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How Social Entrepreneurs Respond to Enterprise Failure

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ABSTRACT
Given that little research examines how social entrepreneurs respond to venture failure, the first aim of this conceptual paper is to explore the cognitive, affective and behavioural responses of social entrepreneurs to the demise of their organisations. The second aim is to explore four factors that contribute to these responses: values, motives, personality, and identity. The third aim is to compare responses to failure in social entrepreneurship to failure in commercial entrepreneurship. Literature was sought that focuses on responses to commercial and social entrepreneurship failure, supported by studies in management, organisational behaviour and social psychology. Despite the paucity of empirical research into how failure social entrepreneurs experience failure, we argue that the dual goals of social entrepreneurs (financial and social) place a more significant burden on them than commercial entrepreneurs when their enterprises fail. While negative responses are common, more constructive reactions are possible. The nature of the responses and their underlying factors are captured in a new model of responses to failure in social entrepreneurship, propositions are presented and several directions for future research are indicated.

KEYWORDS
Failure; social and commercial entrepreneurship; cognitive; affective and behavioural responses; values; motives; personality; identity; institutional logics

Introduction

Failure occurs in the realm of social enterprise, as it does in other organisational forms. It is particularly evident in organisations regarding job performance (Edwards and Ashkanasy 2018) and the execution of strategies (McMillan and Overall 2017), projects (Shepherd and Cardon 2009) and organisational changes (De Keyser, Guiette, and Vandenbemp 2021). Ultimate indicators of business failure are bankruptcy, liquidation or being sold off at a loss (Marks and Vansteenkiste 2008). Failure is also evident in government departments, other state agencies (Kuipers et al. 2014), NGOs (Bennett 2016) – and social enterprises (Munoz, Cacciotti, and Ucbasaran 2020; Scott and Teasdale 2012; Seanor and Meaton 2008). The advent of Covid-19 has had a dramatic impact on bankruptcies (Scigliuzzo et al. 2020) and is also affecting social enterprises

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(Nee 2020; Weaver 2020) and NGOs, as business slows and contributions from donors and investors dry up.

Failure is common in commercial entrepreneurship (Jenkins and McKelvie 2016). Even in more benign times, entrepreneurship is a journey filled with risk and uncertainty in a competitive and fast-changing world. It is therefore not surprising that while many commercial start-ups have often been found to fail within a few years (Mantere et al. 2013), established ventures also perish (Cardon, Stevens, and Potter 2011). Scholars have become increasingly interested in exploring the impact of failure and how entrepreneurs respond to it (Ucbasaran et al. 2013).

Shepherd (2019) has called for research into the negative aspects of commercial entrepreneurship – what he terms the dark side, the downside and the destructive side – aspects of a venture that harm the entrepreneur and others. Likewise, Lane, Mallett, and Wapshott (2019) point to the need to explore the psychological and social aspects of entrepreneurial failure, as well as the financial. Venture failure is clearly one of the triggers of negative outcomes for the entrepreneurs themselves. We argue that an enterprise's failure may have even more adverse elements for the social entrepreneur than for the commercial entrepreneur. Prior studies have focussed mainly on failure in commercial entrepreneurship. While such studies have begun highlighting the various costs of failure and the impacts on these entrepreneurs, more recently, scholars have also urged that the phenomenon of failure be studied in other forms of entrepreneurship (Shepherd 2015). Otherwise, by privileging one form of entrepreneurship, we exclude the theoretically rich variations and practically useful insights that may emerge by exploring failure in other forms (Welter et al. 2017). Despite such discussions, there remains a paucity of research on failure in social entrepreneurship (Scott and Teasdale 2012). Research has mostly focussed on the organisational-level issues (e.g. Conforth 2014; Costanzo et al. 2014), and very little has been studied of the consequences for the social entrepreneurs themselves (for exceptions, see Driver 2017 and Seanor and Meaton 2008). Therefore, this paper investigates failure in social entrepreneurship and how entrepreneurs respond to it.

While there are many definitions of a social enterprise (Dacin, Dacin, and Matear 2010), lying as it does at the intersection of private/public capital and the community-oriented agency, it is still distinguishable from the commercial enterprise and the NGO. Using the theoretical lens of institutional logics, social entrepreneurship is the site of dual, even competing logics (Bruneel et al. 2016) – the social logic of doing good for people (Battilana 2018) and the environment (Gregori, Holzmann, and Wdowiak 2021) – and the commercial logic of profit and wealth creation. Different logics produce tensions between stakeholders (Austin, Stevenson, and Wei-Skillern 2006; Smith, Gonin, and Besharov 2013), such as founders, beneficiaries, customers and investors, and within the social entrepreneur or entrepreneurial team (Battilana and Dorado 2010). Theorists have argued that the exigencies of simultaneously meeting social and financial goals may lead to mission drift (Battilana and Dorado 2010; Conforth 2014; Smith, Gonin, and Besharov 2013), the variation of the social imperative to address the commercial one). Thus, competing institutional logics cause conflict and tensions among stakeholders and filter down to the logics that drive, and at times confound, the individual social entrepreneur (Battilana 2018).

To date, very few studies have compared individual differences between social entrepreneurs and commercial entrepreneurs. For example, Austin, Stevenson, and Wei-Skillern (2006) and Dacin, Dacin, and Matear (2010) examined differences between the two types of entrepreneurs, Smith, Bell, et al. (2014) compared their personality traits, Petrovskaya and Mirakyan (2018) compared leadership styles and values, and Yitshaki and Kropp (2016) compared the intersection of passion and identity of high tech entrepreneurs and social entrepreneurs. Only Munoz, Cacchiotti, and Ucbasaran (2020) appear to have investigated enterprise failure, confining their analysis to decision-making processes about exits. We therefore aim to address this gap in the context of enterprise failure.

While passion drives commercial and social entrepreneurs (Cardon et al. 2009; Stroe et al. 2020; Yitshaki and Kropp 2016), we suggest that the 'missionary' zeal of the social entrepreneur (Wry and York 2017) in attempting to solve social problems is likely to engender different patterns of thought when dealing with failure (Dacin, Dacin, and Tracey 2011; Nason, Bacq, and Gras 2018), more intense negative emotional reactions (Yitshaki and Kropp 2016), and different actions or intentions (McGlade 2013). Social entrepreneurs may have a greater sense of responsibility towards various stakeholders (Nason, Bacq, and Gras 2018; Zahra and Wright 2016), particularly the beneficiaries of their organisations (Lorenzo-Afable, Lips-Wiersma, and Singh 2020), a category usually absent in commercial entrepreneurship outside of corporate social responsibility initiatives.

