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Entrepreneurial learning from failure: An interpretative phenomenological analysis

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A B S T R A C T

This article develops a deeper conceptualisation of the process and content dimensions of learning from venture failure. I propose that recovery and re-emergence from failure is a function of distinctive learning processes that foster a range of higher-level learning outcomes. This qualitative research demonstrates that entrepreneurs learn much not only about themselves and the demise of their ventures but also about the nature of networks and relationships and the "pressure points" of venture management. This article also provides evidence that these powerful learning outcomes are future-oriented, increasing the entrepreneur's level of entrepreneurial preparedness for further enterprising activities.

1. Executive summary

There has never been a more apposite time to develop a deeper understanding of venture failure. Whilst consistently lauded as a fundamental learning experience, theorists acknowledge that this view of failure is often espoused in popular management literature that is based on anecdotal evidence. There remains a conspicuous paucity of academic studies that seek to articulate failure at the level of lived experience and ground theoretical discussions in rich qualitative accounts. This study seeks to address this imbalance by providing a novel interpretative phenomenological analysis of failure, thereby adding empirical weight to predominant conceptual discussions.

This article develops a deeper understanding of the process and content dimensions of learning from venture failure. I propose that recovery and re-emergence from failure is a function of distinctive learning processes that facilitate a range of higher-level learning outcomes. The research demonstrates that entrepreneurs learn much not only about themselves and the demise of their ventures, but also about the nature of networks and relationships and the "pressure points" of venture management. This article also provides evidence that these powerful learning outcomes are future-oriented, increasing the entrepreneur's level of entrepreneurial preparedness for further enterprising activities.

The article has a number of significant implications. First, the research complements and builds upon theories of grief recovery, by illustrating that moving on from failure involves not only overcoming the financial and emotional costs of failure but also the interwoven relational costs. I argue that recovering from failure has much to do with repairing the damage caused to personal and professional relationships, providing a more socialised view of failure than has hitherto been articulated. I maintain that the social process associated with failure is one of regression and gradual re-emergence, in which consequent social affirmation may support rehabilitation.

Second, I engage closely with different orientations to grief recovery, adding a temporal dimension to restoration- and loss-orientations. Of significance, the study highlights that prolonged critical self-reflection and introspection characteristic of a loss-orientation can be unhelpful. Rather, it is posed that a "higher-order" restoration-orientation, predicated on reflective action, fosters a generative aspect that can reenergise the entrepreneur and enable learning outcomes to be enacted. Third, this study provides evidence

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of distinctive forms of higher-level learning from failure and presents a thematic articulation of resultant learning outcomes. I demonstrate that failure can stimulate profound changes in both self-awareness and the underlying assumptions and social practices that guide entrepreneurial action. In so doing, I conclude that failure occupies a central role in facilitating more sophisticated entrepreneurial mental models.

2. Introduction

> "Love the moment. Flowers grow out of dark moments. Therefore, each moment is vital. It affects the whole. Life is a succession of such moments and to live each, is to succeed" (Corita Kent).

Whilst failure is a painful and damaging experience for entrepreneurs (Whyley, 1998), extant theorising points to the substantial information, learning and knowledge contained within this experience (Cardon and McGrath, 1999; Shepherd, 2003). Although commonly heralded as a significant learning process, many writings on learning from failure draw few of their propositions from meticulous and academically rigorous observations (Baumard and Starbuck, 2005) and thus "our understanding of the conditions under which it occurs is limited" (Cannon and Edmondson, 2001: 161).

In defining failure, it is vital not to conflate failure with business closure (Headd, 2003), which may involve the voluntary termination of a venture for reasons such as retirement or the pursuit of other activities, including more lucrative or interesting entrepreneurial ventures (Stokes and Blackburn, 2002). I align myself with theorists who propose an intuitively appealing conception of failure as the termination of a business that has fallen short of its goals (McGrath, 1999; Politis and Gabrielsson, 2009), thereby failing to satisfy principal shareholder expectations (Beaver and Jennings, 1996). Moving beyond relatively narrow conceptions of failure as bankruptcy or liquidation, failure involves the loss of capital and an inability to "make a go of it" (Cochran, 1981). Hence, an unexpected fall in revenues and/or rise in expenses mean that the venture cannot continue to operate under its current ownership and management (Shepherd et al., 2000).

Commentators emphasise that the process of learning from failure has not been clearly described (McGrath, 1999). Whilst conceptual clarity regarding failure is being achieved there remains a noticeable paucity of supporting qualitative studies that have sought to tell the entrepreneur's story (Blackburn and Kovalainen, 2008), grounding theoretical discussions of failure in rich narrative accounts (Fincham, 2002). In response, I provide a novel interpretative phenomenological analysis of the process and content dimensions of learning from failure. As part of an on-going failure research programme involving the UK and the US, this article is based on a qualitative sample of eight entrepreneurs, four of whom are from the UK, whilst the remainder are from Silicon Valley, California.

The research makes a number of important empirically grounded contributions. First, previous research has established the financial and emotional costs of failure (Shepherd, 2003). I illustrate that the emotional impact of failure is inextricably linked to its social cost, particularly the ability of failure to detach entrepreneurs from their naturalistic community of collaborators. A significant outcome of this study is that social reparation then emerges as vital to rehabilitation and learning. Second, previous studies have focused on the process of learning from venture failure (Shepherd, 2003; Shepherd et al., 2009b). There remains scant empirical evidence of the content dimensions of this entrepreneurial learning and the significant "learning task" outcomes associated with failure (Cope, 2005a). This research seeks to bridge this divide, highlighting distinctive forms of higher-level learning that promote a range of learning outcomes. Third, grief has been established as a significant obstacle to learning from failure (Shepherd, 2003). I develop a deeper understanding of grief recovery from a learning perspective by illustrating three interconnected learning processes that facilitate rehabilitation. I connect these learning processes with different orientations to grief recovery to emphasise the importance of critical reflection and purposeful action in recovering from failure. Fourth, I augment our appreciation of failure as a "learning journey" (Cardon and McGrath, 1999) by identifying three characteristic phases or "learning timeframes" of failure within which these forms and processes of learning take place.

The article begins by establishing the developmental significance of failure from a learning perspective, outlining key contributions to existing debates and areas for further development that this research seeks to address. I proceed to articulate an in-depth phenomenological study conducted with eight entrepreneurs who have directly experienced failure. This is followed by a series of analytical findings sections that provide an empirical and theoretical analysis of failure as a multi-staged learning process. The findings are centred around three core phases or learning timeframes proposed here as central to the "failure continuum" (Holmberg and Morgan, 2003). First, the "aftermath" of failure examines the numerous costs of failure. Second, "recovery" from failure demonstrates learning processes that facilitate rehabilitation. Third, "re-emergence" documents the distinctive forms and outcomes of learning from failure. The article continues by exploring the broader theoretical implications of the study and proposes a number of areas for further research, including a more explicit focus on the relational dynamics of learning from failure. Finally, I contemplate the use of action learning as a peer-to-peer learning mechanism that may be useful in facilitating a more participative approach to learning from failure.

3. Theoretical overview

Entrepreneurial learning theory has established that discontinuous experiences during the entrepreneurial process can stimulate distinctive forms of higher-level learning that prove fundamental to the entrepreneur in both personal and business terms (Cope 2003; Deakins and Freel, 1998). Experiencing such non-routine events can contribute substantially to the entrepreneur's subjective stock of knowledge (Minniti and Bygrave, 2001). These contributions are integral to wider progress being made in understanding the process of how entrepreneurs learn (Corbett, 2005; Politis, 2005), with a growing number of theorists critiquing the dominant perspective of the entrepreneur as a monadic learner. Entrepreneurial learning is increasingly being articulated as a negotiated and relational process (Hamilton, 2004; Pittaway and Rose, 2006; Thorpe et al., 2006), where "the working of relationships in the situation of practice determines what is understood by learning" (Devins and Gold, 2002: 113). There remains a need to progress discussions by examining specific contexts in which entrepreneurial learning occurs, particularly failure (Cope, 2005a; Politis, 2005).

It is obvious that failure is not an inherently desirable outcome of entrepreneurial activity. In many cases failure can be painful and costly (Coelho and McClure, 2005), having a negative impact on the entrepreneur's confidence, self-efficacy and risk-taking propensity (Cave et al., 2001; Shepherd, 2003). Whyley (1998) provides compelling qualitative evidence of the significant damage that venture failure can have in physical and psychological terms, undermining the entrepreneur's self-esteem and the relationships they have with other people. Although venture failure is an unequivocal feature of entrepreneurial life, entrepreneurship theory often reflects an antifailure bias (McGrath, 1999). In instances where failure is examined empirically there remains an overwhelming focus on "liabilities of newness" (Thornhill and Amit, 2003). Stokes and Blackburn (2002) argue that this over-focus on cause and prevention is diverting attention away from more significant areas of inquiry, particularly the learning dynamics of failure.

A consistent message from certain theorists is that failure represents an essential prerequisite for learning and Table 1 highlights key contributions to existing debates. Reaching beyond the entrepreneurship discipline, extant understanding of learning from failure has been driven, to some extent, by contributions from within the fields of organizational behaviour (OB) and applied psychology. Sitkin's (1992) powerful theoretical contribution establishes the inherent dangers of success and demonstrates that not all failures are equally adept at facilitating learning. He introduces the concept of "intelligent failures", which are small and relatively harmless failures most effective in fostering learning. Of note, Sitkin argues that failures that may deeply challenge core beliefs and assumptions are less likely to lead to learning as individuals will be unable to effectively process such threatening experiences.

Through quasi-field experiments and laboratory tests, the work of Ellis et al. (2006) have reinforced that failures that are the "fuel that intensifies cognitive processes" (Ellis et al., 2006: 670), radically altering cognitive frames of reference and mental models that govern action and interpretation. However, Ellis and Davidi (2005) also point out that success represents an "important database" for learning what works well and why. Moreover, they advocate the systematic reviewing of successes and asking the powerful "why" questions in relation to success; questions that naturally occur in relation to failure. Hence, it is important not to necessarily privilege learning from failure over learning from success.

From a social psychology perspective, Savitsky et al. (2001) have also conducted experiments that reveal individuals expect to be judged much more harshly with regard to their failures than may actually be the case. This proposition has potential implications for how entrepreneurs may make sense of, and recover from, the experience of venture failure. As Table 1 shows, OB scholars have sought to identify additional individual- and organizational-level barriers to learning from failure (Cannon and Edmondson, 2001). In the corporate context, Baumard and Starbuck (2005) have questioned the extent to which organizational members are able to learn from failure, regardless of magnitude.

