



VNIVERSITATIS VALÈNCIA

**Facultad de Economía**  
**Departamento de Dirección de Empresas**  
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Tesis Doctoral:  
**Determinantes del Re-Emprendimiento**

Presentada por:  
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Dr. Domingo Ribeiro Soriano

Programa de Doctorado en Dirección de Empresas  
Valencia, abril de 2024



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--Portada en inglés--

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## **Agradecimientos**

Muchas gracias querida familia por su apoyo incondicional, en este proyecto de vida que significó realizar este programa de doctorado fuera de nuestro país y lejos de todo el resto de nuestra familia y amistades. Ustedes que estuvieron en las malas y muy malas, durante esos tres años; y que asumieron los grandes costos de esta aventura. Por tanto, espero en Dios a quien doy gracias y honra, que nuestro Señor Jesucristo me permita retribuir en esta vida lo que ustedes: Loreto, Valentina y Ema, me entregaron en esta etapa de nuestra vida familiar ¡Las amo con todo mi ser!

Doy muchas gracias a mis directores de tesis, Maribel y Domingo, por honrarme al aceptar ser mis guías, pues son dos grandes personas y extraordinarios investigadores en el ámbito del emprendimiento. Muchas gracias por sus valiosos consejos y gran apoyo durante todo el programa de doctorado; y en especial durante el largo periodo en que mi salud fue afectada gravemente por el COVID-19. Si he podido llegar a esta etapa final, y concluirla de buena forma, es por vuestra confianza y solidaridad. Que mi Dios les bendiga y retribuya.

Doy gracias también a mis amigos/amigas re-emprendedores, que me han inspirado para realizar esta tesis. Ustedes son el alma de las economías, ustedes las crean y las re-crean. Y a mi socio Rodrigo Díaz Valenzuela, con quien hicimos camino al andar en torno al tema de los “ecosistemas de re-emprendimiento”. Muchas gracias, estimado Rodrigo.

Agradezco a todo el equipo académico y administrativo del programa de doctorado en dirección de empresas, y a la Escuela de Doctorado de la Universidad de Valencia, son excelentes académicos y administrativos.

Agradezco a mis colegas y directivos de la Facultad de Ciencias Económicas y Administrativas, de la Universidad Católica de la Santísima, por darme todo el apoyo que han podido, y más, durante todo el periodo de realización de mi programa de doctorado. En especial

agradezco los consejos e incondicional apoyo de mis colegas Hugo Baier y Orlando Llanos; y el invaluable apoyo, para mi vida en Valencia, de mis amigo y colegas Manuel y Jonathan.

Agradezco a ANID Chile, por su financiamiento a través del programa de Becas Chile, para la realización de programas de doctorado en el extranjero.

Finalmente quiero dedicar esta tesis a algunas personas específicas. A dos mujeres especiales, mi madre Noemí, por motivarme (“obligarme”) a dar prioridad a mis estudios (desde que tengo memoria); y a mi abuela “Lola” (Q.E.P.D), por inspirar mi mente a entrar al mundo de las ideas, las abstracciones, la lectura y la creatividad, aunque no lo llevé al arte (aún); pero hay belleza en las ciencias sociales. También hago una dedicatoria a mi padre (Jorge Espinoza Luna) y mi hermano (Danilo Espinoza Benavides), quienes nos dejaron hace años atrás, en diferentes momentos; me gustaría poder contarles tantas cosas, pero ninguna sería más importante que aquellas que han conocido “más allá”, en el paraíso de mi Señor. También a ti, hermano pequeño, Cristóbal querido, he visto en ti, desde tu infancia, resiliencia pura. Por último, dedico esta tesis a mi compañero de doctorado y compatriota (fallecido a causa de la pandemia), Pablo Becerra, fuiste un gran compañero y un especial anfitrión a mi arribo a Valencia, guardo gratos recuerdos de nuestras largas conversaciones sobre emprendimiento, innovación y clústeres; espero verte en el reino eterno de mi Señor Jesús. Gracias Pablo.



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# **CHAPTER 1: INTRODUCTION**

## 1.1 Antecedents

Start-up is in itself a difficult task which, along with the direct and indirect costs that the entrepreneur assumes for the launch of his or her business, adds the real but unintended possibility of business failure/closure (Fuentelsaz & González, 2015; McGrath, 1999; Sarasvathy et al., 2013; Wennberg et al., 2010); and, despite the fact that business failure is a common outcome of entrepreneurship, there is much more research in scholarship on the factors of entrepreneurial success than on the factors related to entrepreneurial failure (Lee, Wiklund, et al., 2021; McGrath, 1999; Tipu, 2020). However, in recent years an acceptable number of scientific articles on business failure have been accumulating, which have provided a better understanding of this phenomenon and its processes and related variables (Cefis & Marsili, 2011; Lattacher & Wdowiak, 2020; Lee et al., 2021); allowing corroboration that business failure is also determined by contextual, organisational, and individual (entrepreneurial) variables (Guerrero & Espinoza-Benavides, 2021a, 2021b; Rodríguez Rodríguez & García Soto, 2019). This progress has enabled the validation of one of the most accepted definitions of "business failure" proposed by Ucbasaran et al. (2013), namely: "the cessation of involvement in a venture because it has not met a minimum threshold for economic viability as stipulated by the entrepreneur" (Ucbasaran et al., 2013, p. 175).