The purpose of this study is to take a psycho-social perspective in investigating micro-level responses of social entrepreneurs to failure, specifically exploring their thoughts, emotions and behaviours and the underlying psychological mechanisms that contribute to them. The research questions that underpin this article are, therefore:

RQ1. How do social entrepreneurs respond on cognitive, affective and behavioural levels to the failure of their enterprises?

RQ2. How do the values, motives, personality and identity of social entrepreneurs contribute to their responses to the failure of their enterprises?

RQ3. How do these responses, and the contributing factors, differ from those of commercial entrepreneurs when their enterprises fail?

The article proceeds as follows. First, we define the term failure in the context of social and commercial entrepreneurship. Second, we explain why we have selected the cognitive-affective-behavioural axis to compare individual responses to failure in commercial and social entrepreneurship. Given the lack of studies on how social entrepreneurs respond to failure, we needed to analyse literature on responses to failure in the much broader field of commercial entrepreneurship, as well as literature in management, organisational behaviour and social psychology. Third, we justify our choice of four factors (values, motives, personality and identity) that penetrate the literature on entrepreneurship, commercial and social, and that have been used to explain why people start entrepreneurial ventures and how they respond to their failures. Fourth, we examine the similarities between responses to the failure of commercial and social entrepreneurs and make a series of propositions that are specific to social entrepreneurs. Fifth, we present a model that captures cognitive, affective and behavioural responses and the underlying factors that influence them. Finally, we suggest avenues for further research.

Defining failure in entrepreneurship

While there is no consensus on a definition of failure in the commercial entrepreneurship literature (Corner, Singh, and Pavlovich 2017, Jenkins and McKelvie 2016), it is mostly considered as the cessation of activities due to mounting and unsustainable financial losses (Shepherd 2003; Ucbasaran et al. 2013) which lead to insolvency and liquidation. However, as Jenkins and McKelvie (2016) note, there are objective and subjective assessments of failure at the firm and individual level, and an entrepreneur may decide to exit the field by closing or selling the firm. Subjective determinations of failure by entrepreneurs (and subsequent exit) may be based on the inability to achieve set objectives (Jenkins and McKelvie 2016), resolve disputes or cope with the stress of running a struggling business (Cope 2011; Munoz, Cacciotti, and Ucbasaran 2020; Singh, Corner, and Pavlovich 2007). Mantere et al. (2013) argue that the meaning of failure is socially constructed through various stakeholder voices, some of which may persuade the entrepreneur to close or sell the business.

Similarly, there is no agreed definition of failure in social entrepreneurship, with authors questioning whether failure (or success) should be measured not only in financial terms but also in social terms, with the latter being more ambiguous and, therefore, more difficult to measure compared to commercial entrepreneurship (Mantere et al. 2013; Scott and Teasdale 2012). One social entrepreneur whose social venture failed, Horrocks (2016, 56), points to the difficulties of defining social entrepreneurship failure but offers the following: ‘A social venture will fail … if it can’t meet the needs of its customers or beneficiaries more effectively than its competitors’ (assuming that there are competitors).

Given our focus on the individual social entrepreneur, we take one of Jenkins and McKelvie (2016) four conceptualizations of entrepreneurial failure, the subjective/individual-level, in adapting Ucbasaran et al. (2013, 175) well-cited definition of business failure to propose a definition of social entrepreneurial failure: ‘the cessation of involvement in a venture because it has not met a minimum threshold for economic viability’ *and/or has not met goals that are crucial to achieving the overall social mission* ‘as stipulated by the entrepreneur’. Economic goals may include a decent salary and/or return on investment for the entrepreneur, or minimally, breakeven. Social goals can include reduction in poverty (Maak and Stoetter 2012), job creation, training or other income-earning opportunities (Battilana et al. 2015; Horrocks 2016; Scott and Teasdale 2012), improving lives through greater access to basic amenities (Kickul, Janssen-Selvadurai, and Griffiths 2012) and attending to sustainable development (Gregori, Holzmann, and Wdowiak 2021). In admitting failure, what may be more complex for social entrepreneurs, compared to their commercial counterparts, is the subjective determination, influenced by competing institutional logics, some conceding defeat through financial loss, others exiting because of their inability to satisfactorily achieve the social goals they set, and some acknowledging failure to achieve both types of goals.

Cognitive, affective and behavioural responses to enterprise failure

Some authors have adopted theories of stress to explore failure in commercial entrepreneurship (Byrne and Shepherd 2015; He et al. 2018; Jenkins, Wiklund, and Brundin 2014; Politis and Gabrielsson 2009; Singh, Corner, and Pavlovich 2007). In the context of stressful events, and failure is clearly stressful, the cognitive appraisal theory of Lazarus and Folkman (1987) indicates that primary appraisal occurs when a situation is viewed as threatening, evoking negative emotions, often fear, sadness and anger, which in turn stimulate a range of cognitions (secondary appraisal) and actions or strategies to cope with the stressful situation. Cognition usually precedes emotion (Lazarus and Folkman 1987), and, in stressful situations, cognitive processes may be influenced by attribution of cause, acceptance of responsibility and learning from experience (Ucbasaran et al. 2013), or impaired by excessive rumination and the inability to process information or think logically (Shepherd and Patzelt 2015). Behaviour in dealing with entrepreneurial failure can include starting new enterprises (Jenkins, Wiklund, and Brundin 2014), finding new avenues of employment (McGlade 2013), wallowing in inertia or spiralling into despair and depression (Hsu, Wiklund, and Cotton 2017; Singh, Corner, and Pavlovich 2015).

Other authors have chosen to analyse entrepreneurs' responses to failure on cognitive, affective and behavioural levels. The relationships between these levels have been well documented in prior studies of management (e.g. Ashkanasy, Humphrey, and Huy 2017) and thus forms the foundation of our approach. Table 1 contains brief details of selected empirical studies on failure in entrepreneurship that have explicitly investigated at least two of these levels of response, identifies the methods, key constructs used, main findings, and the authors' key recommendations for new research. Notably, one only is on social entrepreneurship (Seanor and Meaton 2008). Some of the gaps in the literature analysed in these studies may have been partially addressed in the years after their publication, but they do point to the need for considerable further research into individual responses to failure in commercial entrepreneurship. What is of additional interest is how the types of response interact with each other, particularly over time, in confronting failure. Given how little has been conceptually presented in social entrepreneurship, let alone empirically tested, we will note towards the end of our paper what additional research directions could be profitably explored in future studies.

Cognitive responses of social entrepreneurs to failure

As noted earlier, definitions of failure (in many contexts) vary substantially. Therefore, social entrepreneurs may believe that firm failure equates to personal failure (Jenkins and McKelvie 2016). One respondent in Seanor and Meaton (2008, 35) study reflected on the perceived stigma that 'to have gone under in the voluntary sector is a great sin … Failure is not perceived the same way as the business sector, it implies more

Table 1. Selected empirical literature on cognitive, affective and behavioural responses of entrepreneurs to failure.