Within the field of entrepreneurship, whilst early conceptual work established the importance of failure as a learning experience (Scott and Lewis, 1984), subsequent studies have been vital in building a clearer appreciation of failure as a complex process rather than an isolated event. Cardon and McGrath (1999) assert that it is crucial to recognise failure as a "learning journey", indicating that learning from failure takes time and represents a dynamic sense-making process. Effectively utilising OB and psychology literature, Shepherd's (2003; 2009) and Shepherd et al.'s (2009a; 2009b) conceptual works have been instrumental in clarifying that in order to learn from failure entrepreneurs must first overcome the loss of their venture and engage in distinctive processes of grief recovery. Unfortunately, subsequent studies have not proceeded to engage in an empirical analysis of these propositions. Whilst Shepherd (2003) has established the emotionality of failure, his focus has been on the individual entrepreneur in relative isolation from the wider social context in which entrepreneurs are naturally embedded (Aldrich and Cliff, 2003). However, from a real options perspective McGrath (1999) has hypothesised that lowering the social costs of failure may improve aggregate levels of entrepreneurial activity.

Additional theoretical contributions have proffered that failure acts as a "stepping stone" to spot new opportunities and improve business processes (Gupta, 2005), increasing an entrepreneur's probabilities of future success by using it as an instrument to learn "what works and doesn't work" (Sarasvathy and Menon, 2002: 9). Examining such suppositions from a quantitative perspective, contributions by Politis (2008) and Politis and Gabrielsson (2009) have shown that habitual entrepreneurs are more likely to view failure as a source of learning that contains lessons for improved performance in subsequent ventures. Whilst not focused specifically on learning, from a qualitative stance Zacharakis et al. (1999) reinforce that failure is invaluable in understanding alternative and more effective ways of acting in the future.

Reflecting on these contributions to understanding learning from failure, what emerges is a lack of rich substantive evidence to support conceptualisations, particularly within the entrepreneurial context. It appears almost axiomatic that learning occurs in relation to failure, and yet a clear articulation of the specific learning processes and outcomes of venture failure remains elusive. From Table 1 only a handful of qualitative studies (two of which are supported by larger quantitative surveys) provide confirmation that failure leads to identifiable learning outcomes. This appears rather at odds with the evolution of entrepreneurial learning theory, which has been supported largely by detailed qualitative analyses. Despite enlightening the personal and social dimensions of learning from failure, what is missing from these studies is a committed engagement with wider learning theory that can aid a deeper conceptualisation of what entrepreneurs learn from failure as well as how they learn it.

Continuing with Cardon and McGrath's (1999) metaphor, if learning from failure is indeed a journey then further research is required to understand what this journey entails, what stages are involved and what obstacles may line the way. Learning from failure is not automatic or instantaneous (Wilkinson and Mellahi, 2005), and significant psychological and emotional barriers can accompany a failure experience. These barriers can be self-imposed due to associated pain, grief and remorse (Cardon and McGrath, 1999), but also

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Table 1
Key contributions to understanding recovery and learning from failure.

Author/context	Type of research	Summary of key contribution(s)	Research gaps/areas for development
Baumard and Starbuck (2005)/Corporate	Qualitative	Confirms problems with learning from success. Examines "small" and "large" failures in a large communication firm. Demonstrates that small failures tend to reinforce core beliefs and only foster incremental learning. Large failures support even less learning as they are predominantly attributed to external causes. Propose that unlearning successes may be a prerequisite for learning from failure.	Application to entrepreneurial context. Learning processes and outcomes associated with small and large failures.
Cannon and Edmondson (2001)/Organizational Behaviour	Conceptual	Examines barriers to learning from failure at an individual-level, including damage to self-efficacy and self-esteem and at an organizational level, including the risk of stigmatisation and erosion of credibility. Argue that small failures to communicate in work relationships can lead to (preventable) major failures. Examine antecedents of shared beliefs about failure in work groups and argue that group-level beliefs can mitigate unpleasant emotions that can arise in confronting failures.	Detailed examination of personal and social impact of failure. Process of recovery and specific learning outcomes.
Cardon and McGrath (1999)/Entrepreneurial	Quantitative	Exploratory study conducted with students committed to entrepreneurship that sought to examine two attributional approaches to learning from failure. First, a 'helpless' reaction, in which failure is attributed to lack of innate ability. A resulting sense of inadequacy leads to anxiety, depression and a sense of shame. Second, a "mastery reaction", in which failure is attributed to lack of effort and so seek to redouble efforts and remain unflaggingly optimistic, viewing failure as a genuine learning experience. Results highlighted a predominant mastery reaction to failure.	Need to examine in relation to practising entrepreneurs. Examination of impact of failure and learning processes leading to mastery vs. helpless reactions.
Cave et al. (2001)/Entrepreneurial	Qualitative and quantitative	Examines attitudes to failure of UK and US entrepreneurs, particularly stereotypical view that in the US failure seen as a learning experience whereas in the UK it is stigmatised. Found that UK respondents identify perceived societal stigma to failure, whilst US participants do not see it as such a problem. All respondents reported learning lessons that could be applied to make subsequent ventures more successful.	Examination of processes of learning and recovery. Engagement with wider learning theory.
McGrath (1999)/Entrepreneurial	Conceptual	From a real options perspective argues that the key issue is not avoiding failure but managing the costs of failure. Asserts that distaste for failure can lead to cognitive biases and an unscrupulous avoidance of failure through direct manipulation. Such an "antifailure bias" can interfere with the entrepreneur's ability to learn from failure.	More explicit focus on learning from failure. Empirical demonstration of the benefits of failure.
Politis (2008)/Entrepreneurial	Quantitative	Suggests that "habitual" entrepreneurs have more positive attitudes to failure and credit learning from failure as a more important aspect of experience base than "novice" entrepreneurs. Habitual entrepreneurs report to a significantly higher extent that failures give opportunities for reflection and are more likely to lead to "something else in the long run". However, majority of respondents are encouraged by the experience of failure and feel more equipped as a result.	Understanding of how and what failure adds to knowledge base. Process of reflection and learning. Analysis of positive outcomes of failure.
Politis and Gabrielsson (2009)/Entrepreneurial	Quantitative	Using experiential learning theory as guiding framework, identify two critical career experiences that are associated with more positive attitudes to failure—prior start-up experience and business closure experience. Both experiences are beneficial in the development of an entrepreneurial mindset, in which failures seen as opportunities for learning. Stress importance of habitual entrepreneurship in learning from failure.	Understanding of how entrepreneurs learn from failure and associated outcomes. Impact of prior experience on recovery and learning.
Scott and Lewis (1984)/Entrepreneurial	Conceptual	Argue that in the UK there is a cultural norm that failure is a negative event, representing a breakdown in social relationships to be guarded against. From a contrasting perspective, point to the learning that failure may contain, but stress that not all failures lead to learning. Argue that failure is a developmental experience that may impact on identify formation and may lead to more effective future action.	Analysis of learning processes and outcomes of failure. Empirical testing of assertions.
Shepherd (2003)/Entrepreneurial	Conceptual	Conceptualises the process of grief recovery from failure and financial and emotional costs of failure. Defines two distinct orientations to grief recovery. A "loss orientation" involves actively confronting the loss and associated negative emotions in order to "work through" what happened and make sense of the failure. A "restoration orientation" is based on avoidance and suppression, purposefully distracting oneself from loss-related thoughts, allowing for the gradual fading of memories associated with the loss. Oscillation between the two orientations is most effective in speeding the recovery process.	Empirical examination of these propositions. Articulation of other costs of failure. Development of a more socialised view of loss and recovery. Explication of learning outcomes.
Singh et al. (2007)/Entrepreneurial	Qualitative	Identifies four aspects of life affected by failure—economic, social, psychological and physiological. Examines two distinct coping strategies. First, "problem-focused" strategies that manage the problem faced and second, "emotion-focused" strategies that regulate the emotional	Engagement with theories of learning to establish learning processes. Relationships between different costs of failure.

Table 1 (*continued*).

Author/context	Type of research	Summary of key contribution(s)	Research gaps/areas for development
		reactions to the problem. Also report learning in relation to these four areas of impact, particularly in relation to psychological and social aspects of the entrepreneur's life.	
Sitkin (1992)/ Organizational Behaviour	Conceptual	Highlights the liabilities of success including complacency, myopia, and lack of experimentation. Unlike failure, proposes that success does not engender "thoughtful" processing. Argues for the importance of small or "intelligent" failures as being most effective in promoting learning. Such failures are valuable because they are less challenging and do not engender a threat-rigidity response. Key features of intelligent failures are that they are the result of thoughtfully planned actions and are of a modest scale.	Relevance to entrepreneurial context. Appreciation of complete venture failure. Specific learning outcomes of failure.
Stokes and Blackburn (2002)/Entrepreneurial	Qualitative and quantitative	Examines attitudes to, and lessons from, closure. Found that respondents encouraged by the experience to continue as business owners and failure seen as a positive learning experience. Most significant learning is related to personal management—coping with setbacks, self-management and adapting to change. Learning about trust and relationships also significant. Entrepreneurs feel better quipped and motivated to start another venture due to lessons learned.	Richer illustration of learning outcomes from qualitative perspective. Engagement with learning theory to establish learning processes.

because confronting failure and one's potential culpability can be a daunting prospect (Rogoff et al., 2004). Additional barriers are socially situated and relate primarily to fears of stigmatisation (Cannon and Edmondson, 2005; Savitsky et al., 2001). This seems particularly evident in relation to the UK, with Cave et al.'s (2001) important finding that UK entrepreneurs perceive a more acute societal stigma to failure than do their US counterparts; a stigma that has been built into British culture for generations. This echoes the assertions of Scott and Lewis (1984), which was published almost two decades earlier. Similarly, Cardon et al. (2009) have provided a more nuanced understanding of societal attitudes to failure in the US, highlighting that in certain regions entrepreneurs continue to experience stigmatisation as a result of failure. Such observations highlight the value of exploring the factors affecting the learning processes of entrepreneurs in these two countries with regard to failure.

Ultimately, this discussion reinforces that the process and content of learning from failure has not been clearly described (Shepherd, 2003). In responding to calls for a more "micro-level" perspective of venture failure (Shepherd et al., 2000), I proceed to develop a rich qualitative appreciation of failure from a learning perspective. By drawing on wider adult and management learning literature to analyse the data from the study, I am aided in conceptualising these process and content perspectives.