In the last two decades, most of the literature on business failure has focused on explaining the antecedents that trigger it and, to a lesser extent, on the consequences of business failure (Dias & Teixeira, 2017; Ucbasaran et al., 2013). Nevertheless, several scholars have tried to address these consequences by investigating what happens to entrepreneurs after business closure (e.g., Cope, 2011; Cope et al., 2004; Shepherd, 2003; Shepherd et al., 2000; Stam et al., 2008; Ucbasaran et al., 2013; Yamakawa et al., 2010), finding that these consequences can be negative, such as financial, psychological, and social costs (Shepherd & Kuratko, 2009; Ucbasaran et al., 2013), but can also be positive, such as: learning, increased

ability to detect opportunities, resilience, and improved new ventures (Cope, 2011; Corner et al., 2017; Hayward et al., 2010; Lattacher & Wdowiak, 2020).

Evidently, entrepreneurs who close a failed business can then retire permanently from all economic-labour activity, find a job as an employee, or start a new business again (Cope, 2011; Guerrero & Espinoza-Benavides, 2021a; Wennberg & Detienne, 2014). With respect to the latter, a person who, after closing one business, reopens another becomes a serial entrepreneur (Ucbasaran et al., 2003; Westhead et al., 2005; Westhead & Wright, 1998). While a reasonable amount of research has been developed on serial entrepreneurs (Amaral et al., 2011; Lafuente et al., 2019), very little is known about the determinants, and what the process is that pushes an entrepreneur to restart a business despite having failed in another one recently (Guerrero & Espinoza-Benavides, 2021b; Williams et al., 2019), in fact in the words of Stam et al. (2008, p. 493) "according to the logic of economic models of entrepreneurial dynamics, there is no reason to start again after entrepreneurial failure". Thus, the contradiction raised by Stam et al. (2008) and the lack of knowledge about the process of re-entry after entrepreneurial failure, justify further research to provide new knowledge to clarify this apparent contradiction about how economic agents decide and act.

Given the apparent rational contradiction, highlighted above, one possible path would be to approach the phenomenon from prospect theory (Kahneman & Tversky, 1979), which demonstrates and explains a series of biased decisions and quasi-rational behaviours of economic agents. However, so far only the research work by Hsu, Wiklund, et al. (2017) has addressed the process of re-entry after entrepreneurial failure, employing this theory, especially trying to understand how the decision bias on loss recovery could explain re-entry after failure, but the empirical results obtained in this study give weak support to the predictive capacity of the prospect theory.

Although a priori we do not rule out using prospect theory in future research, we have identified that an emerging conceptual framework that we call, for now, "entrepreneurship in adverse contexts" accumulates a good body of research that, from different perspectives, attempts to explain why people may be entrepreneurs in very complex conditions, such as places with high poverty rates, war situations, natural disasters, etc. (see, for example, Bullough et al, 2014; Bullough & Renko, 2013; Karanda & Toledano, 2023; Shepherd & Williams, 2020; Williams & Shepherd, 2016). In that sense, entrepreneurship after having recently failed in another business, given the concomitant costs of failure (social, psychological, and financial), fits into this conceptual framework on "entrepreneurship in adverse contexts" (Shepherd & Williams, 2020; Ucbasaran et al., 2013; Williams et al., 2017).

The literature we identified within the conceptual framework on entrepreneurship in adverse contexts suggests that there should be a close relationship between the process of recovery from business failure (Ucbasaran et al., 2013) and the concept of crisis management (Herbane, 2010; Williams et al., 2017). For example, learning more about the process of recovery and re-entry after business failure offers great opportunities to better understand the mechanisms that shape resilience in entrepreneurs and in the organisations they lead (Ahmed et al., 2022), which is one of the key competencies for managing crises (Doern et al., 2019; Williams et al., 2017) that happen especially to smaller firms (Doern, 2016, 2017, 2021; Herbane, 2010, 2015, 2019), in adverse contexts such as those triggered by the Covid-19 pandemic (Shepherd & Williams, 2020). But so far, these two perspectives have not been addressed jointly, nor systematically, within the entrepreneurship literature, except in some relatively recent work (e.g., Ahmed et al., 2022; Shepherd & Williams, 2020; Williams et al., 2017), although separately, both the literature on business failure (and subsequent recovery process) and crisis management have a rich prior research base (Bundy et al., 2017; Lattacher & Wdowiak, 2020).

So, given the lack of conceptual integration between the business failure perspective (and subsequent recovery process) and the crisis management perspective, as well as the current adverse global context due to the Covid-19 pandemic, we believe it is justified to ask the following (and first) research question of this thesis: how does the business failure recovery process perspective relate conceptually to the crisis management perspective?