Authors	Method	Main constructs	Main findings	Relevant recommendations for new research
Byrne and Shepherd 2015	Case studies of failed entrepreneurs in the UK	Problem- and emotion-focussed coping with failing and failure	Reflections on emotions enable coping with failure and learning from it, but not all entrepreneurs can move on; effectively processing negative and positive emotions leads to recovery.	Entrepreneurs experiencing both negative and positive emotions; the impact of negative emotions on sensemaking; effectiveness of training entrepreneurs in coping
Cacciotti et al. 2016	Interviews with entrepreneurs In Canada and the UK	Fear of failure	Fear of failure is influenced by several factors, e.g. social esteem, perception of ability to conceptualise a successful idea, finance and execute a venture; failure triggers both positive and negative affect; fear of failure oscillates over time.	Fear of failure needs to be investigated throughout the entrepreneurial journey; impact of disposition on how fear of failure leads to continuing or abandoning a venture; why some entrepreneurs adopt a promotion focus (to persevere and pursue success) and others a prevention focus (to avoid or minimise loss)
Cope 2011	Interviews of failed entrepreneurs in the UK and USA	Emotional costs of failure, learning	Failure has profound emotional outcomes; ‘stepping back’ to reflect on causes and consequences of failure enables psychological recovery for some failed entrepreneurs and new opportunities for others.	Learning and recovery through timeframes of failure; how those who have experienced regeneration after failure have changed their behaviours
He et al. 2018	Surveys of entrepreneurs, some of whom had experienced failure (and managers) in the USA and Finland	Behaviours as outcomes of learning from failure, velocity of failure, emotional regulation	The velocity of failure spurs learning; emotional regulation facilitates specific learning behaviours.	The relationship between emotional regulation and different learning behaviours; the differing impacts of valence of emotions (positive/negative) on learning behaviours
Jenkins, Wiklund, and Brundin 2014	Interviews with failed entrepreneurs in Sweden	Threat appraisal, stigma, loss, grief, prior failure, re-entry	Grief from failure is experienced in different ways and varies between serial and hybrid entrepreneurs; prior experience of failure tends to build resilience and lead to re-entry.	Challenge appraisal in the context of failure; positive emotions and psychological capital, entrepreneurial responses unfolding over time
Lafuente et al. 2019	Survey of entrepreneurs in Spain	Resilience, serial entrepreneurs, learning	Serial entrepreneurs who have experienced failure, demonstrated resilience and learned from failure start new ventures with new strategies; those entrepreneurs who express distress from failure are unlikely to re-enter entrepreneurship.	Reponses to failure must be studied over time; how resilience influences entrepreneurial decision-making and behaviour
Mandl, Berger, and Kuckertz 2016	Textual analysis of home pages of failed	Attributions of causes, controllability,	Whether failed entrepreneurs continue or abandon entrepreneurship depends on the	The role of self-esteem in attributions of the cause of failure; heuristic devices linking

(*continued*)

Table 1. Continued.

Authors	Method	Main constructs	Main findings	Relevant recommendations for new research
	businesses and the LinkedIn profiles of the entrepreneurs	temporality and different types of entrepreneur	interaction between attributions of causality (internal/external causes), types of entrepreneurs (novice, serial, portfolio) and stability (temporary or permanent cessation).	attribution of cause to future entrepreneurial action; how different types of entrepreneur respond to failure and why they do so
Mantere et al. 2013	Case studies (interviews with failed Nordic entrepreneurs and other stakeholders)	Attributions of failure, social constructionism, loss, grief, learning	Attributions of failure vary between stakeholder groups; entrepreneurs use both internal and external attributions and recovering from grief enables learning from failure.	How different types of attributions contribute to learning, the impact of attributions and grief recovery on future venturing, how failure is socially constructed
Seanor and Meaton 2008	Participant drawings and interviews od social entrepreneurs in the UK	Uncertainty, ambiguity, identity, trust learning from failure	Failure in social enterprise carries more stigma than in commercial enterprises; stakeholder relationships are more complex in delivering services; learning from failure encompasses understanding a web of stakeholder relationships.	Studying the negative aspects of failure, rather than the 'heroic'; exploring the relationships between various agencies and the role of inter-organisational trust
Singh, Corner, and Pavlovich 2007	Interviews with failed entrepreneurs in New Zealand	Coping, learning	Highlights the economic and non-economic costs of failure. More coping and learning in the economic aspect of an entrepreneur's life as compared to physiological, social and psychological.	Types of coping strategies linked to the kind of learning experienced in various aspects of an entrepreneur's life
Stroe et al. 2020	Survey of early-stage entrepreneurs in Germany	Passion, fear of failure, impact of negative affect on entrepreneurs and others	Negative affective states are caused by a combination of internal and external factors; harmonious v obsessive passion has different effects on fear of failure and negative affect.	Longitudinal studies to measure negative affect and disposition in the entrepreneurial process; emotional regulation in confronting fear of failure; the relationships between harmonious and obsessive passion on future entrepreneurial action
Politis and Gabrielsson 2009	Survey of entrepreneurs in Sweden	Attitudes towards failure, learning, coping	Previous entrepreneurial experience influences attitudes to failure; positive attitudes to learning from failure impact on future entrepreneurial intentions.	The link between positive attitudes to failure and effective decision-making; how aspiration levels, the magnitude of failure and repeated failure influence coping strategies
Yamakawa and Cardon 2015	Survey of failed entrepreneurs in Japan	Attributions of failure, learning from failure, speed of re-entry	Entrepreneurs who accept responsibility for firm failure are more likely to re-enter the entrepreneurial field and do so more quickly than those who make external attributions of failure.	How learning from failure unfolds over time; responses of those who have not re-entered entrepreneurship

than financial failure'. Given that social enterprises have both social and financial objectives, founders (and others) may construe the lack of intended scale as a failure (Scheuerle and Schmitz 2016). Another possible perception when a social enterprise collapses is that the entrepreneur considers that social objectives were realised for a time but ultimately not the financial ones. Alternatively, an enterprise may not be deemed a complete failure if the cause or mission was later pursued more successfully by other agencies that were aware of its efforts and possibly built on them.

Other streams of literature explore cognitive responses to social entrepreneurial failure, including sensemaking, attribution, and learning. Some of these studies focus on who or what is to blame, to whom one is accountable for the outcomes, what can be done to forestall failure or mitigate its damage, and what career steps the failed entrepreneur could next take.