4. Research methodology

Reinforcing the vital acknowledgement that qualitative inquiry should not be the "special case" within the entrepreneurship domain (Gartner and Birley, 2002), this article is based on interpretative phenomenological research with eight entrepreneurs. Such approaches are gaining momentum within the entrepreneurship domain (Berglund, 2007; Seymour, 2006), but have yet to be applied to the subject of learning from failure. As Jack and Anderson (2002) emphasise, the strength of a qualitative research design such as this lies in its capacity to provide situated insights, rich details and thick descriptions. Richness is provided by paying close attention to both context and process (Hjorth et al., 2008; Steyaert, 2007).

As part of an on-going research programme involving both the UK and the US, the aim of the research was to develop a detailed "phenomenological hermeneutical" conceptualisation of the lived experience of failure (Lindseth and Norberg, 2004). Such an approach moves beyond description to enable interpretative accounts that do "not negate the use of a theoretical orientation or conceptual framework as a component of inquiry" (Lopez and Willis, 2004; 730). In moving beyond the causes of failure, the research seeks to provide "theoretical insight" (Mouly and Sankaran, 2004) into the impact and outcomes of failure from the entrepreneur's perspective—to provide "rich thematic descriptions" of what it feels like to recover and learn from the loss of a venture (Starks and Brown Trinidad, 2007). The study draws on the principles of Interpretative Phenomenological Analysis (IPA) developed by Jonathan Smith and colleagues (c.f. Smith et al., 1999) to inform both research design and analysis.

4.1. Sample selection

IPA sampling is "purposive" (Greening et al., 1996) and this methodology defends the use of small samples, enabling a competent theoretical perspective to be developed so long as adequate contextualisation is preserved (Chapman and Smith, 2002).[1] A distinctive feature of IPA is a commitment to producing a fine-grained interpretative account that is grounded in, and does justice to, each

[1] In purposive sampling participants are chosen because they exhibit particular features or experiences (in this case failure), that will enable a detailed understanding of the central themes and puzzles the researcher wishes to study. It is also described as "judgement" sampling (Marshall, 1996) or "criterion based" sampling (Mason, 2002). As Patton (1990) states, "the logic and power of purposeful sampling lies in selecting *information-rich cases* for study in depth. Information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the research, thus the term *purposeful* sampling" (1990: 169).

Table 2
Profile of the participants.

Ben (UK): Prior to purchasing his only company in 1987, Ben enjoyed a high profile managerial career in the manufacturing industry. In 1987 he raised four million pounds in venture capital and bank funding and purchased a joinery and woodworking company that made windows for new house builds, an industry that had been growing year on year. However, the UK recession began in 1988 and new house builds dropped between 35% and 40%. As he recognises, he bought the company at a peak and it immediately went into a trough, making a profit in one month out of forty. With bankruptcy only a month away, in 1992 Ben decided to take control and called in the receivers. He has since returned to managerial roles in larger companies.
Colin (UK): After working on oil rigs as a communications officer, Colin purchased his first business in 1983, which was a training college for marine communications. He grew the company substantially and sold it in 1997. He purchased his second business, a lifestyle clothing store, in 2003. His aim was to develop a nationwide chain of stores and after securing £400,000 in venture capital funding began to open new stores with the aim of opening twelve stores. Although he successfully opening five stores, one very expensive city centre store did not trade well and was losing money rapidly. In 2006, he returned to his investors to refinance the expansion but they declined. He managed to engineer a solution that enabled him secure two viable stores, which he continues to manage. He has also become a university entrepreneur-in-residence, teaching entrepreneurship and designing/delivering development programmes for other entrepreneurs.
Gill (UK): Gill started her only company with a partner in the early 1980s, which involved training young women to work in promotion, including training programmes involving exercise, deportment and health and beauty. The business began to collapse when Gill's partner was suddenly taken into hospital after trying to commit suicide. Gill was left unable to deliver training programmes alone and incomes began to rapidly degenerate whilst the bank overdraft kept building. In 1987 Gill decided to avoid building further losses and dissolved the business. Gill was left with substantial personal debts that took over five years to pay off. She has never re-entered the entrepreneurial arena due to the emotional and financial strain that the failure created, but has become an entrepreneurship academic and small business consultant.
Nick (UK): Nick and his partner purchased his first business, a telecommunications company, in 1993. The market for mobile data was just emerging and the company had developed some innovate new software for mobile data transfer. However, the idea was ahead of its time, making inroads into the market proved very difficult and development costs were higher than expected. Losses were mounting and so Nick decided to purchase the radio assets from the company to provide much needed capital, but the company could not be sustained and his partner decided to take the company into administration in 1996. Nick went on to develop the radio communications company, which became very successful and he later sold. He has since opened another telecommunications company.
George (US): After leaving university, George worked in, and started, a number of software and telecommunications companies. In 1998 he started a company which made telecommunications equipment for local exchange carriers. The company grew rapidly alongside these carriers and the company was on the verge of going public. In 2001, the market for exchange carriers began to collapse, orders fell through and suddenly losses began to mount. George tried to reposition the company to supply cable companies and unsuccessfully tried to secure additional funding to rebuild the company. In 2002, George decided to close the business to avoid further losses. He has since gone on to another executive position in a software start-up.
Hugh (US): Hugh has had a sustained career in high-tech start-ups and was part of an entrepreneurial team that started this software company in Silicon Valley in 1998. The company was involved in developing network systems for the rapid transfer of business data. The company was consumed with getting the product to market and developing a working prototype, but development schedules began to slip, the company changed product focus and the engineering team were having problems delivering what customers needed. The company was experiencing a $1 million monthly burn rate. At this point, two of the founders left and Hugh struggled on for another year before deciding to close the company to avoid further losses. He is now working as a senior executive in another high-tech company in Silicon Valley.
Jake (US): Jake started his first software company in Silicon Valley in 1989 and sold it in 1995. He then started and sold a second software company and then went on to start his own investment fund. Having made 24 investments to date, this high-tech company was his third investment. He was both investor and founder. The company was involved in developing software that would make the internet more reliable in terms of transferring workload. Jake quickly realised that the product was ahead of its time and the market was not ready. The company also began to experience delays in product development. After unsuccessfully trying to sell the company's IP in 2001, Jake closed the business to avoid further losses. He still operates his own investment fund and has made some very successful investments since this failure.
Tom (US): Tom started his only business, a software company, in Silicon Valley in 1988. After substantial growth and several rounds of funding from 3I, the company was floated in 1996. Despite 100% year on year growth and several proposed acquisitions in 1997 the company missed its expected quarterly target and shareholders began to sell their stock. This began to force the company's share price down, plummeting from $26 per share to under a dollar by the end of 1998. In 1998 the board decided that enough was enough and Tom was exited. Six months later the company was liquidated and the assets were sold. Tom has since been involved in consultancy activities with other software companies in Silicon Valley.

participant's unique lived experience (Smith and Osborn, 2008). Six to eight is recommended as an appropriate number of participants for a typical IPA study (Smith and Eatough, 2006). As Smith and Osborn (2008) emphasise, IPA researchers must be pragmatic in choosing participants, particularly where the topic under investigation is rare and issues of accessibility and willingness to participate are problematic. Such is the case with venture failure, as identifying entrepreneurs who have disclosed a failure and are willing to openly share their experiences in a research setting is no easy matter (Sarasvathy and Menon, 2002; Zacharakis et al., 1999). Opportunism and convenience were contributing factors in choosing the purposive sample for this study (Patton, 1990). Potential for learning was therefore used as a superior criterion to representativeness in terms of either population or probability (Stake, 1994). Hence, the credibility and strength of IPA sample selection rests on theoretical (rather than empirical) generalisability (Ram et al., 2008).

The sample consists of four entrepreneurs that were geographically spread throughout the UK (Gill, Nick, Colin, and Ben), whilst the remaining four US participants were based in Silicon Valley, California (George, Tom, Jake, and Hugh). Table 2 provides an anonymised profile of the participants. Within this purposeful sampling strategy, snowball or chain sampling was also used (Hartley, 1994). The UK participants were identified through personal networks, whilst the US participants were recommended by a contact in a venture capital firm that had been involved with the failed ventures. Pragmatically, issues of convenience in terms of location and travel shaped the decision to choose participants from Silicon Valley. As the research was purposely designed and conducted shortly after the "dot.com" bubble had burst, I envisaged that finding entrepreneurs with a failure experience would (sadly) be easier.

4.2. Fieldwork strategies

"Phenomenological interviewing" was the primary methodology used during the fieldwork phase of the study, which Thompson et al. (1989) describe as "the most powerful means of attaining an in-depth understanding of another person's experiences" (1989: 138). The goal of the phenomenological interview is to gain a first-person description of some specified domain of experience, where the participant largely sets the course of the dialogue (Cope, 2005b). Following this approach, the interviews were loosely structured. As Thompson et al. (1989) state, with the exception of an opening question, the phenomenological interviewer must have no a priori questions regarding the topic. The interview began with a broad question—"Can you tell me about your experience of having a venture that hasn't succeeded?" Subsequent questions derived from the dialogue.

4.3. Data analysis

Demonstrating rigour through a careful and comprehensive articulation of data analysis is a critical issue in improving the robustness of qualitative entrepreneurship research (Leitch et al., 2010). As a new and developing approach to phenomenological inquiry, IPA provides a clear set of thorough and accessible guidelines. IPA is not a prescriptive methodology and allows for individuality and flexibility of approach (Smith and Eatough, 2006). IPA is, however, systematic in its procedures, but whilst "there is a basic process to IPA (moving from the descriptive to the interpretative), the method does not claim objectivity through the use of a detailed, formulaic procedure" (Brocki and Wearden, 2006: 97). IPA is emphatically inductive and idiographic, starting with a detailed, nuanced analysis of one case and then moving to the meticulous analysis of subsequent cases (Smith, 2004). Together with Hycner's (1985) seminal work on the phenomenological analysis of interview data, Table 3 specifies the different levels of analysis applied to the eight fully transcribed interviews.

I recognise that using qualitative research techniques and small samples inhibits generalisability (Kisfalvi, 2002). Cognisant of these challenges, I seek to create "local" knowledge that provides fine-grained, contextualised and processual accounts (Steyaert, 1997). This is not to say that hermeneutic (as opposed to descriptive) phenomenological studies are unable to make meaningful theoretical contributions (Conklin, 2007; Cope, 2005b; Thompson, 1997). Berglund (2007) stresses that such investigations are capable of developing both new theoretical constructs and enhancing the potency of existing ones, bridging the gap between real-life occurrences and theoretical concepts. In generating theory, inductive interpretations can be supported by the use of extant "orienting frameworks" that aid theoretical engagement and sense-making (Lopez and Willis, 2004). As Lindseth and Norberg (2004) emphasise, "we try to use our imagination and think of connections with relevant literature" (2004: 150). Theory-building can therefore be envisaged as evolutionary and iterative, with room for continuous improvement through application in similar/different contexts (Lincoln and Guba, 1985).