On the other hand, and focusing only on the phenomenon of re-entry after entrepreneurial failure, in this regard, we have identified that the small body of research that has attempted to explain the determinants of re-entry (e.g., Fu et al., 2018; Guerrero & Peña-Legazkue, 2019; Lee, Cottle, et al, 2021; Simmons et al., 2014, 2019) has predominantly employed the framework of institutional economic theory (North, 1990; Urbano et al., 2019) to identify certain contextual factors (formal and informal institutions) that affect the re-entry behaviour of failed entrepreneurs. For example, more lenient business bankruptcy laws (formal institution) favour re-entry activity (Eberhart et al., 2017; Lee et al., 2011) and social stigmatisation of business failure (informal institution) hinders re-entry (Simmons et al., 2014, 2019). While institutional economic theory (North, 1990) has contributed a well-founded explanation of entrepreneurial activity globally (Bruton et al., 2010; Eberhart et al., 2017; Urbano et al., 2019), we have not observed empirical work that provides a comprehensive and generalisable explanation of how the set of institutional factors relate to re-entry activity after entrepreneurial failure, except for a couple of recent investigations that have demonstrated the relevance of institutional economic theory with the conceptual perspective called "entrepreneurship ecosystems" (Stam, 2015), especially in relation to re-entry activity after entrepreneurial failure (Guerrero & Espinoza-Benavides, 2021a, 2021b).

Authors Guerrero & Espinoza-Benavides (2021a, 2021b) make an equivalence between formal institutions (North, 1990) and the entrepreneurial ecosystem perspective (Stam, 2015);

and highlight that this perspective may be more relevant in the framework of emerging economies, due to the emphasis that these types of countries give to promoting all types of entrepreneurship. Along with the above, these authors (Guerrero & Espinoza-Benavides, 2021b) also qualitatively demonstrate the importance of human capital (Becker, 1993) for re-entry activity, in line with previous work related to serial entrepreneurs, which underlines the importance of prior experience in engaging in successive subsequent ventures (Amaral et al., 2011; Camisón-Haba et al., 2019; Hessels et al., 2011; Stam et al., 2008); they also find that social capital plays an important role in the recovery process after entrepreneurial failure, and they call for future research that integrates informal institutions, from a global perspective and with an accent on emerging economies (Guerrero & Espinoza-Benavides, 2021b). Thus, for our thesis we take Guerrero & Espinoza-Benavides' (2021b) call, as well as their stated concept of "re-entrepreneurship after business failure", and address it by attempting to answer the following (and second) research question: What are the determinants of re-entry after business failure, considering different economies globally from an entrepreneurial ecosystem perspective?

Finally, previous literature allows us to observe that the relationships between closure costs and the re-entry process are complex (Cardon et al., 2011; Cope, 2011; Hessels et al., 2011; Shepherd et al., 2009), which in the context of this thesis we call "re-entry process after business failure". This process has some previous research (e.g., Amankwah-Amoah et al., 2018; Guerrero & Espinoza-Benavides, 2021b; Walsh & Cunningham, 2017; Williams et al., 2019), which call for a deeper understanding of this phenomenon, based on recognising the scientific evidence that has been reported so far. This includes, for example, that entrepreneurial experience, self-confidence and employment status are highly predictive variables of the profile of re-entrepreneurs, along with other dimensions that have shown some level of significance, such as: gender, age, level of education and experience as an informal

investor (Baù et al., 2017; Espinoza-Benavides & Díaz, 2019; Hessels et al., 2011; Hsu, Shinnar, et al., 2017; Stam et al., 2008).

However, a deeper understanding of the re-entry process after entrepreneurial failure should be complemented with an understanding of the crisis management process, in line with what we argued previously for our first research question. Furthermore, within the crisis management literature, some relevant articles do not go beyond indicating that 'business failure/entrepreneurial failure' would be a type of crisis or "critical event" (Bundy et al., 2017; Williams et al., 2017), but a priori we assume that there are great possibilities to observe both processes together, and understand them in a better way. On the one hand this is due to the fact that business failure recovery and crisis management processes are similar in the main stages that form them, as the following five phases can be identified for both perspectives: i- Pre-event (crisis or failure), ii-event occurrence (crisis or failure), iii-event confrontation, iv-event recovery; and v-outcomes (Buchanan & Denyer, 2013; Cope, 2011; Doern et al. 2019; Herbane, 2010; Ucbasarn et al, 2013). On the other hand, the current context of global crisis (COVID-19) allows us to observe both processes at the organisational level in small firms (Herbane, 2010; Kuckertz et al., 2020; Thorgren & Williams, 2020) and at the level of the individual entrepreneur (Portuguez Castro & Gómez Zermelo, 2020; Ucbasaran et al., 2013; Shepherd & Williams, 2020). We therefore formulate the following (and third) research question of this thesis: How do individual/organisational determinants of the re-entry process post-failure interact with crisis management in adverse contexts?

