requires a large amount of money causes a student to rethink how to get his capital.

The difficulty in obtaining capital is also coupled with a large risk of failure. Failure in entrepreneurship can cause someone to go bankrupt and spend a lot of money in the sense

that there will be big losses. For students who have difficulty finding capital, it will make them afraid to spend a large amount of capital. The consequences of a large loss giving rise to bad motivation will stop the plan. According to Bedford (2016) states that there are business actors who have financial problems as much as 53%. In this case, what is meant by financial difficulties is difficulty in obtaining capital.

The capital needed to build a business is large enough so that it cannot use a small fee. In this condition, most of the students cancel their plans to build a business. Then, said as many as 54% of business actors lost their money that was in their savings. The loss of money is because the money that has been saved is used in building his business, but there are forms of damage in the business, such as the business is not running smoothly so that the products it owns are damaged (Bedford, 2016).

In this condition, the damaged products cause losses to the perpetrator. Products that are damaged because they cannot be reused and the money that has become capital does not return eventually causes losses to the business actor. This is what can trigger a form of fear that exists in someone who will do business because of the large risk of failure. In addition, the costs involved are also large in opening a new business. This has become a fear of financial consequences, causing higher education students to often foil their plans in building new businesses.

### **Psychological Consequences**

The fear experienced by higher education students when they will have a plan to build their business, the student has a fear of psychological threats. The view of the community states that when a business actor fails and goes bankrupt in his business, it will be considered to have a lower degree and incapacity. In addition, it is considered that not having good skills allows it to fail in business. When a business actor gets this assessment from the community, the business actor will also lose his self-esteem and feel ashamed (Bedford, 2016).

Furthermore, other people's views on a failed business actor are that they are unable to make decisions properly and wisely, causing the failure

of their business or business. These forms of views of other people and judgments from other people are what causes business actors, especially higher education students to experience fear because doing business or entrepreneurial activities with a large risk of failure, it will cause fear of their psychology because other people will judge themselves as unpredictable. able and do not have good skills in running the business.

When students fail in entrepreneurship, they will get an assessment of their bad self-esteem and drop their degrees. Students must feel ashamed for experiencing this failure. The views and judgments of other people cause these students to experience psychological disorders Cacciotti (2016). These psychological disorders include stress and get a lot of burden on the mind. The stress caused by the person's views and assessments will drop the motivation or desire of the student in planning new entrepreneurial activities. The fear of changing this psychological threat makes a bad motivation for higher education students to cancel their plans and intentions in building their business. In addition, entrepreneurial activities must also have a high competitive nature so that competition between entrepreneurs leads to intense competition. Every business actor must have a competitive nature in order to be able to build his business properly without fear and threats.

### **Fear in the Workplace**

Fear can be defined as a high level of emotional arousal caused by perceiving a significant and personally relevant threat. Fear motivates both protective and maladaptive action, depending on the circumstances. Additionally fear is an unpleasant physical and emotional response to a detected threat or danger; or a concern or anxiety about an undetected consequence that threatens to bring bad news or bad results. Fear effects productivity, communication, ability to create and emotional well-being Gibb claims that individual characteristics such as motivation, consciousness, perception, emotion, cognition, action and synergy are impacted negatively when high levels of fear are evident. For instance, when fear is felt strongly, an individual may be unable to focus affectively when examine a problem due to an impaired perception of the task at hand. While

some people have a difficult time dealing with work-related fears, others do not. There are many factors that contribute to discrepancies in coping strategies among individuals such as personality, job status, marital status, level of education, and years of experiences.

### **Perceived Behavioral Control**

PBC is considered as the most controversial construct in the TPB in part because of the inconsistency in the empirical findings related to its influence on intention and in part because of the disagreement regarding its conceptualization and operationalization social learning construct of self-efficacy which is an individual's perception of his or her capability to execute courses of action required to deal with prospective situations. The view that PBC and self-efficacy are essentially similar constructs led a number of researchers to replace in their studies PBC with self-efficacy.

### **Entrepreneurial Intention**

The term "intention" has been defined by various authors in convergent ways. A generic definition of behavioral intention is provided. For whom intentions represent "indications of a person's readiness to perform a behavior." In the entrepreneurial context, a general definition is that entrepreneurial intention is the state of mind that directs and guides a person's attention, experience, actions, goal setting, communications, commitment, organization, and other kinds of work toward the enactment of entrepreneurial behavior. The final stage in the entrepreneurial intention formation, referred to as "nascent entrepreneurship," is the transition from commitment to gestation which consists of activities associated with the start-up effort.

### **Conclusion**

The fear of failure experienced by students is high due to financial consequences and psychological consequences. The financial consequences are considerations that arise from these higher education students because in building a business or a business it requires a large amount of money. This large cost causes student delays in building their business. Most students do not have

sufficient capital so that it is difficult to find capital to use to do business. In addition, the risk of failure in doing business or entrepreneurship is a large risk of failure.

In terms of psychological consequences, students who have a fear of entrepreneurial activities are caused when there is a form of failure in entrepreneurship, it will cause the appearance of other people's views and other people's assessments of business actors such as not having skills in entrepreneurship and not having sufficient capabilities. This will cause the business actor to fall in self-esteem and feel ashamed because of the bad views and judgments of others, which causes the business actor to experience psychological and mental pressure which will fall so that stress can occur.

Suggestions that can be given are to increase motivation in entrepreneurship by trying to be optimistic about the plans that will be carried out for entrepreneurship and increasing their skills as well as their creativity and ideas in order to increase their confidence in entrepreneurship so that with this motivation will eliminate fear and failure of the risk of entrepreneurial bankruptcy.

This study broadens the knowledge about fear of failure in students in entrepreneurship. Several findings can be used as a reference and material for further study regarding this measurement of fear of failure. Practically this study also tries to provide a view to all higher education stakeholders in building entrepreneurial spirit for students in accordance with the direction of education that has been designed by the government. For further researchers, it is also possible to develop a view of differences in fear of failure in terms of culture and gender (Levine et al., 1976). Given that in several countries, including Indonesia, the role of men as head of the family and earning a living is more demanding and dominant than women.

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