The outcomes of this analytical process are developed in the following findings sections, which present three core themes from the research. Each data section will be followed by theoretical analysis and interpretation, examining the stages and processes of learning from failure and their complex interconnections. This is followed by a discussion that focuses on wider theoretical implications, policy and support implications and areas for further research.

5. Findings

The following analytical data sections explicate both the process and content dimensions of failure. As the aim is to explore the impact and learning outcomes of failure, a detailed consideration of causes and managerial strategies is beyond the scope of this article. The following sections explore the immediate negative impact of failure and then proceed to examine how the participants recovered and ultimately learned from the demise of their ventures.

5.1. "Aftermath"—the costs of failure

The experiences of the participants illustrate that failure is a complex phenomenon that can have a serious and detrimental impact on numerous aspects of an entrepreneur's life. The findings uncover six distinctive spheres in which failure has a significant influence—financial, emotional, physiological, social, professional and entrepreneurial. This section seeks to explicate the multifaceted and interdependent nature of these costs of failure.

In terms of *financial* costs, all of the participants experienced some form of financial loss (which at the very least represented a loss in salary), but some were able to absorb these costs more easily than others. As a wealthy venture capitalist (as well as a CEO in this instance), for Jake failure was not particularly damaging in financial terms. Hugh and George did not have considerable personal resources invested and were soon able to find executive positions in other entrepreneurial ventures, whilst Tom was given a substantial exit package and quickly moved into entrepreneurial consultancy. In contrast, Nick and Colin salvaged parts of their businesses that remained viable. Whilst Nick emphasises that he walked away without any financial "damage", Colin lost significant personal investments, which he described as not completely wiping him out but hurting him "very badly". For others, the impact was far more deleterious. Gill took five years to clear her personal debts, whilst Ben admits that "I couldn't open anything, it cleaned me out basically…I had to go back to being an employee again".

Whilst the financial impact of failure is clearly detrimental, there is a strong sense from the participants that, as George expresses, it is the "emotional toll which is the hardest part". The *emotional* cost of failure was emphasised by all the participants, two of whom described failure an emotionally draining "shock to the system" (Gill and Tom). Several participants disclosed the extreme levels of emotional commitment and stress associated with failure (George and Nick), particularly the way in which it can consume "all of your waking moments" (Hugh). As George puts it, "you're either working or sleeping, there is nothing else to your life". As a result, Gill's emotional state deteriorated significantly: "I was so low, I was so down…just depressed. I couldn't see a way out of it…it was just so stressful". This deeply affective component of failure has

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Table 3
Levels of interpretative phenomenological analysis (adapted from Kempster and Cope, 2010).

Process of analysis	Level of analysis	Description of analysis
Familiarisation/ gaining insight	Reading of the case	Reading and re-reading of the transcribed interview to gain an appreciation of the whole story and recall of the interview in both a cognitive and affective sense, thereby becoming 'intimate' with the account (Senior et al., 2002). Memos were captured as reflective notes on the issues identified (Patton, 1990).
Immersion and sense-making	Diagnosis of the case	During this process of immersion and sense-making, a 'free textual analysis' (Smith and Osborn, 2008) was performed, where potentially significant excerpts were highlighted. Building out from Hycner's (1985) technique, units of meaning were identified for each transcript. The units were then grouped to form common clusters of meaning. The clusters were colour coded throughout the transcript.
Categorisation	Developing intra-case themes	Linking the holistic reflective analysis (stage 1) with the clusters of meaning (stage 2) led to the emergence of themes that appeared to be salient to a particular interview in terms of learning from failure. This process of clustering units of relevant meaning (Hycner, 1985) led to a 'master-theme list' (Smith et al., 1999) for each transcript.
Association/pattern recognition	Developing inter-case themes	With stages 1–3 completed for all interviewees, a meta-level analysis across the cases was conducted. The eight master-theme lists were compared to identify and explain similarities and differences, thereby creating 'links' between accounts (Easterby-Smith et al., 2002). This involved looking for shared aspects of experience, creating superordinate categories that aggregated themes from across the accounts (Smith et al., 1999). This included both general and unique themes for all the interviews (Hycner, 1985).
Interpretation/ representation	Writing up	This stage of analysis involved a formal process of writing up a 'narrative account of the interplay between the interpretative activity of the researcher and the participant's account of her experience in her own words' (Smith and Eatough, 2006; p338). Although the emphasis was on conveying shared experience, this process allows the unique nature of each participant's experience to re-emerge (Smith et al., 1999). To maintain an inductive, phenomenological approach to theory development, nascent theoretical propositions were written up *from the data* without the use of any relevant academic literature. This allowed the data to 'speak for itself' (Cope, 2005b).
Explanation and abstraction	Enfolding literature	During the analytical discussion of the data the theory-building process of 'enfolding literature' was conducted, which is required to produce a theoretical explanation at a higher level of abstraction (Eisenhardt, 1989). Hence, the research was phenomenologically grounded but also interpretative and hermeneutic (Berglund, 2007; Seymour, 2006). This involved an iterative and comparative process of tacking back and forth between existing theory and the data (Yanow, 2004), whilst remaining sensitive to the unique situated experiences of the participants.

associated *physiological* costs, with Hugh and Tom stating that they had to take several months off to recover from stress and emotional and physical exhaustion. In George's case, such extreme levels of anxiety led to high blood pressure and the need to take various medications. He recognises that this emotional intensity of failure was linked to feelings of social responsibility and the associated pressures that this created, which came from a range of sources including investors, employees, creditors and family:

> "In the end the hardest part is that you do feel responsible…to the people who work for you, the people that invested in you, your customers who gave you money for things that you can no longer do".

The findings illustrate that the negative emotional impact of failure in inextricably linked to its complex *social* cost. The reason Jake found failure so difficult was due to a "strong commitment to the investors and it was hard for me to accept the fact that people weren't going to get return on their money". Feelings of guilt or impotence can exacerbate a sense of loneliness, heightened anxiety and increasing withdrawal due to an inability to share concerns with others. George feels that "in the end it's a very lonely job, there is no peer you are talking to". Ben reinforces this position, pointing out that he didn't receive any advice during the failure process. For Gill, feelings of shame and embarrassment meant she became increasingly distanced from those around her: "I was pretty ashamed of the whole thing really…I just couldn't explain to anybody quite how desperate things were". The only person who knew some extent of her problems was her sister who she lived with, who unfortunately did not understand and "wasn't at all encouraging". Consequently, Gill had never publicly revealed her failure prior to being interviewed, which was a reflection of her belief that "it probably isn't very helpful if you tell people you have had a failed venture". There is evidence here of perceived, self-imposed stigmatisation leading to social regression. The cost of this social disengagement and isolation was that Gill found it very difficult to come to terms with failure, as "there was nobody around me to tell me any different…nobody who could kind of say to me 'well look, you're not a failure, you tried and you failed'". Interestingly, either perceived or tangible stigmatisation was not a social cost raised by any other participants, although Colin did perceive modest condescension from his peers:

> "I've noticed that slight difference in some of the network people, just ever so slightly like 'I'm in business and I'm ok and you're in business and you went bust. So I'm slightly better that you are now'…it's just they've become slightly patronising".

This comment is suggestive of the complexity of failure in terms of its impact on the entrepreneur's social relations and standing. Certainly, Ben emphasises how much strain failure placed on personal friendships as well as "professional relationships that needed to be repaired". Two participants were very open about the severe strain and damage that failure can stimulate in terms of family relations. Colin experienced a "messy" divorce alongside the demise of his venture, iterating that failure "cost me my marriage as well as everything else on top of that". Whilst failure did not deliver a fatal blow to Ben's marital relations, he admits that:

> "My wife nearly had a nervous breakdown…I think she felt particularly impotent…because you are dealing with not only your own money but your wife's money and your wife's future and your children's future, you don't expect to feel very good and you don't expect your family to feel very good".

These findings indicate that the immediate experience of failure can create a diminishing social environment for the entrepreneur and a sense of distance and divide, as they feel unable to turn to certain network contacts and extant social support mechanisms that exist in the normal course of business. Taking the issue of social standing and stigmatisation further, a more positive finding is that none of the participants articulated any fundamental or long-term *professional* costs. Hugh is explicit that there was no professional legacy or malice as a result of failure, a sentiment echoed by Ben: "I have never found that it has affected my ability to get work with anybody else, so from a professional point of view I suspect that other professionals accept that every now and again things don't go well". Tom has experienced some very favourable reactions within the entrepreneurial community:

> "A few people have said…that you've really been through both sides of it and I like that you've been up and down and you're still here punching and they really respect that I think".

A final theme to emerge from the data is the *entrepreneurial* cost of failure. Whilst most of the participants have continued to create (Nick), fund (Jake), work in (George and Hugh), or work with entrepreneurial ventures (Tom, Colin, and Gill), some have experienced a negative impact in terms of entrepreneurial self-efficacy and risk-taking propensity, which the following comments capture: "I am a bit more wary now" (Colin); "I became a little pessimistic after that and certainly more cautious…I take relatively few risks" (Nick); "I had to be bailed out in the end and that just knocked my self-confidence, it knocked everything…I think from that time I became less go for it" (Gill); "I'm certainly not as blindly optimistic as I once was. I guess I never really thought about what could go wrong before" (Tom). There is a sense that these participants have lost their naïve optimism and feelings of successful invincibility. This is not necessarily a wholly negative outcome of failure as I will proceed to illustrate, as "knowing what can go wrong" is an invaluable asset that can enable more considered, anticipatory and affirmative future actions. Whilst only one of the participants has started another venture, the subsequent careers of the majority demonstrate that they remain active in the wider entrepreneurial arena and retain the ability to apply and share lessons learned from failure.

5.1.1. Analysis and interpretation

Whilst several conceptual studies have highlighted the obvious financial costs and loss of income associated with failure, a key contribution of these works has been to document the deeply affective dimension of failure resulting from the grief associated with losing one's business (Shepherd, 2003; Shepherd et al., 2009a). The findings presented here demonstrate that the deeply affective dimension of failure is not only linked to the loss of the venture, but also to the costly damage and personal loss that failure can create in so many interconnected spheres of the entrepreneur's life. In adding empirical weight to extant theoretical discussions, the emotionality of failure is writ large here, highlighting its exceptional demands in terms of physical and emotional commitment and the entrepreneur's "investment of the self" (Cope, 2003). What emerges from the data is the complex interrelationship between the emotional and social costs of failure, providing a more socialised view of loss than has hitherto been articulated. It is these fundamental and inextricable social and affective characteristics of failure that are defining features of experiences capable of fostering higher-level forms of entrepreneurial learning (Cope, 2005a).