Through the development of this thesis, by answering the three research questions posed and justified previously, we hope to contribute to the literature on entrepreneurship and small business management in the following ways:

Firstly, in a pioneering way to carry out a work of conceptual harmonisation between business failure and crisis management because, although their relationship is intuitive, to date

there are no systematic (theoretical-conceptual) works that relate them in depth. This conceptual harmonisation will facilitate further theoretical and empirical research that can jointly address both phenomena within the framework of "entrepreneurship in adverse contexts".

Secondly, we hope to contribute with a more general and comprehensive explanation of the determinants of post-failure re-entry activity at the global level, using the perspective of entrepreneurship ecosystems, which will validate, on the one hand, that the phenomenon of post-failure re-entry is different from the traditional view of nascent entrepreneurship, and will validate the perspective of entrepreneurship ecosystems as a useful tool to understand different entrepreneurship-related phenomena.

Finally, we hope to contribute with new empirical evidence and theory on how, in adverse contexts, individual and organisational determinants of post-failure re-entrepreneurship interact and what their relationship with forms/tactics of crisis management that entrepreneurs employ to cope with difficult times is.

In the following, we propose the objectives of this thesis, which arise from the questions we have previously raised.

## **1.2 Objectives**

The general objective is to identify the determinants of entrepreneurial re-entry after business failure and their relationship with crisis management. Therefore, based on the research gaps identified above, the following three specific objectives are proposed for this thesis:

SO1: To theorise the determinants of entrepreneurial re-entry after business failure and their relationship with crisis management.

SO2: To analyse the determinants of the re-entry behaviour after a failure across economies.

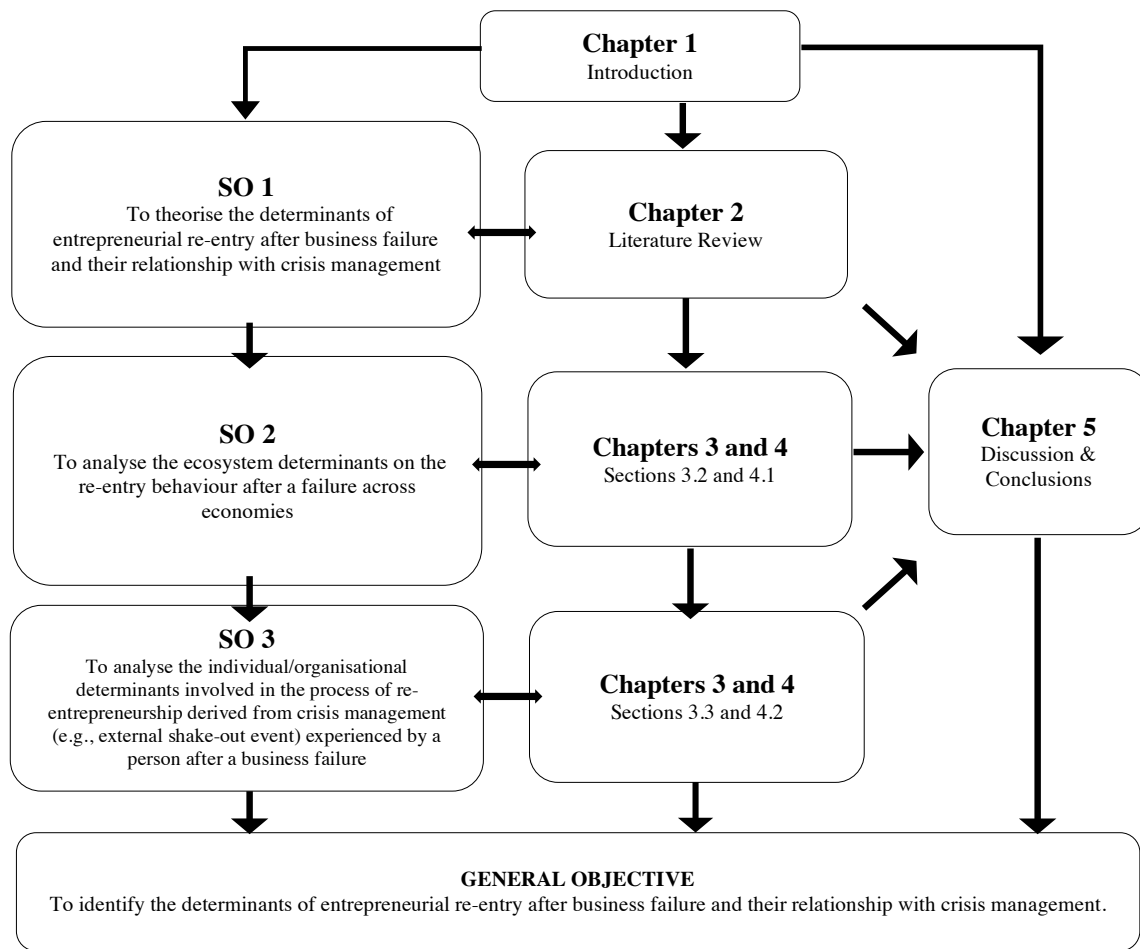
SO3: To analyse the individual/organisational determinants involved in the process of re-entrepreneurship derived from crisis management (e.g., external shake-out event) experienced by a person after business failure.