Sensemaking has been used in many studies of management and entrepreneurship (e.g. Cardon, Stevens, and Potter 2011; Ucbasaran et al. 2013; Weick 2012). Regarding failing and failure (Byrne and Shepherd 2015; McMillan and Overall 2017), entrepreneurs engage in an episodic, reflective process of analysing why their enterprises are in danger or have ended. This includes attributions of the causes of failure to external stakeholders (e.g. lack of funding, competition and government interference), or to environmental causes (such as pandemics, earthquakes and local or global financial crises), or to internal, personal causes (e.g. mistakes and inexperience) (Askim-Lovseth and Feinberg 2012; Cardon, Stevens, and Potter 2011; Mandl, Berger, and Kuckertz 2016; Mantere et al. 2013).

The considerable body of research into learning from entrepreneurial failure also considers attributions of the causes, the outcomes of failure and, how excavating the rubble of one enterprise failure could provide lessons for future success (e.g. Cope 2011; He et al. 2018; Politis and Gabrielsson 2009; Shepherd 2003; Ucbasaran et al. 2013; Yamakawa and Cardon 2015). Failed social entrepreneurs could reflect on how to better face the challenges of meeting social and economic objectives and to what extent compromises may be necessary. In the context of social enterprises, Seanor and Meaton (2008) point out that learning from failure could include discovering how to better manage the complex web of stakeholder relationships and their potentially conflicting needs. These include the target population, often considered as beneficiaries, the *raison d'etre* of their enterprises (Horrocks 2016; Lorenzo-Afable, Lips-Wiersma, and Singh 2020), as well as those stakeholders relevant to most organisations, for example, customers (who are not necessarily the same as beneficiaries), employees, investors, suppliers, government agencies and partners, which could include NGOs and other social enterprises (Kickul, Janssen-Selvadurai, and Griffiths 2012; Maak and Stoetter 2012; Seanor and Meaton 2008; Smith, Gonin, and Besharov 2013). For learning to be effective, it may need to be accompanied by action. In reflecting on his failure in social enterprise, McGlade (2013) suggests that:

> Getting smart requires you spend time in the field you want to run a business in. Volunteer or get a job working in the industry or with the clients you want to serve. Enduring adversity is important, but without the right experience and exposure to the field, you're unlikely to succeed.

Affective responses of social entrepreneurs to failure

Given the risk factor, stress is a common by-product of the entrepreneurial venture, whether it is commercial (Shepherd and Patzelt 2015; Singh, Corner, and Pavlovich 2007) or social (Kibler et al. 2018), and it depletes the entrepreneur's coping resources. Therefore, it is unsurprising that entrepreneurial failure can have a damaging effect on individuals, triggering depression, lower self-esteem and lower self-efficacy (Jenkins, Wiklund, and Brundin 2014; Shepherd and Patzelt 2015; Shepherd, Wiklund, and Haynie 2009). Not only do entrepreneurs have 'skin in the game' in the form of financial investment, and therefore their businesses, homes, and families may be at risk (Singh, Corner, and Pavlovich 2015), but their dreams, their reputations as business owners and self-esteem may also be compromised, particularly when they attribute failure to personal deficiencies (Askim-Lovseth and Feinberg 2012). Grief, a term usually associated with death, is frequently linked to business failure (e.g. Jenkins, Wiklund, and Brundin 2014; Mantere et al. 2013; Shepherd 2003; Singh, Corner, and Pavlovich 2015). The self-conscious emotions of guilt, embarrassment, and shame have some similar causes and consequences but different ones too (Bohns and Flynn 2013; Doern and Goss 2014). Guilt arises from a sense of conscience, the belief that one has let others down, through negligence or forgetfulness; embarrassment has a public audience and may be accompanied by self-deprecating humour (Murphy and Kiffin-Petersen 2017), remorse and apology. Shame is a more powerful emotion, a sense of disgrace that others have suffered owing to one's shortcomings (Doern and Goss 2014; Murphy and Kiffin-Petersen 2017; Tangney et al. 1996). Embarrassment, according to Tangney et al. (1996), derives from public disapproval, whereas shame and guilt are forms of self-disapproval. When entrepreneurs fail, an aura of stigma arises, not only through their self-perceived inadequacies but also because of the social disapproval voiced by others (Jenkins, Wiklund, and Brundin 2014; Singh, Corner, and Pavlovich 2015).

Kibler et al. (2018) found high degrees of stress among social entrepreneurs who overloaded themselves with responsibilities in trying to achieve commercial and social objectives. Given that social entrepreneurship has been termed 'venturing for others with heart and head' (Miller et al. 2012, p. 616), and that social entrepreneurs have a wider range of stakeholders than commercial entrepreneurs (Dacin, Dacin, and Matear 2010; Humbert and Roomi 2018; Nason, Bacq, and Gras 2018), they are likely to experience even more highly activated negative emotions when they suffer failure. Since the creation of the social enterprise may flow from the positive and often intense emotions of excitement (Dey and Lehner 2017), passion for the cause, which Yitshaki and Kropp (2016) suggest has a stronger emotional component for social entrepreneurs compared to commercial (high tech) entrepreneurs, and compassion for others (Jeong et al. 2020; Miller et al. 2012), failure is likely to be a bitter pill for the social entrepreneurs to swallow. Not only could they suffer the consequences experienced by their commercial counterparts, they could also feel a heightened sense of responsibility for the intended beneficiaries of their efforts. In addition to experiencing the other-directed emotions of sadness and fear for the recipients, and frustration, resentment and anger towards those who may have led, wittingly or unwittingly, to the demise of the organisation, they are also likely to suffer from the inner-directed emotions of guilt and shame (Doern and Goss 2014; Tangney et al. 1996). According to Khelil (2016), disappointment that they have not achieved their objectives drives some entrepreneurs to exit too early or even contribute to the enterprise's failure. Disappointment can thus be both cause and consequence of venture failure.

More constructively, the shifting interplay between negative emotions, attributions of failure and future actions may provide the reflective entrepreneur with valuable insights into avoiding future failure. Positive emotions may also be experienced (Hayward et al. 2010; Shepherd and Patzelt 2015). The ongoing passion for making a profound difference in others' lives (Jeong et al. 2020) could nourish social entrepreneur through the difficult period of failure and encourage them to re-enter social entrepreneurship. If failed social entrepreneurs allow themselves a measure of self-compassion (Gilbert et al. 2011), they could experience pride (Hayward et al. 2010) from a perception that social needs have to some extent been met, hope (Jenkins, Wiklund, and Brundin 2014) that possible future ventures will be more successful, and feel the excitement from the prospect of starting new ventures, 'like a phoenix arising from the ashes', as one respondent in a research study visualised it (Singh, Corner, and Pavlovich 2007, 341).

Behavioural responses of social entrepreneurs to failure

When a venture has failed, an interim period is likely to occur when both types of entrepreneur contemplate their futures and their options. As grief abates (Jenkins, Wiklund, and Brundin 2014; Shepherd 2003; Ucbasaran et al. 2013), an entrepreneur may seek counselling (psychological and/or entrepreneurial) and explore new possibilities. A darker picture also emerges of those who sink into despair or clinical depression, think of suicide (Corner, Singh, and Pavlovich 2017; Hessels et al. 2018; Shepherd and Patzelt 2015), or remain inert for a period. There is thus a growing body of research on the actions commercial entrepreneurs take but far less regarding their social counterparts.