The widespread social impact of failure includes both personal and business relationships, and those internal and external to the venture. As Cardon and McGrath (1999) explain, the very public nature of failure, in that it is observed by respected family, friends and network contacts, can lead to negative feelings of humiliation or remorse. The comment by George clearly highlights this proposition, in that he felt he was "failing" a whole range of contributors to the venture and became increasingly withdrawn as a result. It is not easy in such circumstances to relate problems and anxieties to those for whom the failure will have a significant negative impact. Whilst it is well established that entrepreneurs are helpfully embedded in complex networks of relations that provide advice, support and assistance (Jack and Anderson, 2002), the findings suggest that the criticality of failure lies in its ability to detach entrepreneurs from their naturalistic community of collaborators. It is therefore unsurprising that the extreme levels of anxiety created by failure are a reflection not only of physical strain but also the social isolation that entrepreneurs can experience as they feel unable to confide in others (Whyley, 1998).

The research reinforces that failure can include a loss of self-esteem, a sudden reduction in social stature and a decline in status in the individual's own eyes as well as other people's (Shepherd, 2003). Whilst being unable to engage with affected network actors (for reasons stated above) is one thing, Gill's case highlights a more wholesale process of social regression and self-stigmatised detachment, leading to severe psychological symptoms of depression. Singh et al. (2007) report similar instances of social distancing from vital personal relations with family and friends due to feelings of embarrassment and despair. Ben's experience highlights that even the last bastion of support, the entrepreneur's spouse and children, can suffer the emotional consequences of failure, with acute stress and feelings of impotence radically affecting their psychological and emotional wellbeing. The severe strain that this can place on marital relations to the point of absolute collapse, as Colin's case shows, appears to be a common feature of failure. Singh et al. (2007) found that three out of five marriages broke

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up within a few months of failure. Whyley (1998) presents similar findings, illustrating that in trying to hide the worst ravages of failure in order to protect the family such deceit often did more harm than good and left the entrepreneur ever more isolated.

An important issue then becomes exactly who entrepreneurs can and do turn to during the descent into and immediate aftermath of failure, or indeed if some do ultimately endure the immediate failure process alone. Shepherd (2003) maintains that social interaction is important in understanding why some entrepreneurs recover from failure more quickly than others and that they may seek out friends, family or even psychologists to talk about grief. More recently, Shepherd (2009) confirms that new relationships may aid a restoration-orientation by distracting the entrepreneur from what happened and helping them to move on. This appears rather at odds with the findings presented here. Reflecting on Shepherd's observations, I surmise that the social process associated with failure is one of regression and gradual re-emergence, in which entrepreneurs rebuild damage done to relationships. Consequent social affirmation may then support rehabilitation. In summary, I argue that engaging in grief recovery is not only a function of overcoming the financial and emotional costs of failure (Shepherd et al., 2009a), but also the relational costs. From an entrepreneurial learning perspective, it is to this process of recovery that I now turn.

5.2. "Recovery"—the learning processes associated with rehabilitation

The findings indicate that recovery from failure represents a gradual healing process, in which some measure of temporal and psychological distance is required to overcome the very raw and painful emotions of failure. The following comment by Jake reinforces that, above all, time is a healer: "At the time…you are just heartbroken…Then a month goes by and you say 'what was I so upset about?' So at the time [it] looks like a mountain and as time goes by it becomes a molehill". Whilst the participants naturally experienced heterogeneous "grief recovery times" (Shepherd, 2009), what emerges from the data is a purposeful and necessary "stepping back" from the loss of the venture before meaningful reflection and new activity could begin. Tom describes how he spent six months just playing tennis and going to the beach, recognising that "I needed that, I needed just to heal and get over it because it was very hurtful". An initial avoidance of confronting the failure becomes apparent in the participants' articulation of their recovery, with emotionality impeding logical analysis. For Gill, it took two years to overcome what she describes as a highly emotive "loss transition". It seems that the damage and sheer exhaustion experienced in the immediate aftermath of failure—emotional, psychological and physiological, can leave little energy to actively deal with the loss, as Ben articulates:

> "Well it is something that you don't want to think too much about for the first year or two. It is only really after four or five years that I could think rationally about what I should have done, how I should have done it…It does affect you personally and it does take a while for the pain to diminish".

This is not to say that the participants did not proceed to think very carefully about what happened and try to come to terms with the loss of their venture and their own level of culpability. The following comment by George highlights the very personal and challenging questions that he needed to resolve in his own mind. "Did we make the right decisions? Did we pick the right strategy? Did we hire the right people? Did we make decisions in a timely manner? Did we treat our people fairly? You know, you go through all those sorts of things". In understanding recovery as inextricably linked to the communal context in which the entrepreneur is embedded, the following comment by Hugh is particularly illustrative that rehabilitative sense-making can be aided by social reparation:

> "I just really needed to sit back and evaluate what is it I want to do? How much of this really had my fingerprints on it and what could I have done differently?…But after a couple of months I kind of realised that every single day from the first to the last I did the best I could…I probably came to that realisation when the personal and professional relationships had all been repaired and we'd moved along, I'd got a different job and got back on more of a stable footing once this thing was in everybody's past".

It is interesting to observe that Hugh talks of failure being in "everybody's past", indicating that the relational ripples of failure extend in many directions and recovery is not a process confined to the entrepreneur. Rather, interpretation suggests that the entrepreneur's rehabilitation is a function of observing the recovery of significant others. An interesting issue to appear is that engaging in prolonged retrospective analysis and self-criticism is unproductive and that actively moving on from failure is a vital part of the recovery process. This need for pragmatism is expressed by Hugh: "It's just one of those things that happens…you've got to be mature about it and you've got to grow and…you've got to move on…I don't think 'oh my God, my career has ended because I was part of a company that failed, I had my fingerprints on it'". Similarly, the following comment by Colin expresses the pragmatic stance in which ultimately there is no opportunity for recourse, the past cannot be undone and so it is important to look ahead rather than continue to ponder what might have been.

> "And when it's happened, it's happened, so what? I'd rather it hadn't happened, absolutely. If I had a chance to go back…I would undo several things but I don't have a chance to do that. It's a ticket to the bone yard for people that spend their time thinking about that. It's happened, get over it and you've got to move forward and find something else to do, otherwise give up, give everything up".

As often propounded in popular management literature, Jake feels that one must treat failure as a vehicle for learning and try to take the positive lessons that reside within this valuable trial and error experience: "I kind of take issue with the whole thesis of

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the paralysing effects of failure…The fact is I lived through that and I saw a set of reasons why a company goes under and now I'm much more prepared to handle whatever the market sends to me…you've got to look at it and say 'ok, what is the lesson to be taken?".

Two interesting further issues arise from the data that seem significant in shaping the recovery process—wider perceived attitudes to failure and prior entrepreneurial success. All four US participants feel that failure is an accepted aspect of entrepreneurial activity in Silicon Valley. "Start-ups come and go. Any financier will tell you that…the idea of start-ups not working is common here, it is not considered personal" (Hugh). What is so fascinating to observe is that the majority of the UK participants seem to hold a preconceived societal view that there is stigma attached to failure, even though on a personal level they have not experienced any appreciable stigmatisation. As highlighted earlier, Gill saw the futility of disclosing her failure, but fortunately is now able to make the vital distinction that "you can have a failed venture without being a failure". Nick feels that "as a culture we like to see people fall off their perches, and I do think we are an envious culture…we build people up to knock them down". Ben holds a similar view:

> "I suspect there is a general assumption around that if a business fails that it has got to be the guy at the top who didn't do it right. Or he is a crook because what he does is close his business, takes the money and sets up in business with a new name".

Linked to this issue of wider attitudes, prior entrepreneurial success can have a role to play in accelerating the recovery process, enabling entrepreneurs to turn to their prior accomplishments for reassurance. Those participants that had previously operated successful ventures (Jake, George, Hugh, Colin) seemed able to extricate themselves from the powerful emotional shackles of failure more easily than those for whom failure represented the loss of their first and only business (Ben, Gill, Tom). As an experienced CEO and venture capitalist, Jake is able to observe that most businesses are "a big success or borderline failures". This notion that failure is endemic to the entrepreneurial process is a point reinforced by George: "I had other successes so I'm here because of prior success and you can't do five start-ups in a row and have them all be successful. It just doesn't work that way… there is some element of a statistical flip of the coin". In summary, it seems there is a complex sense-making process at work in recovering from failure that involves both avoidance and confrontation. The importance of moving on to new activities (be they entrepreneurial or not) is also emphasised in order to restore self-confidence, provide renewed focus and enable failure to be put into perspective.

5.2.1. Analysis and interpretation

In developing a more detailed understanding of recovery from failure from an entrepreneurial learning perspective, the juxtaposition of three learning concepts drawn from adult and management learning literature make sense of rehabilitation as a higher-level learning experience with distinctive processual dimensions. I seek to intertwine these constructs with Shepherd's (2003; 2009) work on different grief orientations, thereby marrying theories of venture failure with wider learning frameworks for the first time.

In the aftermath of failure several participants (Tom, Gill, and Ben) appear to have experienced the need for what Mezirow (1991) describes as a *hiatus*, a purposeful break from thinking about their failure before they could engage in more determined sense-making activities. As Mezirow explains, challenging forms of reflection that re-examine presuppositions and transform one's understanding of events cannot occur immediately. Rather, learners need time to come to terms with problems faced before attempting to learn from them. Within the context of this research, "restoration-oriented dynamics" (Shepherd, 2009) played a more prominent role immediately after the failure event. A restoration-orientation, which involves therapeutic activities such as playing sport, was clearly an important element of Tom's recovery, for example. Engagement in a more directed "loss-orientation", which Shepherd (2003) conceptualises as an active "working through" of failure to construct meaning, was not possible initially due to painful emotional and psychological barriers. However, the comments by Hugh and George provide empirical confirmation that this meaning-making process is vital to recovery. Oscillation between both orientations may indeed be the best strategy for dealing with venture loss, as Shepherd (2003) suggests. In adding to such theorising, I propose that a loss-orientation is more effective once initial restoration dynamics have eased the interfering hurt and trauma generated by failure.