Methodologically, regarding SO1, the thesis adopts a systematic literature review by searching the publications related to "business failure" (or "entrepreneurial failure") and "crisis management" published in the Web of Science (WOS) and the SCOPUS databases from 2010 to 2020. Regarding SO2 and SO3, the methodological design combines quantitative (panel data analysis) and qualitative (grounded theory and multiple case studies) methods. Further details are explained in the respective chapters.

### **1.3 Thesis Structure**

After this first introductory section, this thesis is structured in four chapters and annexes (see Figure 1.1). As a way of integrating the key information per chapter, the description of each chapter is presented below.

Chapter 2 presents a systematic review of the literature, based on three types of analysis: bibliometric, content, and cross-learning. From these analyses, two conceptual frameworks are presented, one related to the determinants of re-entry after business failure, and the other related to the individual and organisational determinants of re-entry after business failure and crisis management. And for each conceptual framework, hypotheses and propositions are put forward, respectively.



**Figure 1.1:** Thesis structure

Source: Authors.

Based on the three previously justified hypotheses and general proposition, chapter 3 describes how we conducted a mixed research methodology. On the one hand, we present a quantitative research design, based on panel data analysis, of 756 observations from different countries of the world (54 economies) and set of years (2004-2017), in order to be able to verify the three hypotheses. On the other hand, a qualitative research design is presented, which also combines the strategies of multiple cases with grounded theory, to verify the general proposition justified, based on the analysis of 20 interviews conducted with entrepreneurs in an emerging economy.

Chapter 4 presents the main results of the quantitative and qualitative research conducted. First, the quantitative results are presented, organised according to the respective

hypotheses and dimensions of the entrepreneurial ecosystem: Formal conditions, informal conditions, and social capital. Secondly, the results of the qualitative analysis are presented, organised according to the dimensions that emerge inductively from the coding of the content of the interviews, in the context of challenging times, e.g., personal and business crises, personal and business support, crisis management tactics, entrepreneurial resilience, etc.

Finally, Chapter 5 (discussion and conclusions) discusses the quantitative and qualitative analyses and provides a revised conceptual framework arising from this thesis. It also highlights the main theoretical contributions of the thesis, as well as the practical implications, to conclude with the main limitations of our research and the future research that emerges.

## **CHAPTER 2: LITERATURE REVIEW**

## **2.1 A Systematic Literature Review Design**

Inspired by the gaps identified in the most influential articles related to the determinants of entrepreneurial re-entry after a business failure (Ucbasaran et al., 2013) and crisis management (Bundy et al., 2017; Williams et al., 2017), that supported the SO1, this chapter follows a systematic literature review process.

### ***2.1.1. Selection Criteria***

The systematic literature review is covering mainly the period 2010-2020. The selection criteria of the period of analysis are based on several reasons. First, this period covers the publication of the most influential works on re-entrepreneurship after business failure and crisis management (Cope, 2011; Doern et al., 2016; Herbane, 2010; Ucbasaran et al., 2013). Second, this period allows us to analyse in-depth an adequate quantity of publications (Muñoz-Justicia & Sahagún-Padilla, 2015). Third, this period allows us to control the potential boom of COVID-19 pandemic publications. Therefore, the use of the two last two years' publications have helped to reinforce arguments. The keywords/themes to search in the Web of Science (WOS) and the SCOPUS databases were "business failure" (or "entrepreneurial failure") and "crisis management". The selection criteria were the relevance of these topics for this thesis, as well as the interest for identifying if they have been published in the most outstanding academic journals in business, entrepreneurship, and management (Williams et al., 2017).

### ***2.1.2. Selected Papers***

Regarding business/entrepreneurship failure theme, we identified 800 academic papers published in WOS and more than 1,000 academic papers published in SCOPUS related to business/entrepreneurial failure. Then, the discrimination criterion reduced the number to 115 by selecting only academic papers related to entrepreneurial re-entry (e.g., renascent, repeat,

re-entry, recovery). To ensure the content analysis, the Atlas TI software was used to validate the selection criteria based on the content related to entrepreneurial re-entry (Muñoz-Justicia & Sahagún-Padilla, 2015). Consequently, the selection was reduced to 32 academic papers. A final confirmation step was considering previous systematic literature reviews (e.g., Ucbasaran et al., 2013), by way of snowball sampling for highly unusual samples (Biernacki & Waldorf, 1981), which allowed us to identify 16 missed publications. Some of these publications, from the snowball sample, are important as they relate strongly to the issue of entrepreneurial failure and re-entry; and could be pre-2010 (seminal articles, e.g., Shepherd, 2003) or post-2020 (e.g., Lee et al., 2021). Therefore, the final sample was 48 academic papers that were revised in-depth (see appendix 2.1, section A).