The concept of learning from failure is a persistent theme of the commercial entrepreneurship literature (Eggers and Song 2015; He et al. 2018; Ucbasaran et al. 2013), but there is a clear difference between the intention of starting a new venture – primarily a cognitive process – and executing it. In their qualitative study of 12 failed commercial entrepreneurs, Singh, Corner, and Pavlovich (2015) reported that 10 had started or intended to start new ventures, expressing the belief that they had learned from previous experience and were determined to avoid the pitfalls, including those associated with their own deficiencies, when embarking on new entrepreneurial voyages.

Social entrepreneurs are no less likely to have considered what they have learned from failure when they plot their futures. They might revisit the competing logics of financial stability and social impact (Battilana and Dorado 2010; Bruneel et al. 2016; Conforth 2014; Wry and York 2017) in determining what went wrong before and what could be done in future social enterprise creation or other fields. McGlade (2013) ascribed his failure in social enterprise to lack of experience in start-ups and his ego and naiveté. He went back to working for new (commercial) venture firms, indicating that he planned to start another social enterprise one day.

Factors contributing to responses of social entrepreneurs to failure

Infusing the literature on entrepreneurship, commercial and social, are four key factors (values, motives, personality and identity) that have been used to explain why people start entrepreneurial ventures and how they respond to their failures on cognitive, affective and behavioural levels. There are many interlocking relationships in these constructs in social entrepreneurship. For example, compassion can be deemed a value (Dees 2012), a motive to serve others (Humbert and Roomi 2018), a personality trait linked to empathy (Smith, Bell, et al. 2014), a central facet of personal and social identity (Wry and York 2017), and an emotion (Miller et al. 2012). We will argue that the impact of these factors on the personal outcomes of failure for social entrepreneurs are likely to differ to some extent from the impact on commercial entrepreneurs.

Values

Values drive social entrepreneurs to start ventures that largely benefit people of a specific group whose needs are not being met by commerce, government or NGOs, but the targets could be extended to the protection of the natural environment (Gregori, Holzmann, and Wdowiak 2021). Values are beliefs about desirable situations and outcomes that guide behaviour (Morales et al. 2019; Schwartz 1994). Of specific relevance to social entrepreneurship in Schwartz's circumplex model is the value of benevolence but equally important is the value of achievement, which is depicted as the opposite of benevolence, and both can underpin thought, emotion and action. Nicholls (2013, 111 refers to the construct of selflessness, 'a burning desire and persistent commitment to help others ahead of themselves'.

The literature on social entrepreneurship refers to blended values – financial, social, and environmental (Kickul, Janssen-Selvadurai, and Griffiths 2012; Zahra and Wright 2016) – that lead to the creation of social enterprises and remain salient when the organisation fails.

The value of community service influences the cognitive processes of sensemaking, attribution and learning. Given that pro-social/altruistic values may dominate the thinking of social entrepreneurs, rather than commercial values (Dacin, Dacin, and Tracey 2011; Petrovskaya and Mirakyan 2018), it is possible that they will accept an unrealistically larger portion of responsibility for enterprise failure and its impact on others. In comparing entrepreneurs, Petrovskaya and Mirakyan (2018) found that social entrepreneurs scored higher than their commercial counterparts in the values of altruism, integrity, and trust in others, and equally in humility. Social values, such as egalitarianism, are also found in commercial entrepreneurs (Morales et al. 2019) but will likely be stronger drivers for social entrepreneurs. In the context of failure, the question arises as to which type of entrepreneur would accept more liability. Would social entrepreneurs experience more negative thoughts and more intense emotions than commercial entrepreneurs when their ventures fail, because the desire to improve others' lives was not fulfilled? In contrast, would they be better positioned because they are motivated to address social issues and could direct their energies elsewhere? On an emotional level, social entrepreneurs may experience a profound sense of angst that they were not ultimately able to achieve the outcomes they (and others) desired. While failure may simply lead to regret and resignation for some people, for others, the guilt, if not the shame (Doern and Goss 2014), of letting down vulnerable individuals and communities, will be especially hard to bear. The inability to improve the lives of others is also likely to trigger more empathic responses in social entrepreneurs.

Motives

The rationale for starting and engaging in a specific social enterprise, such as helping marginalised groups of people or protecting the environment, emerges from more abstract values, such as self-transcendence (Schwartz 1994), selflessness (Nicholls 2013) and service to others (Humbert and Roomi 2018; Maak and Stoetter 2012). While commercial entrepreneurs may have similar motives in creating organisations with a social purpose, the key drivers may lie elsewhere, such as personal wealth creation, the need for achievement or enhancement of their reputations. When motives are thwarted through enterprise failure, the thoughts of the social entrepreneur are likely to focus on the outcomes for the beneficiaries or cause.

On the affective level, unfulfilled social motives may lead beyond frustration to anger and dismay, and the social entrepreneurs' inability to forgive themselves or show self-compassion (Gilbert et al. 2011; Shepherd and Cardon 2009). Since motives in starting social enterprises are a combination of the general, e.g. the desire to contribute to the community and the need for autonomy, and the specific, e.g. addressing poverty in one's home town (Maak and Stoetter 2012; Smith, Bell, et al. 2014), they may propel the failed social entrepreneur to start new ventures with similar goals in mind, but (hopefully) with a better set of strategies and tactics. Just as serial commercial entrepreneurs open new businesses when earlier ones have failed (Eggers and Song 2015; Hsu, Wiklund, and Cotton 2017; Ucbasaran et al. 2013), social entrepreneurs may still be ignited by the passion for serving, and thus start new social ventures. On the negative side, failure may extinguish the motives of social entrepreneurs that led to their enterprises' creation or development.

Personality

As enduring patterns of behaviour, specific traits are related to any form of enterprise creation, such as innovativeness, risk-propensity, locus of control (Askim-Lovseth and Feinberg 2012), self-efficacy (Brändle et al. 2018; Hsu, Wiklund, and Cotton 2017) and, specifically for social entrepreneurs, empathy and compassion (Lanteri 2015). In comparing commercial and social entrepreneurs, Smith, Bell, et al. (2014) found that the latter scored higher in terms of creativity, risk-taking and the need for autonomy.

