



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

MANAGEMENT SCHOOL
Te Raupapa

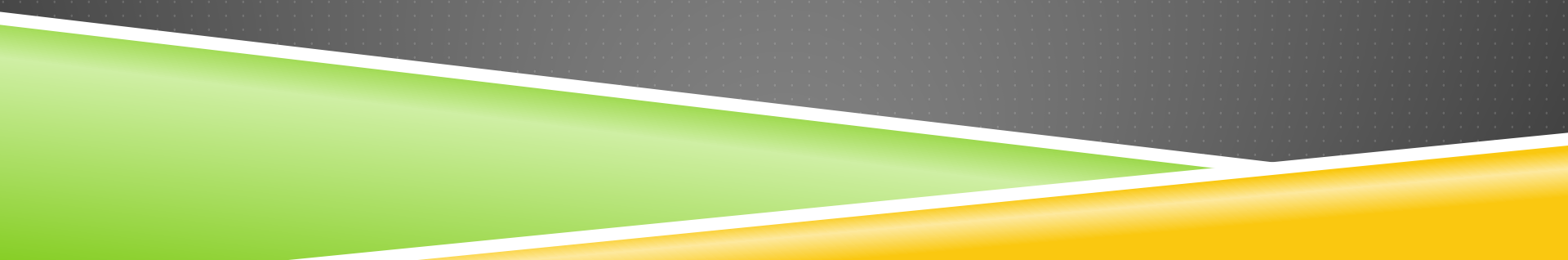
BEING RESILIENT WHEN EXPERIENCING VENTURE FAILURE

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BACKGROUND

- ▶ Resilience is “the ability to persist in the face of challenges and to bounce back from adversity” (Reivich et al., 2011, p. 25)
 - ▶ Increasing acknowledgement of the impact of entrepreneurial failure, particularly on the founding entrepreneur
 - ▶ Failure can be overwhelming and lead to serious emotional and financial repercussions (Shepherd et al., 2009, Smith & McElwee, 2011)
 - ▶ Entrepreneurial resilience under-researched
 - ▶ In the organisational theory literature, more emphasis on firm resilience and very little known about individual resilience
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PURPOSE OF THE STUDY & RESEARCH QUESTION

- ▶ To examine resilience from the perspective of entrepreneurs who have experienced failure.
- ▶ Research question: “How do entrepreneurs stay resilient after experiencing venture failure”?

RESEARCH METHODS

- ▶ Qualitative research design, narrative approach
- ▶ Twenty – one entrepreneurs*
- ▶ Inductive approach to data analysis: arranging data into progressively more abstract categories

*one described in the paper

FINDINGS

- ▶ **Three overarching themes of “Being resilient”**
 - ▶ What did you draw on to help you get through?
 - ▶ Family and friends
 - ▶ Spiritual beliefs
 - ▶ Positive distractions

FAMILY & FRIENDS

- ▶ **Family**
 - ▶ **Role models**
 - ▶ **Support and Ideas**

- ▶ **Friends, colleagues, books and internet**
 - ▶ **Supportive**
 - ▶ **Healing**
 - ▶ **Inspirational**
 - ▶ **Motivational**

SPIRITUAL BELIEFS

▶ God's will

- ▶ *My core spirituality is my faith and I believe in God. I have never stopped praying and prayer for me is like a form of meditation. Even when I lost my wife, the first words I used was how am I surviving this? God must have some more work lined up for me and there is a reason why he is testing me*

▶ God always listens, loves and cares

- ▶ *I am not religious but I have beliefs. I do believe there is something out there which looks after you, whether it is God or the universe,*

▶ Self-responsibility

- ▶ *My belief is that God gave me two hands, two legs and a brain and I am going to use them. You create the path and he has given you the tools to do it. So we are involved in creating the technology that will help us re-start the business*

POSTITIVE DISTRACTIONS

▶ Humour

- ▶ *One of our saving graces is that we try and laugh a lot. Wherever we could, we found something funny and laughed about it. People were horrified to hear some of the jokes we make about ourselves but that is our coping mechanism. We have always been able to laugh at ourselves but that does not mean that sometimes laughter hasn't turned to tears really quickly. It was a release.*

▶ Relaxation

- ▶ *My wife (X) helped set up the gallery in the basement of our home. When people started asking if I would teach painting, X started making up a list of few names to give the idea of painting classes a go. Six of the ladies X rang came to the class and in next class 12 people turned up. X looked after*
- ▶ *the gallery and I just painted. Now I have regular classes in New Zealand and have travelled to many international destinations.*

DISCUSSION

- ▶ Rich descriptions from the case show that entrepreneurial resilience when dealing with the setback of venture failure is a combination of the entrepreneur's ongoing efforts, hope and acceptance
- ▶ Engaging in positive, joyful activities, spiritual beliefs and interactions within the social environment nurtured the entrepreneurs hope and acceptance which helped in being resilient when dealing with the challenges of venture failure

REPAIR KIT IS AN INTERWOVEN YARN OF HOPE AND ACCEPTANCE

- ▶ This kind of positive emotional and spiritual anchorage shifted the entrepreneurs' narrow focus from what they had lost as a result of venture failure to appreciation of what they had (such as knowledge, skills, family support) and possibilities in future. Thus, holding of space boosted the entrepreneurs' morale and belief in being able to bring life back to normal.
 - ▶ Acceptance does not mean being passive; it means being able to acknowledge the blatant facts of that experience (Williams & Lynn, 2010-2011), understanding the difference between what can and cannot be changed (Hayes, 2002) and committing to change despite the distress related with that change (Williams & Lynn, 2010-2011).
 - ▶ Hope thrives when one is emotionally invested in meaningful and loving relationships (Centers, 2001).

THANK YOU