Regarding crisis management theme, we identified 6,500 academic papers published in WOS and more than 10,500 academic papers published in SCOPUS related to crisis management. Then, the discrimination criterion reduced the number to 152 by selecting only academics papers related to entrepreneurial re-entry (e.g., reascent, repeat, re-entry, recovery). To ensure the content analysis, the Atlas TI software was used to validate the selection criteria based on the content related to entrepreneurial re-entry (Muñoz-Justicia & Sahagún-Padilla, 2015). Consequently, the selection was reduced to 22 academic papers. A final confirmation step was considering previous systematic literature reviews (e.g., Herbane, 2010), by way of snowball sampling for highly unusual samples (Biernacki & Waldorf, 1981), which allowed us to identify 15 missed publications<sup>1</sup>. Similarly, snowball sampling allowed us to identify relevant articles on crisis management before 2010 (such as Pearson & Clair, 1998) and after 2020 (such as Doern, 2021), and it also allowed us to identify relevant papers by Williams et al., (2017) and Bundy et al., (2017), which had been left out when the keyword small business

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<sup>1</sup> It is important to note that these 15 missed publications plus the other 16 are not considered in the bibliometric analysis in point 2.2 of this thesis.

was applied as a filter. Therefore, the final sample was 37 academic papers that were revised in-depth (see appendix 2.1, section B).

### **2.1.3. Analysis**

The systematic literature review analysis was developed in three steps.

First, by applying bibliometric techniques like the "VOSviewer" software (van Eck et al., 2010; van Eck & Waltman, 2019) and Bibliometrix-R (Kumar et al., 2022), the general trends of the systematic literature review were presented using intelligible graphs (maps) and some tables with key information about authors, documents, and sources.

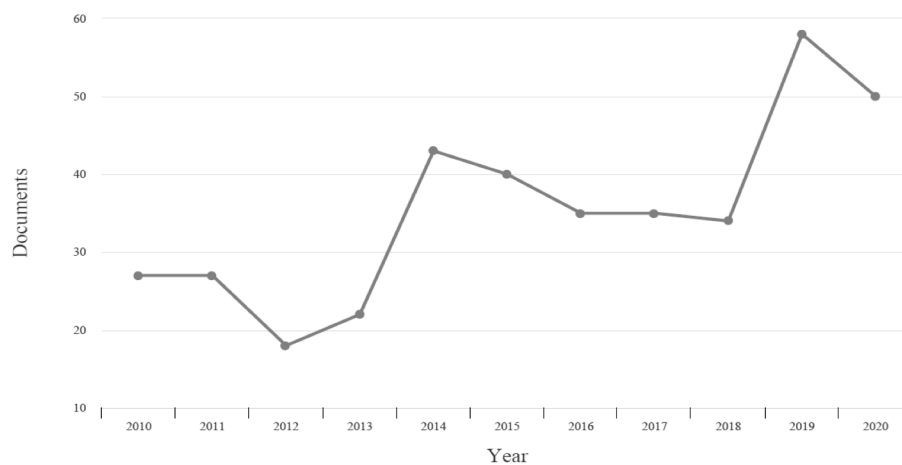
Second, by applying techniques like the Atlas TI software (Muñoz-Justicia & Sahagún-Padilla, 2015), an in-depth review of the content of each paper was developed to identify the theoretical foundations in the interplay between entrepreneurial re-entry and business failure, as well as entrepreneurial re-entry and crisis management. It allows us identify codes/patterns to detect the individual, organizational, and contextual determinants of entrepreneurial re-entry after failure and crisis management (Guerrero & Espinoza-Benavides, 2021a).

Third, by adopting the cross-learning procedure (Ika et al., 2020), all selected papers were analysed as follows: (a) observing in parallel the process (stages/phases) of crisis management and re-entry (Bundy et al., 2017; Cope, 2011; Herbane, 2010; Lattacher & Wdowiak, 2020; Ucbasaran et al., 2013); (b) considering the background and event stages as a single organisation phase (Bundy et al., 2017; Lattacher & Wdowiak, 2020) where entrepreneurial re-entry occurs after crisis management and business failure; (c) considering that phases of response, recovery, and outcomes occur at the organisational level (Bundy et al., 2017; Williams et al., 2017) and at the individual level (not always) (Cope, 2011; Ucbasaran et al., 2013); (d) considering that the best result of the crisis management process is recovery over time (Herbane, 2010; 2019), the best result of recovery from business failure would be re-

entry (Guerrero & Espinoza-Benavides, 2021a) albeit in a regenerative way (Cope, 2011; Walsh & Cunningham, 2017); and (e) comparing specific elements from a "crisis management" perspective and a "business failure" perspective to identify theoretical/conceptual research opportunities and similarities/differences belonging to the area of management and business.