When failure strikes, the introspective social entrepreneur may see the propensity to take an unnecessary risk as a significant cause and Askim-Lovseth and Feinberg

(2012) argue that an internal locus of control could lead a commercial entrepreneur to assume a considerable portion of the blame. The traits that led to social enterprise creation, such as empathy and compassion (Miller et al. 2012), may play a role in future actions related to social enterprise. Hsu, Wiklund, and Cotton (2017) found evidence from their experimental study of commercial entrepreneurs that self-efficacy led to intentions to enter another business and that framing failure as a temporary loss may make entrepreneurs willing to start afresh in attempting to recoup that loss. Fear of failure can be trait or state (Cacciotti et al. 2016); it can inhibit intended entrepreneurial action or motivate the entrepreneur to put in the required effort (Stroe et al. 2020). Entrepreneurs of any type tend to be optimistic by nature (Hmieleski and Baron 2009). Social entrepreneurs may remain convinced that they can solve the types of problems that companies and governments are unable or unwilling to address; therefore, they may be encouraged to try again. Resilience, a construct that embraces personality but is not confined to it (Corner, Singh, and Pavlovich 2017), is the capacity to bounce back from hardship and defeat and it is even more critical in determining the next course of action for the failed entrepreneur (Lafuente et al. 2019), social or commercial. Corner, Singh, and Pavlovich (2017) found that resilience was part of a process of coping with stress but that not all entrepreneurs they interviewed exhibited resilience in dealing with failure. As Jeong et al. (2020) suggest, social entrepreneurs seem to be 'lone wolves' carrying a high burden of responsibility for the welfare of others; therefore, they might have the streak of resilience necessary to engage productively with failure.

Identity

Theorists of identity have identified several facets, and studies of entrepreneurship have indicated how salient it can be in the creation and management of the firm (Jeong et al. 2020; Wry and York 2017) and also in its failure. Four identity constructs infuse cognitions of failure experienced by social entrepreneurs. Personal identity is tied up with self-concept, self-esteem, and self-efficacy (Stets and Burke 2014; Wry and York 2017), and a strong sense of morality imbues the identity of the social entrepreneur, as the studies of Driver (2017) and Gregori, Holzmann, and Wdowiak (2021) reveal. Role identity is a set of meanings and expectations implicit or explicit in a role (Stets and Burke 2014). The role of the entrepreneur as a leader is one that creates expectations of vision, good judgement, resilience and social, technical and financial skills (Wry and York 2017). Social identity, the sense of group belonging (Brändle et al. 2018; Stets and Burke 2014), motivates social entrepreneurs to address the needs of those who may be perceived as similar (regarding gender, ethnicity, nationality, socio-economic class, disability, etc.), or to work with like-minded people (Nason, Bacq, and Gras 2018), including other social entrepreneurs (Jeong et al. 2020). Organisational identity is the collective sense of who we are as an entity (Gioia et al. 2013) and it is likely to be a vital force for social entrepreneurs (Smith, Meyskens, et al. 2014). The dual (social/commercial) organisational identity that Costanzo et al. (2014) refer to is replete with inherent tensions emanating from its competing logics (Battilana and Dorado 2010; Bruneel et al. 2016; Wry and York 2017). Organisational identification is the ongoing process of relating to an organisation, a melding of the personal, role, and social aspects of identity (Gioia et al. 2013). Institutional logics, according to Gregori, Holzmann, and Wdowiak (2021), influence the elements of identity that are particularly meaningful to the (social/environmental) entrepreneur.

When an enterprise fails, the entrepreneur's identity may be shaken. Self-efficacy (Hsu, Wiklund, and Cotton 2017) and role identity are undermined, social identity may be undamaged, but the acute sense of organisational identity that any entrepreneur may feel, particularly one driven by social motives, leads to a conclusion that he/she bears a substantial portion of the blame for failure. The sense of stigma that accompanies failure in commercial entrepreneurship has a corrosive impact on the psyche of the entrepreneur (Cardon, Stevens, and Potter 2011; Ucbasaran et al. 2013). While this might be an outcome of venture failure, Singh, Corner, and Pavlovich (2015, 151) found that stigma progressed from anticipating failure in commercial entrepreneurship, encountering it, and, after the epiphany many experienced – 'sudden, deep insights into how they had contributed to their firms' failure through ego-based thinking and behaviour' – how they made sense of it and dealt with it psychologically, some more constructively than others. Stigma is likely to be magnified for social entrepreneurs, given the broader range of stakeholders (Maak and Stoetter 2012; Seanor and Meaton 2008) and the perception that they have betrayed those who have relied on the social enterprise or experienced losses from its demise. The social entrepreneur's image as the hero of social change (Dacin, Dacin, and Tracey 2011; Nicholls 2013; Scott and Teasdale 2012; Seanor and Meaton 2008) may be subsumed by that of the villain, or least of the incompetent executive. On the other hand, perceptions of failure (and success) may be different if social entrepreneurs construct their identities as 'activists' rather than as entrepreneurs (Lanteri 2015), or as 'missionaries' rather than 'Darwinians' (Brändle et al. 2018). Entrepreneurial identity, albeit damaged by failure, may lead to re-entry or intentions of doing so, as several reports in commercial and social entrepreneurship have indicated (McGlade 2013).

Discussion

The aims of the study are to identify the possible cognitive, affective and behavioural responses of social entrepreneurs to failure, to explore the factors that contribute to the responses and to compare them to those of commercial entrepreneurs. Theorists have questioned the differences between social and commercial entrepreneurship (Dacin, Dacin, and Matear 2010), and particularly the differences in the individual entrepreneurs' values, motives, personalities and identities, within and across the parallel fields (Smith, Bell, et al. 2014; Yitshaki and Kropp 2016). We have shown that there are both similarities and differences when comparing how both types respond to failure. Figure 1 depicts the theorised relationships between the cognitive, affective and behavioural responses, acknowledging both negative and positive outcomes for the failed social entrepreneur, and the underlying factors that impact on them (values, motives, personality and identity).

In Table 2 we briefly summarise the responses of entrepreneurs to enterprise failure. First, the similarities between responses of both types of entrepreneurs are noted,