In entrepreneurial learning terms, I argue that a loss-orientation is delicately intertwined with a cogent form of *critical reflection*, described precisely as "inward critical self-reflection" (Cope, 2003; Kemmis, 1985). This fundamental form of reflection challenges personal assumptions and behaviours and is concerned with the "why" rather than the "how-to" of action, examining the reasons for and consequences of what we do (Mezirow, 1991). Marsick and Watkins (1990) emphasise that such critical reflection involves paying attention to surprising results and inquiring into their meaning. It is clear that both Hugh and George asked themselves deeply "probing questions" (Marsick and Watkins, 1990) in order to understand why the failure occurred and their own role in the venture's demise. It is therefore apparent that entrepreneurs can engage in "mindfulness" when processing failure (Rerup, 2005), which involves trying to garner new information and focusing on process rather than outcome, ultimately leading to a better self-concept and more considered future activity (Mezirow, 1991).

The concept of *reflective action* defines action resulting from a higher-order learning process predicated on the insights resulting from critical reflection (Mezirow, 1991), thereby readying learners for new experiences (Boud et al., 1985). There is clear evidence here that "moving forward" rather than continuing to "look back" is essential to recovery. Such findings once again provide empirical support for Shepherd's (2009) suggestion that extended use of a loss-orientation will diminish the ability to learn and act. This is consistent with the premise that challenging forms of reflection resulting from crises have a strong future-oriented element and are better linked to, and supported by, affirmative further action (McGill and Beaty, 1995). Ultimately, the findings are indicative that the optimum strategy is not only to learn from failure but learn to live with it (Politis, 2008).

This leads me to suggest that there are diacritic forms of "restoration dynamics" (Shepherd, 2009). I propose that a "lower-order" restoration-orientation involves distraction and suppression characterised by an initial hiatus. Reflective action, in contrast, involves more future-oriented and progressive "higher-order" restoration dynamics that are not based solely on avoidance and suppression. Rather, entrepreneurs are enabled to take positive new steps in light of failure that help bring an end to the negative emotional response characteristic of grief recovery. This absorbing new focus naturally distracts entrepreneurs from their previous loss. From a more stable and positive footing they can continue to engage in a less emotionally exhausting loss-orientation.

In summary, recovery from failure appears to be composed of three interconnected learning components: 1) an initial hiatus, where the entrepreneur psychologically removes himself or herself from the failure in order to heal; 2) critical reflection, where the entrepreneur engages in a determined and mindful attempt to make sense of the failure; and 3) reflective action, where the entrepreneur attempts to move on from the failure and pursue other opportunities. These components are interrelated because the hiatus allows the entrepreneur the emotional space and energy to then critically evaluate the failure, whilst reflective action is enabled by the initial healing and the subsequent learning provided through reflection. Furthermore, both critical reflection and reflective action contribute to the healing process by helping the entrepreneur to gain constructive closure over a painful chapter of his or her life.

5.3. "Re-emergence"—the learning outcomes of failure

The findings highlight that the learning outcomes from failure fall into four broad themes—learning about oneself, the venture (and its demise), networks/relationships and venture management. To build these superordinate categories, analytical purchase was achieved by overlaying Cope's (2005a) "entrepreneurial learning task" framework on to initial inductive interpretations. Table 4 presents a thematic presentation of the content dimensions of learning from failure that this section now seeks to elucidate and build upon. The subsequent analysis of these findings will examine the specific learning processes that have fostered these outcomes.

Learning about oneself comes across very strongly in the data as a central feature of learning from failure. The comments by Jake and Hugh in Table 4 highlight salutary lessons, fostering renewed strength, resilience and self-assurance. Put simply, the participants now seem to have a much better sense of themselves. As George states: "I learned that my instincts were pretty good". The findings suggest that fundamental changes of awareness can take place as a result of failure. Nick and Hugh recognise that failure has made them "grow up", with Nick admitting that he "has never been the same since". Tom provides a revealing articulation of how deeply the learning outcomes of failure can extend, engendering a transformative revision of self-perceptions:

> "I'm much more confident in myself and I'm very resilient I think now. I've been through so many difficult things and so many good things and bad things. I've got a much better sense of myself in terms of what I can do and what I can't, what I'm comfortable with, what I'm not comfortable with…I think my skills have broadened so much…I guess I was always on a steep learning curve, so it has just completely transformed my life from that point of view…I feel personally a much stronger person".

This study has already suggested that failure can knock the entrepreneur's self-efficacy and naive optimism and Nick's comment in Table 4 about losing his total confidence being both "good and bad" illustrates the complex interwoven negative and positive dimensions of this personal learning. From a more affirmative stance, Hugh recognises that failure has taught him the need for continued self-belief: "So what I learned is that you have to have a more holistic approach…You absolutely have to be able to…look in the mirror and convince yourself that you can actually build the vision". Whilst failure may be a harsh teacher the participants feel that the lessons are invaluable, particularly as a history comprised only of success can lead to over-confidence and complacency. Tom is critical of entrepreneurs in this position, stating that: "they haven't seen anything because they haven't been through both sides of it…unless you've been down the other side you don't understand what the pressure points are". Colin also highlights the inherent dangers of success:

> "You learn much more from failure…I mean just success coming along is just waiting for that big disaster to get you, because you're not thinking and whole bits of your brain shut down. You think you're invincible, you think you're Teflon coated and you're not".

In relation to *learning about one's venture (and its demise)*, Table 4 presents some contextually sensitive outcomes of the participants' reflection on why their ventures failed. Issues of timing and being out of sync with the market are crucial lessons learned by both Jake and Nick, whilst Tom has now realised that IPOs can be fraught with difficulty. An insightful comment by Ben highlights that catastrophic failure is not necessary an isolated event and is often the result of a series of minor crises, the cumulative effect of which can lead to the venture's demise: "I compare a company in trouble with the death of Julius Caesar, it is not a very good analogy but it comes with a series of daggers, some bigger than others, some more deep than others…There is no one fatal blow but cumulatively they will take effect. I think that is what happened to us".

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Table 4
The entrepreneurial learning task outcomes of failure (adapted from Cope, 2005a).

Learning task dimension	Illustrations of learning outcomes
Oneself Learning about one's strengths, weaknesses, skills, attitudes, beliefs, and areas for development. Stimulated by "transformative learning" (Mezirow, 1991)	"So the reason I'm a valuable CEO now is because of what I've been through. I've earned the right to make decisions because I've been in experiences where there's been a lot of money at stake. I've got my resiliency because I've seen what can happen, good and bad. I kind of take issue with the whole thesis of the paralysing effects of failure…The fact is I lived through that and I saw a set of reasons why a company goes under and now I'm much more prepared to handle whatever the market sends to me" (Jake). "I'm not afraid of small businesses, I'm not afraid of starting another company…in fact I'm stronger from the experience" (Hugh). "I've never been the same since…I've never had the same total confidence as I had in those days, which has been good and bad" (Nick).
The venture (and its demise) Learning about the strengths and weaknesses of the venture, including reasons for the failure. Stimulated by "double-loop learning" (Argyris and Schön, 1978)	"I think we did it as smart as we could…it was a little ahead of its time. Other than that it wasn't a bunch of craziness going on…fundamentally it was not a bad experience because we lost money for the right reasons. We minimised everybody's [losses], we were very conservative with everything we spent, we didn't throw money around…I was very proud of what we did…It was good…for me to realise the lessons" (Jake). "It's very easy to say now with hindsight but what I wouldn't probably do again is use the IPO as a mechanism for getting the value to sell it because the chances of success beyond that are actually very, very small, the number of companies that fail once you've done an IPO is actually quite high" (Tom). "I thought I could take two businesses that weren't working and turn them into something that would work. I was totally wrong…I was effectively trying out an idea…that was out of time" (Nick).
Networks and relationships Learning about the nature and management of relationships, both internal and external to the venture. Stimulated by both transformative and double-loop learning.	"What I did learn is how to focus an organisation… and how not to do it as well. I learned how to build partnerships, I learned which kind of companies to seek out for partnerships, which is something most people have no idea of" (Tom). "The fact of the matter is when a company goes bankrupt we lose money so it's a kick in the arse. But it may lead to something else, you may make a connection, you may make a friend, and so the idea is to keep it in perspective" (Jake). "I'd never pitched at venture capitalists…I've learnt a lot about doing that, I did a lot of things wrong" (Colin). "Boy did I learn about teams…I had one of the sharpest teams on the engineering side, but these guys were not a team…they were all so brilliant it almost defeated the process of having a team, everybody wanted to do it their way, everybody" (Jake).
Venture management Learning how to run and control businesses more effectively in relation to the wider environment. Stimulated by "generative learning" (Cope, 2005a; Gibb, 1997).	"I think my big lesson was to concentrate on making sure you look after the daily bread. No matter how good your idea is…if you can't look after the here and now your idea is not enough…I'm always trying to contain costs and I'm much more aware of the stresses and strains of running a business than I was then" (Nick). "I've got a model now of what you need to do and how you go about doing certain things…so I feel I can pretty much go into any area now" (Tom). "Fundamentally the market has to be ready for what you want to do. You may be visionary and you may be ahead of your time but if the market is not ready for it, you're not ready. You can't change the market, the market is always right where it is supposed to be and it's your job as an entrepreneur to cater to the market" (Jake).

The findings regarding *learning about networks and relationships* highlight a wide variety of social learning outcomes, including relationships internal to the venture and wider network affairs. The challenges that Gill faced by going into business with a friend have led her to the conclusion that "I would never recommend a partnership". Learning about leadership emerges as a recurrent theme, as the comments in Table 4 show. Through trial and error Tom has realised how to provide direction and leadership to an organisation, whilst Jake has learned about the challenges of co-ordinating and leading exceptional talent. George expresses a similar viewpoint: "So you're job is really getting everybody else marching down a path…If you're frustrated by it you won't do it well…it means that you have to have a pretty thick skin". Given the significant social costs of failure, Tom also acknowledges this need for a "thick skin", recognising that he has to be comfortable with the fact that he may be judged well or badly by different people: "So that's one thing I've learned, not to worry too much about what other people think". Turning to the issue of external relationships, the comments in Table 4 show the value of social learning from failure. Colin can now understand the mistakes he has made in dealing with venture capital investors. Tom has gained significant strategic skills in building collaborations, stating that he now brings this skill to bear when working with other entrepreneurs. Jake's experience has taught him that failure is not entirely negative in social terms. He recognises that even though the venture failed he became immersed in the data network market, making useful contacts that have continued to be of benefit and have led to successful subsequent investments.