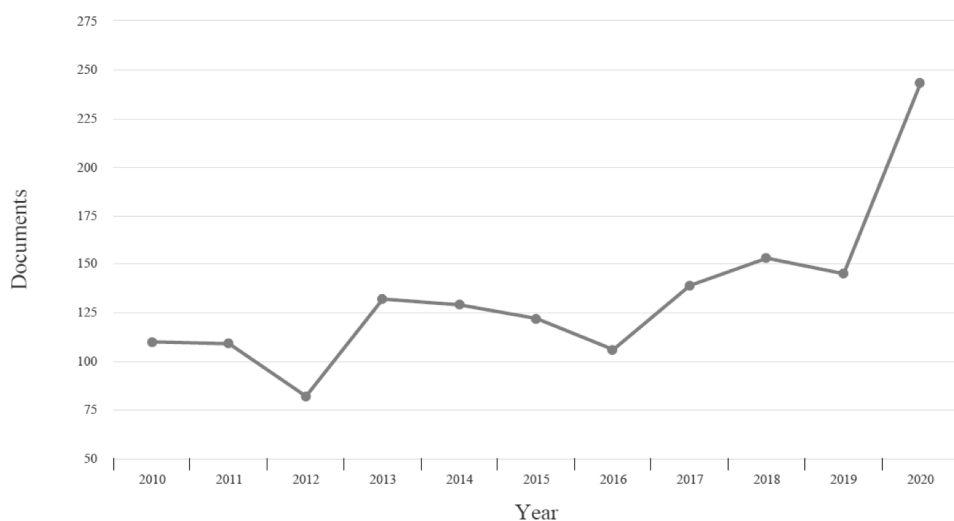
## 2.2 Bibliometric Analysis

From a broad perspective, within the academic world of management and business, the number of publications from 2010 to 2020 about "crisis management" (Figure 2.2) has been more than "business/entrepreneurial failure" (Figure 2.1). Based on information obtained from the SCOPUS database, crisis management research has produced 1,400 academic papers from 2010 to 2020, while research related to business/entrepreneurship failure has only produced 380 academic papers in the same time-line.



**Figure 2.1:** Business/entrepreneurial failure publications from 2010 to 2020

Source: SCOPUS, 2021.



**Figure 2.2:** Crisis management publications from 2010 to 2020

Source: SCOPUS, 2021.

Figure 2.3 shows the co-occurrence map among the themes/keywords. Concretely, seven clusters (identified by different colours) with nodes that represent the level of occurrence of each item (van Eck & Waltman, 2019): entrepreneurship (76), financial crisis (58), innovation (46), crisis management (33), SMEs (31), corporate governance (27), and crisis (26). The co-occurrence maps help to corroborate the existence of a potential research line (McGrath, 1999; Ucbasaran et al., 2013; Herbane, 2010) that is closely linked to the field of entrepreneurship (blue cluster) and the topic of crisis management (orange cluster). Indeed, the co-occurrence map also shows the fragmentation of themes (Bundy et al., 2017). For example, several crisis-related items appear among the different clusters, such as crisis management (orange), financial crisis (yellow), crisis and Covid-19 (purple), economic crisis (red), and global financial crisis (green).

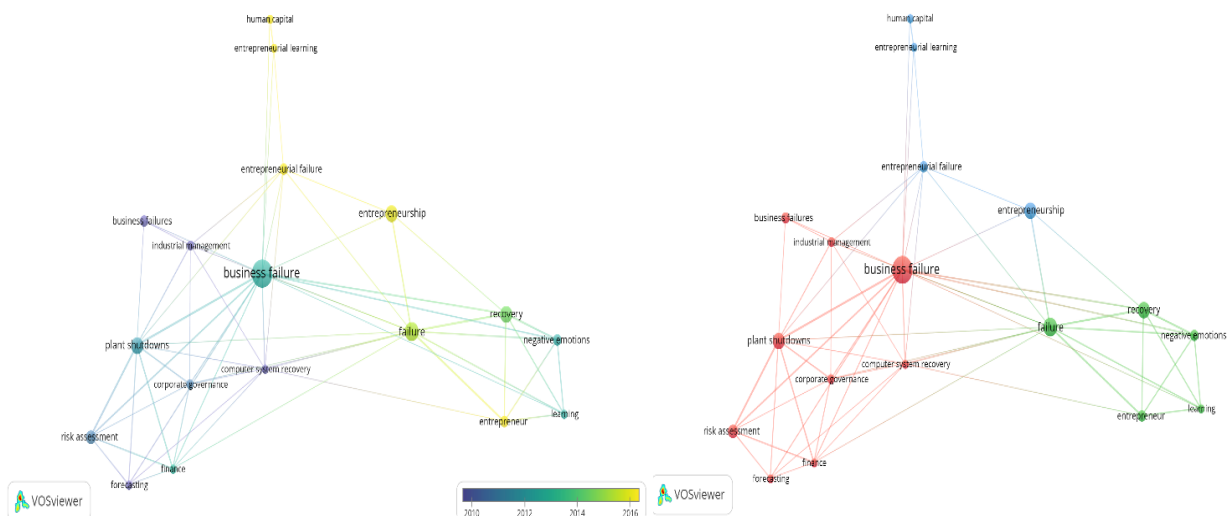


**Figure 2.3:** Co-occurrence map of keywords related to the topics: Business and Crisis/failure

Source: Authors, based on VOSviewer/SCOPUS, 2021. 877 documents, between 2010-2020, limited to the SCOPUS sub-area ‘business, management and accounting’ -and other filters-.