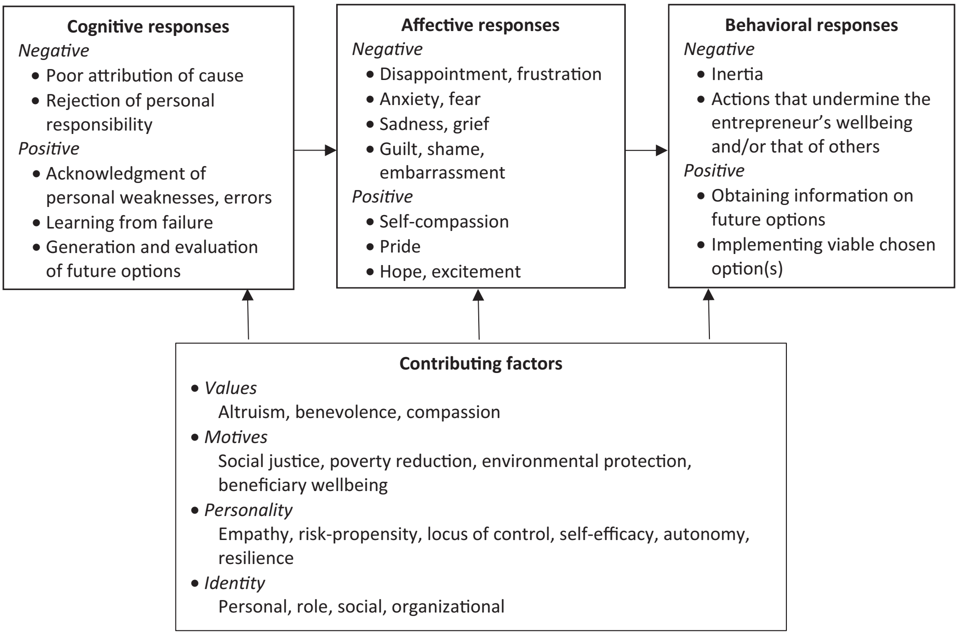
Cognitive responses
Negative
• Poor attribution of cause
• Rejection of personal responsibility
Positive
• Acknowledgment of personal weaknesses, errors
• Learning from failure
• Generation and evaluation of future options
Affective responses
Negative
• Disappointment, frustration
• Anxiety, fear
• Sadness, grief
• Guilt, shame, embarrassment
Positive
• Self-compassion
• Pride
• Hope, excitement
Behavioral responses
Negative
• Inertia
• Actions that undermine the entrepreneur's wellbeing and/or that of others
Positive
• Obtaining information on future options
• Implementing viable chosen option(s)
Contributing factors
• Values
Altruism, benevolence, compassion
• Motives
Social justice, poverty reduction, environmental protection, beneficiary wellbeing
• Personality
Empathy, risk-propensity, locus of control, self-efficacy, autonomy, resilience
• Identity
Personal, role, social, organizational

Figure 1. Responses of social entrepreneurs to failure.

as well as the impact of the four contributing factors. Second, the responses specific to social entrepreneurs are indicated and form a series of propositions. Given the absence of empirical studies, these statements, derived from a wide swathe of literature, are the foundations for further research. Propositions, according to Cornelissen (2017, 3) are 'broad signposts and implications for further research' and should include 'a novel set of assumptions as theorized grounds'.

We have adopted a psycho-social perspective towards building a more holistic understanding of the phenomenon of failure in social entrepreneurship. We have broadened the scope of research beyond the predominant commercial context (Shepherd 2015; Welter et al. 2017) to the social, and answered the call of Shepherd (2019, 217) to study the 'dark side, the downside and the destructive side' of entrepreneurship. We have suggested that while social entrepreneurs respond to failure in some ways that may be like their commercial counterparts, they tend to carry a heavier weight of expectation and therefore suffer more when their organisations fail. These expectations are primarily their own but loaded by those of other stakeholders, particularly the intended beneficiaries. We have argued that other factors influence their reactions to failure, for example, the challenges of managing the twin imperatives of commercial viability and social impact and of gaining legitimacy from the broader range of stakeholders that social entrepreneurs are engaged with compared to commercial entrepreneurs (Kickul, Janssen-Selvadurai, and Griffiths 2012; Smith, Gonin, and Besharov 2013). Since commercial enterprise failure inflames negative emotions (Byrne and Shepherd 2015; Conforth 2014, He et al. 2018; Singh, Corner, and Pavlovich 2007), they are likely to be more intense for social entrepreneurs, given the

Table 2. Summary of key responses of entrepreneurs to venture failure.

	Responses common to commercial and social entrepreneurs	Responses specific to social entrepreneurs (propositions)
Type of response		
Cognitive	Entrepreneurs believe that failure is economic, i.e. the inability to create personal wealth.	SEs believe that failure is the inability to create social change/wellbeing *and* personal wealth.
	Failure is attributed to external factors and individual weaknesses and errors.	SEs take a high degree of responsibility for their weaknesses and errors in venture failure.
	Failure provides learning opportunities for future ventures.	SEs learn from failure how they can achieve a successful balance between economic *and* social aims.
Affective	Negative emotions accompany failure, such as anger, frustration, disappointment, grief, guilt, embarrassment and shame.	Negative emotions are likely to be intense for SEs, especially when disappointment, grief, guilt, embarrassment and shame are directed at beneficiaries and supporting agencies.
	Positive emotions are less likely but could include pride in some achievements and hope for successful future ventures.	SEs are proud of success in temporarily or partially achieving social aims and hope to start new social ventures.
Behavioural	Entrepreneurs exit ventures if they believe they cannot achieve their economic aims.	SEs are more likely to exit ventures when they believe they cannot achieve their social aims and their economic aims.
	Entrepreneurs who have resilience and motivation, aim to start new ventures, if they can find funding, or they will seek employment.	Ses who have resilience and motivation are likely to start new social ventures or work for organisations with social aims.
Contributing factors		
Values	Achievement, power and autonomy encourage re-entry after failure.	Pro-social values thwarted by value produce negative thoughts and emotions, but, together with achievement and autonomy, are likely to encourage social entrepreneurship re-entry or employment with other organisations with social aims.
Motives	Since motives of wealth creation largely drive CEs, partially SEs, and motives of enhancing social good, largely drive SEs, partially some CEs, failure will initially produce negative thoughts and emotions but encourage re-entry.	Since social motives are dominant drivers of SEs, failure produces negative thoughts and intense emotions but is likely to encourage social entrepreneurship re-entry or employment with other organisations with social aims.
Personality	Innovativeness, risk-propensity, autonomy, self-efficacy and resilience are key traits that encourage re-entry after failure.	Empathy with beneficiaries, innovativeness, risk-propensity, locus of control, self-efficacy and resilience are likely to encourage failed SEs to re-enter social entrepreneurship or seek employment with other organisations with social aims.
Identity	Personal, role, social and organisational identity will be compromised by failure but could trigger identity reconstruction and entrepreneurship re-entry.	Social identity (primarily relating to beneficiaries), together with personal, role, and organisational identity, is likely to trigger identity reconstruction after failure and social entrepreneurship re-entry or the search for employment with other organisations with social aims.

range of pressures they face. While many commercial entrepreneurs are reported to have bounced back from failure and started new ventures (Corner, Singh, and Pavlovich 2017; Jenkins, Wiklund, and Brundin 2014), there is little evidence of parallel studies in social entrepreneurship. However, given their drive to address pressing community issues, social entrepreneurs may be inclined to either start new social enterprises or work for organisations with social missions.