The comments in Table 4 regarding *learning about venture management* indicate generalisable learning outcomes that transcend the participants' specific failure context, having continued worth that leaves them better equipped to manage entrepreneurial ventures. Tom and Nick are clear that they have an enhanced awareness of the "stresses and strains" and "pressure points" of venture management. Tom's comment about now having a "model" of how to start and build ventures is a powerful illustration of these beneficial learning outcomes. Jake shares a similar view: "I disagree with the word, it's not failure, it's experiments. To me there's no such thing as failure, to me you learn stuff that works or doesn't work…so the fact is when you're growing and when you're learning, when you're doing it, you can't have experience without paying your dues". It seems that through the trial and error experience of failure, participants have refined their mental models of how to manage ventures successfully. Like Tom and Nick, Hugh feels that by bringing forward his learning from failure he is now able to see "warning signs" more clearly. This improved ability to anticipate problems has taught him to put corrective measures in place to ensure that challenges do not become critical:

> "I know a lot more about the things that you don't do. A lot more about the warning flags to see when the communications break down and all of us I think have learned how to handle intense daily pressure better…how to work out what the warning signs are, how to communicate the warning signs so you can correct them before you go too far down the road is a very valuable lesson I think for all of us".

5.3.1. Analysis and interpretation

Although failure is consistently lauded as a fundamental source of learning (Baumard and Starbuck, 2005; Cannon and Edmondson, 2001), an examination of the specific forms and levels of learning associated with venture failure is conspicuous by its absence. I seek to address this imbalance by drawing on three coherent types of experiential learning that together establish failure as a vital higher-level entrepreneurial learning experience. It is these distinctive forms of learning that foster the learning outcomes of failure articulated above. Above all, the findings indicate that failure is the ultimate form of "trial and error" learning—a key approach from which entrepreneurs tend to learn (Gibb, 1997).

Interpretation suggests that failure is such a powerful learning experience because of its distinctly personal dimension, chiming with other qualitative studies on the subject (Singh et al., 2007; Stokes and Blackburn, 2002). Tom is explicit that this was a transformational and "life-altering" episode (Singh et al., 2007), resonating clearly with Mezirow's (1991) higher-level concept of *transformative learning*. Often precipitated by a "disorienting dilemma" or crisis, transformative learning involves profound changes "in the self" in relation to personal understanding and self-awareness: "reassessing the way we have posed problems and reassessing our own orientation to perceiving, knowing, believing, feeling, and acting" (Mezirow, 1991: 3). Boud et al. (1985) assert that some forms of learning can become a significant force in our lives, giving rise to strong emotions and entering into our sense of identity. The findings illustrate that the participants have learned such essential lessons about their strengths and weaknesses, skills and abilities, and the efficacy of their approach to entrepreneurship; ultimately articulating a more "mastery" reaction to failure (Cardon and McGrath, 1999).

The inextricable link between learning about oneself and learning about one's business is a characteristic feature of entrepreneurial learning, creating some degree of fluidity and overlap between higher-level learning outcomes and processes (Cope, 2005a). Such is the case here. The study demonstrates how failure has forced the participants to critically examine the underlying assumptions that have guided their strategic actions. The findings provide empirical confirmation of Sitkin's (1992) thesis that the importance of failure lies in its ability to challenge current practices by drawing attention to previously overlooked inconsistencies; fuelling an "unfreezing" process in which old ways of perceiving, thinking and acting are shaken and new ways accommodated. In learning that their ideas were ahead of time, in Table 4 (venture management section) both Nick and Jake demonstrate a revitalised appreciation of how important it is to look after the here and now (Nick), and cater to the market rather than merely trying to change it (Jake).

These outcomes are consistent with another form of higher-order learning, described by Argyris and Schön (1978) as *double-loop learning*. Such learning has the capacity to challenge mental models and frameworks for organizational success, redefining an individual's "theories-for-action". A key feature of higher-level learning is that outcomes are not situation specific, rather they can be applied and adapted across new settings (Burgoyne and Hodgson, 1983). As Kim (1993) points out, "new frameworks, in turn, can open up opportunities for discontinuous steps of improvement by reframing a problem in radically different ways" (1993: 40). Such fundamental learning is reflected in statements by the participants that they have a much better awareness of stresses and strains and warning signals during the entrepreneurial process and have developed new "models" of how to manage and grow entrepreneurial ventures. Ben is now more mindful that a series of "small failures" (Baumard and Starbuck, 2005) can lead to disaster. In this respect, the research confirms that failure is invaluable in reducing the entrepreneur's "epistemic blind spots" (Choo, 2008). Such perceptual flaws, resulting from "cognitive ruts" (Rerup, 2005), are precursors to disaster as they prevent the recognition of warning signals that conflict with habitual beliefs; thereby leading entrepreneurs into "learning traps" (West and Wilson, 1995). Colin's comment, in particular, is illustrative that repeated success can lead to overconfidence, complacency and insularity (Baumard and Starbuck; 2005), in which "we become myopic and ignore changes that do not suit us" (Gupta, 2005: 3).

In terms of the participants' social learning, both transformative and double-loop learning processes appear to be functioning. Several participants learned about their own leadership skills, whilst at the same time appreciating ineffective socially situated organising practices and team compositions. Combined with evidence of transferable learning about working with investors and building valuable collaborations, analysis suggests that learning from failure can foster renewed "social-theories-for-action". Such relational and interpersonal learning is a vital way in which entrepreneurs create meaning and develop a skilled identity (Rae, 2004). Young and Sexton (1997) assert that entrepreneurial learning can be viewed as a process of model transformation. In adding contextual depth to this assertion, I propose that failure occupies a central role in facilitating more sophisticated entrepreneurial mental models.

Several commentators hypothesise that failure can increase an entrepreneur's probabilities of success, using it as an instrument to learn "what works and doesn't work" (Sarasvathy and Menon, 2002: 9). Entrepreneurs can actually gain encouragement from

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the experience of failure (Politis, 2008), feeling better equipped to make subsequent ventures more successful due to lessons learned (Cave et al., 2001; Stokes and Blackburn, 2002). Such observations sit comfortably with the findings of this research. The ability to bring forward lessons learned, as articulated by several participants, demarcates a third distinctive form of higher-level learning from failure, described as *generative learning* (Gibb, 1997: Senge, 1990). More specifically, Hugh's comment about being able to correct warning signs is indicative of "proactive generative learning" (Cope, 2005a), which entails becoming attuned to factors and circumstances that may become critical. Consistent with such generative learning outcomes, interpretation suggests that several participants have developed a cognitive early warning system that can allow them "to proactively put measures in place to try and avoid the repetition of more negative experiences" (Cope, 2005a: 387).

Shepherd (2003) emphasises that in order for learning from failure to be most useful the knowledge gleaned must be applied to another business, as such entrepreneurs are in a "unique position to start a successful new business" (Shepherd et al., 2009a: 142). The findings here lead me to a slightly different conclusion. Whilst the majority of the participants have not started another business, their continued engagement with the entrepreneurial domain allows them to apply their knowledge of failure to other businesses. I would argue that there are different ways in which learning from failure can be usefully applied, particularly working alongside other entrepreneurs who wish to experience success, and more importantly, avoid failure.[2]

6. Discussion

6.1. Theoretical implications

The research has demonstrated that the "learning journey" associated with failure is both arduous and painful (Cardon and McGrath, 1999), with critical self-reflection and reflexivity playing a central role in turning this experience into learning (Mezirow, 1991). Failure is naturally emotive because of the detrimental impact that it can have on so many different yet interconnected spheres of the entrepreneur's life, at least in the short-term. Snell (1992) concludes that such "hard knocks" are an inevitable aspect of business life, but often prove to be important learning opportunities and unless construed as such, "a major source of personal and moral development is blocked" (1992: 16). The study has illustrated that those participants who have had previous successful ventures seemed able to recover and move forward from the hard knock of failure more quickly than those for whom the failure was their first and only business. This lends support to assertions that "multiple" entrepreneurs are equipped to more rapidly process a failure experience as a useful instrument of learning (Politis, 2008; Sarasvathy and Menon, 2002).

Minniti and Bygrave (2001) emphasise that an entrepreneur's history is influential and one's previous investments can constrain future behaviour. I argue that failure can constrain an entrepreneur's future behaviour quite dramatically, as the financial impact alone can force people back into paid employment or hamper their ability to start another venture. Far from constraining future actions failure can, at the same time, foster emancipatory learning outcomes, thereby representing an invaluable addition to the entrepreneur's experiential "stock of experience" (Reuber and Fischer, 1999). Such generalisable outcomes can substantially improve levels of "entrepreneurial preparedness" for subsequent entrepreneurial activity (Cope, 2005a; Harvey and Evans. 1995). As the findings have highlighted, failure can expand the entrepreneur's range of potential behaviours, revise previously ineffective practices, highlight mistakes and augment skills and knowledge about the entrepreneurial process.

Within the entrepreneurial context, I argue that learning from failure extends beyond Sitkin's (1992) concept of "intelligent" failures. Sitkin argues that such failures need to be small enough not to elicit a negative response and that "those actions that extend or modestly challenge existing assumptions, expertise, or strategic goals make learning from failure more likely" (1992: 246). The radical transformations wrought by entrepreneurial venture failure, which have been shown to create a significant shift in the entrepreneur's attitudes, perceptions and "mindset" (Appelbaum and Goransson; 1997), could hardly be described as modest. Rather, the higher-level learning from failure expressed in this study creates the capacity for the participants to "do things differently" rather than refining the efficacy of extant behaviour and actions.

Extending existing terminology from wider learning literature, I argue for the existence of another vital form of failure that fits more specifically with the entrepreneurial context, defined here as "transgenerative" failures. This term captures the radical, rather than incremental, nature of learning from venture failure—learning that not only fosters re-conceptions of oneself as an entrepreneur but also redefines socially situated mental models of how to build successful entrepreneurial ventures. "Regenerative" failures are a specific subset of these failures, which are those that relate specifically to serial entrepreneurs who have gone on to apply lessons learned by actively re-engaging in the creation of a new venture.

In relation to the social dimensions of failure, the issue of stigma deserves further discussion. All the US participants experienced tolerant attitudes to failure in Silicon Valley; attitudes consistent with a recent study examining regional differences in societal attitudes to failure in the US as expressed in the press (Cardon et al., 2009). In sharp contrast, the majority of UK participants acknowledged a societal stigma associated with failure, which is again consistent with extant theorising on European attitudes to failure (Landier, 2006). Significantly, none of the UK participants reported any tangible social stigmatisation on a personal level, which brings into question the extent to which such preconceived societal attitudes are in force at a micro-individual level. Burchell and Hughes (2006) have questioned this very issue and using comprehensive Eurobarometer data have found very little differences in attitudes, with members of EU states being just as willing to give entrepreneurs a second chance as their US counterparts. Such munificence has also been reported with regard to both UK and US venture capitalists' attitudes to failure (Cope et al., 2004).