Limitations and further research directions

The first and most obvious limitation of our study is the lack of studies of social entrepreneurs' cognitive, affective and behavioural responses to their enterprises' demise, making a comparison of the two types of entrepreneurs problematic. This lack of research has led us to speculate on how social entrepreneurs might respond and how different this might be to commercial entrepreneurs' responses.

Second, cultural and local differences may influence entrepreneurial responses to failure. Studies show how deeply held cultural beliefs may impact perceptions of entrepreneurial failure. For example, there is less shame due to failure in east Asian countries than in Anglo countries (Begley and Tan 2001) and stigma also has cultural connotations (Singh, Corner, and Pavlovich 2015). Scholars have highlighted national and regional level cultural variations regarding attitudes and responses to entrepreneurial failure (Cardon, Stevens, and Potter 2011). Most of our studies of failed commercial entrepreneurs have occurred in Western countries, necessitating the need for cross-cultural comparisons in social entrepreneurship and in wider geographic, gender and socio-economic contexts (e.g. Horrocks 2016; Lorenzo-Afable, Lips-Wiersma, and Singh 2020; Maak and Stoetter 2012; Maguirre, Portales, and Bellido 2018).

Third, we have not distinguished between social entrepreneurs who have considerable financial resources or employment opportunities they can rely on if their ventures fail, and those whose commitment to social enterprise has placed their livelihoods at immense risk. In addition, while we have mentioned studies of different types of commercial entrepreneurs, such as nascent, novice, serial and portfolio (e.g. Jenkins, Wiklund, and Brundin 2014; Mandl, Berger, and Kuckertz 2016), we have not adequately conceptualised the possible reactions of a similar range of social entrepreneurs. For example, there may be those who also manage commercial start-ups or hold paid jobs alongside running their social enterprises. Such people will be less financially affected by the failure of their social enterprise. While they will experience negative emotions, the psychological ramifications may differ from those engaged in a failed venture that they rely on for income.

Regarding further research, we have drawn on the recommended new directions of the authors listed in Table 1, other authors in the fields of commercial and social entrepreneurship, and our speculations of how social entrepreneurs respond to failure. We have formulated these as propositions as part of Table 2. Given the broad range of constructs, we have identified in this article, we have condensed suggested research into the following paths.

Cognitive, affective and behavioural responses to failure in social entrepreneurship

Previous studies on cognitive responses to failure in commercial entrepreneurship have identified processes of learning and attribution as key elements (e.g. Byrne and Shepherd 2015; Mandl, Berger, and Kuckertz 2016; Singh, Corner, and Pavlovich 2007). Future studies need to do more than simply explore these processes in the context of social entrepreneurship. More specifically, it will be helpful to investigate how social entrepreneurs define failure, given the dual aims of social impact and financial stability, whether they are more likely than commercial entrepreneurs to attribute failure to their weaknesses (Askim-Lovseth and Feinberg 2012; Cardon, Stevens, and Potter 2011) and what they have learned from failure (Ucbasaran et al. 2013). In terms of affect, research is necessary on which are the most prevalent emotions social entrepreneurs experience regarding failure, for example, whether they report more guilt or shame than failed commercial entrepreneurs, whether the negative emotions are more intense than those of commercial entrepreneurs, how they have regulated the negative emotions, and which positive emotions they have experienced despite failure. Future studies on cognitive, affective and behavioural responses also need to investigate the complex interplay between these responses by social entrepreneurs.

Values, motives, personality and identity

Since these constructs infuse the literature on failure in commercial entrepreneurship, their relevance to failure in social entrepreneurship needs to be explored. For example, given that social entrepreneurs are often driven by prosocial values and motives (Dees 2012; Miller et al. 2012), which are often embedded in their personalities and identities, further research is needed that teases out the individual and intersecting influences on their definitions of enterprise failure and responses to it. A distinction between commercial entrepreneurs being driven by materialistic values, while their social counterparts have both materialistic and self-transcendental and altruistic values, is an unrealistic assumption of homogeneity within each type. It is the dilemmas and the challenges of simultaneously achieving social and financial goals that sorely need empirical investigation, particularly in the context of failing and failure (Conforth 2014). Smith, Bell, et al. (2014) found both similarities and differences in the personality traits of commercial and social entrepreneurs, and this type of comparison in the context of failure would add considerable value. Research has shown that social entrepreneurs are motivated by concern for others, but what has seldom been questioned is how motives of self-preservation influence actions in the face of failure. New directions for research also include how four different types of identity (personal, role, social and organisational) (Smith, Meyskens, et al. 2014; Stets and Burke 2014; Walsh, Pazzaglia, and Ergene 2019; Wry and York 2017) are engaged the face of failure in social enterprise, which are the most prevalent and why. The extent to which these four factors are influenced by different institutional logics (Battilana et al. 2015; Smith, Gonin, and Besharov 2013) also requires further investigation.

Types of social entrepreneurs

Different types of commercial entrepreneurs, using labels such as nascent, novice, serial and portfolio, and how they have responded to failure (e.g. Jenkins, Wiklund, and Brundin 2014; Lafuente et al. 2019; Mandl, Berger, and Kuckertz 2016). It is necessary to research whether social entrepreneurs with longer and wider experience, and prior experience of failure, are more able to learn from failure and cope better with it. An additional question is whether there are differences in how entrepreneurs, who have other forms of income and capital, respond to the failure of a social enterprise, compared to those who are heavily financially invested in just one.

Failure over time

Much of the entrepreneurial literature refers to failure as an outcome rather than a process (failing), but both need the attention of scholars. Coping with stress, as a psychological process, evolves with new events (Lazarus and Folkman 1987) and many studies of entrepreneurship have called for research that examines trajectories of coping with failing, and what can be done to forestall it, and coping with failure when the endgame is reached (e.g. Cope 2011; Jenkins, Wiklund, and Brundin 2014; Singh, Corner, and Pavlovich 2007). Studies of resilience, re-entry or new career paths in the realm of social entrepreneurship should be considered. Fear of failure in commercial entrepreneurship has been covered in prior sections on affective reactions (Cacciotti et al. 2016) but needs to be extended to social entrepreneurship. Longitudinal studies would help track the impact of failing on the individual social entrepreneur.

Conclusion

We have added our voices to the call for research by a growing number of scholars acknowledging that failure in social entrepreneurship is an important topic (e.g. Seanor and Meaton 2008). We have contributed to the literature by widening the scope of failure in social entrepreneurship to embrace a fuller set of psychological reactions and contributing factors, distinguishing these from those of commercial entrepreneurs, and identifying a set of propositions that could galvanise further research. We hope this article stimulates curiosity among entrepreneurship scholars to begin a more in-depth examination into the micro-level mechanisms underlying social entrepreneurs’ experiences and responses to failure and even potentially uncover novel or unexpected insights into the role of failure that may have remained hidden, overlooked or misunderstood in existing entrepreneurial failure research.

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