[2] Both Colin and Gill have subsequently entered into academia, and so also have the ability to usefully share their lessons with students, reflecting Shepherd's (2004) emphasis on teaching students about learning from failure.

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The only stigma identified here was self-imposed, as highlighted in Gill's case. As the only female participant, her negative experience of failure appears more pronounced than for the male participants. Several studies of bereavement have identified that females can experience higher levels of grief, depression and anxiety than males (Ringdal et al., 2001; Chen et al., 1999). However, it is proposed that women are able to engage more easily in "emotional sharing" (Stroebe, 1998), which entails seeking out social support that can protect or buffer them against the deleterious affect of loss (Stroebe et al., 2001). In relation to different orientations to grief recovery, Stroebe (1998) suggests that men are more restoration-oriented whilst women are more loss-oriented and willing to confront their emotions of grief. This research produces ambivalent findings in relation to these issues, as Gill clearly seemed to experience higher levels of anxiety and depression than the other participants, but also felt completely isolated and unable to turn to others for support. The limitations of the sample in this regard do not allow me to make any substantial assertions but these initial findings certainly point to the value of examining this unexplored issue further.

A few words of caution are perhaps appropriate. Although I conceptualise failure as a highly beneficial learning experience, it is important to remember that some entrepreneurs may fail to learn due to an inability to effectively confront what happened (Scott and Lewis, 1984). Other entrepreneurs may want to think they have learned valuable lessons in order to rationalise what may otherwise be considered an unproductive period of their lives (Cannon, 1995). Entrepreneurs may also learn the wrong lessons or only those that fit in with existing beliefs (Baumard and Starbuck, 2005), thereby replicating the same mistakes in future activities (Shepherd, 2003). I therefore have to temper my assertions by recognising that failure does not automatically lead to learning worthy of carrying forward.

6.2. Limitations of the study

The opportunistic dimension of the purposive sampling strategy used in this research means that the UK participants were not all from a regional UK hub of entrepreneurial activity such as the Cambridge Cluster, unlike their US counterparts who were all from Silicon Valley. I do not see this as overly problematic. The paper is not inherently comparative in terms of nation states or regional locations and despite choosing participants from two different countries it was not my explicit intention to create such macro-level juxtapositions using a qualitative sample. In developing a more "micro-level" (Shepherd et al., 2000) learning perspective of failure the aim has been to demonstrate that learning from failure is shared by entrepreneurs regardless of location or nationality. There may well be distinctive attitudes to failure and learning patterns/outcomes in Silicon Valley, and in certain markets or industries, but it is beyond the scope of this article to delve into a detailed comparative analysis of these more nuanced learning outcomes. Previous models of failure have demonstrated significant theoretical contributions without incorporating industry effects (Shepherd et al., 2000). The key message I focus on is the commonality of the participants with regard to the learning journey experienced in relation to failure.

Two other limitations of the research design require comment. First, for some of the participants the failure happened a few years ago whilst for others it was many years. Podsakoff and Organ (1986) identify the problems with self-report research relating to recall bias and distortion. This is a constraint inherent in any retrospective research and one not easy to solve. However, Berney and Blane (1997) illustrate that some information recalled after long periods (up to fifty years) retains a high degree of accuracy and can remain useful. In phenomenological terms, the study is also reliant on a "double hermeneutic", in which "participants are trying to make sense of their world; the researcher is trying to make sense of the participants trying to make sense of their world" (Smith and Osborn, 2008: 53).

In moderating these problems somewhat, Chell (2004) argues that the advantage of examining critical experiences is that "the fact that the incidents are 'critical' means that subjects usually have good recall" (2004: 47). With regard to failure, whilst certain memories and impacts may well have faded since the failure event, learning is a dynamic and perpetual process in which past learning is continually reapplied and modified in light of new experience (Corbett, 2005: Minniti and Bygrave, 2001). Hence, the participants' articulation of their learning from failure is a reflection of an on-going interpretative sense-making process that does not have the same temporal constraints as the recall of certain concrete events surrounding the failure. It is hoped that the data demonstrates that regardless of how long ago the failure happened this experience remains visibly and fundamentally meaningful in learning terms.

Second, a criticism levelled at interpretative phenomenological research is that the methodological emphasis is on the individual (Berglund, 2007). In mediation, Burglund argues that such research does include the greater context as a vital source of individual interpretations and ultimately it is a matter of "fit"—the phenomenon and the knowledge interest should guide the choice of method. This research was interested in what entrepreneurs learn from failure and so this individual focus appears appropriate. However, I will go on to argue that a more socialised understanding of recovery and learning from failure is needed. Future research will require new methodologies more capable of dealing with the social complexity of failure.

6.3. Areas for further research

Whilst recognising the seminal work of Shepherd (2003), the "recuperative" process of recovering and moving on from failure remains a significant area for further research, which I theorise as an important "learning timeframe" of failure. In building a robust appreciation of venture failure, I contend that there are multiple learning timeframes of failure, which from a dynamic perspective can be understood as: 1) the descent into failure; 2) the experience of managing failure; 3) the aftermath of failure; 4) recovery from failure; and 5) re-emergence from failure (which entails learning from failure and applying knowledge to future actions, including further entrepreneurial activity). This paper has only covered the final three timeframes, but the first two elements have already been highlighted as integral to the recovery and learning processes associated with failure (Shepherd et al., 2009a).

Avenues for inquiry exist in examining each of these failure timeframes through a learning lens. It must be stressed that the perceptual, chronological and temporal boundaries of each of these phases of failure may not be easily discerned, as they will remain contextually and situationally unique to each individual. However, the content and processes of learning involved in each

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timeframe and the complex, interdependent relationships between different timeframes represent key areas for research. It is important to be mindful that learning is a dynamic, on-going process and so will take place (perhaps unconsciously to some extent) both during and beyond the failure process (Bower, 1990). Entrepreneurs may continue to reflect on, and learn from, a failure experience many years after the event itself, particularly if confronted with novel situations that encourage them to apply previous learning (Corbett, 2005). I recognise that a limitation of this research is that only one of the participants has experienced a regenerative failure and gone on to start another venture. Thus, I have not been able to specifically examine the extent to which the learning reported by the participants has actually been applied in future entrepreneurial dealings. This remains a key issue in understanding the entirety of the experiential learning cycle associated with failure (Singh et al., 2007). However, I would like to reiterate that the other participants' exit from venture creation has led predominantly to increased engagement with other existing businesses, with scope remaining to apply lessons learned (Hessels et al., 2009). Future studies should engage specifically with a sample of entrepreneurs who have experienced regenerative failures and examine how their practices and behaviours have changed in light of this experience and what subsequent benefits failure has engendered (Schutjens and Stam, 2006).

I acknowledge that this article has adopted an initially broad learning perspective of failure. However, a socialised view of failure has been reinforced, reflecting wider acknowledgements that business venturing is communally constituted (Downing, 2005; Down, 2006). Learning about relationships is a key feature of learning from failure (Stokes and Blackburn, 2002), and further research is needed to appreciate the social dimensions of failure in terms of impact, rehabilitation and learning. There remains a pressing need to examine the influence and perspectives of “significant others” at various stages of the failure process (Shepherd, 2009; Jennings and Beaver, 1995).

Ultimately, I emphasise that failure is not confined to “the entrepreneur”—a person so often conceived as an atomistic and monadic actor (Drakopoulou Dodd and Anderson, 2007). In particular, future studies must appreciate that, in most cases, it is the entrepreneurial family that experiences and must learn to cope with failure. Longitudinal, ethnographic research would be ideally suited to tracking entrepreneurs and their families as they interactively progress through the failure process. Whilst easy to recommend, I have already stressed that the greatest challenge is building diverse samples relating to failure. However, “the flip-side of these difficulties is the very real opportunity of making an important contribution to the literature and perhaps to entrepreneurs attempting to recover from business failure” (Shepherd et al., 2009a: 145). I propose that one way in which researchers may build engagement, trust and social capital is by establishing action learning sets of entrepreneurs who are facing, or who have already experienced, failure.

6.4. Policy and support implications

Failure theorists argue that those who have experienced failure are likely candidates to become involved in future ventures due to increased knowledge and resilience (Politis, 2008), thereby representing prime targets for those seeking to support new venture creation (Stokes and Blackburn, 2002). Action learning approaches are increasingly being used as a crucial peer-to-peer entrepreneurial learning mechanism that facilitates collaborative critical reflection and reflexive action (Ram and Trehan, 2009; Thorpe et al., 2009). In these facilitated “learning networks” the entrepreneur becomes part of a trustful and encouraging forum where reflection is given time and attention (Bessant and Tsekouras, 2001), potentially leading to “social, emotional and intellectual transformation” (McLaughlin and Thorpe, 1993: 20). In the case of failure, this involves the opportunity to challenge articulated and tacit assumptions and, if appropriate, openly face a lack of knowledge and one's own level of culpability (Florén; 2003). It may also enable entrepreneurs to learn vicariously from their peers, which remains a valuable form of learning from failure (Coelho and McClure, 2005). Shepherd et al. (2009b) maintain that “self-help support groups” can provide the emotional scaffolding needed to more effectively recover from grief, allowing entrepreneurs to learn coping skills and gain the confidence to face new challenges. Cannon and Edmondson (2001) similarly assert that group-level beliefs can mitigate the negative emotions of failure. These action learning sets can be enhanced by more personalised mentoring, with entrepreneurs who have experienced failure perhaps mentoring those who are currently “looking into the abyss”. This support mechanism has already been identified as pivotal in helping entrepreneurs overcome and learn from critical events (Cope and Watts, 2000; Sullivan, 2000).

7. Conclusion

In conclusion, failure represents one of the most difficult, complex and yet valuable learning experiences that entrepreneurs will ever have the (mis)fortune to engage in. I propose that entrepreneurs who have experienced failure are arguably more prepared for the trials and tribulations of entrepreneurship than those who have only enjoyed success or prospective entrepreneurs yet to experience the often harsh realities and intense “pressure points” of the entrepreneurial process. The powerful and beneficial lessons of failure can give entrepreneurs revitalised awareness of their abilities and a broader, more sophisticated knowledge base. This is something that must be recognised and celebrated by policy-makers when devising programmes of support for entrepreneurial activity. Ultimately, I conclude that failure warrants a much more prominent position in discussions of entrepreneurship at academic, policy-maker and advisor levels.

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