Figure 2.4 shows the co-occurrence analysis related to the crisis management perspective and entrepreneurial re-entry during the last decade. The left map shows the temporal evolution related to resilience following suggestions made by Herbane (2010) and Azadegan et al. (2020), while the right map shows the cluster perspective (Apostolopoulos et al., 2019; Ratten, 2020; Thorgren & Williams, 2020). These maps reveal the fragmentation of the literature (Bundy et al., 2017) by type of crisis: natural disasters (in green), economic crises (blue), health crisis (yellow), and other crisis (in purple). Indeed, the crisis-as-process perspective (red) refers to a way of proactively, rather than reactively, managing crisis events (Doern et al., 2019; Williams et al., 2017).





\*Note: Time view on the left and cluster-based perspective on the right.

**Figure 2.5:** Co-occurrence maps\* of keywords related to the themes: Business failure / Entrepreneurial failure and consequences, aftermath, reascent, repeat, re-entry, recovery, etc.

Source: Authors, based on VOSviewer/SCOPUS, 2021. 115 documents.

\*Note: Time view on the left and cluster-based perspective on the right.

The analysis of the keyword maps (and clusters) is complemented with information from the following tables obtained from the use of Bibliometrix-R software (for an example, see Kumar et al., 2022). We consider the database of the 152 articles (from Scopus) used to analyse the topics on "crisis management and small business" (related to Figure 2.4); and the 115 documents (from Scopus) used for the analysis of the topics "business failure/entrepreneurial failure (plus other filter words, used for the elaboration of Figure 2.5)". For each database, rankings are then obtained for each of the following: Top 10 authors (Tables 2.1 and 2.4), Top 10 most cited articles (Tables 2.2 and 2.5); and finally, the 10 most relevant journals/sources (Tables 2.3 and 2.6), respectively.

**Table 2.1:** Top 10 authors on Crisis management and Small Business (2010-2020)

| Authors    | Articles |
|------------|----------|
| HERBANE B  | 8        |
| RATTEN V   | 7        |
| WILLIAMS N | 6        |
| VORLEY T   | 5        |
| COATES G   | 4        |
| DOERN R    | 4        |
| COWLING M  | 3        |
| DURST S    | 3        |
| HARRIES T  | 3        |
| LI X       | 3        |

Source: Authors, by Bibliometrix-R (152 Scopus documents)

**Table 2.2:** Top 10 most cited articles on Crisis management and Small Business (2010-2020)

| Title                                                                                                                           | Paper key & general information         | DOI                          | Total Citations |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------|-----------------|
| Small business financing in the UK before and during the current financial crisis                                               | COWLING M, 2012, INT SMALL BUS J        | 10.1177/0266242611435516     | 121             |
| Antecedents of organizational resilience in economic crises - An empirical study of Swedish textile and clothing SMEs           | PAL R, 2014, INT J PROD ECON            | 10.1016/j.ijpe.2013.02.031   | 111             |
| Creating resilient SMEs: Why one size might not fit all                                                                         | SULLIVAN-TAYLOR B, 2011, INT J PROD RES | 10.1080/00207543.2011.563837 | 87              |
| The evolution of business continuity management: A historical review of practices and drivers                                   | HERBANE B, 2010, BUS HIST               | 10.1080/00076791.2010.511185 | 86              |
| Small business research: Time for a crisis-based view                                                                           | HERBANE B, 2010, INT SMALL BUS J        | 10.1177/0266242609350804     | 81              |
| What really happens to small and medium-sized enterprises in a global economic recession? UK evidence on sales and job dynamics | COWLING M, 2015, INT SMALL BUS J        | 10.1177/0266242613512513     | 68              |
| Enterprise risk management in SMEs: Towards a structural model                                                                  | BRUSTBAUER J, 2016, INT SMALL BUS J     | 10.1177/0266242614542853     | 49              |
| Startups in times of crisis – A rapid response to the COVID-19 pandemic                                                         | KUCKERTZ A, 2020, J BUS VENTUR INSIGHTS | 10.1016/j.jbvi.2020.e00169   | 48              |
| Entrepreneurship and crisis management: The experiences of small businesses during the London 2011 riots                        | DOERN R, 2016, INT SMALL BUS J          | 10.1177/0266242614553863     | 34              |
| Resilience and entrepreneurship: a systematic literature review                                                                 | KORBER S, 2018, INT J ENTREP BEHAV RES  | 10.1108/IJEBR-10-2016-0356   | 31              |

Source: Authors, by Bibliometrix-R (152 Scopus documents)

Considering the information in Tables 2.1 and 2.2, it is possible to appreciate the leadership of the researchers Cowling and Herbane about crisis management and small businesses. The first one with a greater focus on external crises and their effects on small businesses and the second one with a greater focus on internal crisis management in small businesses.

Also, from Table 2.2 it can be noted that the word "resilience" is a relatively common concept in the titles of the most cited articles. Furthermore, it is important to note that although an attempt was made to control for the effect of the Pandemic (COVID-19) in this bibliometric study, the paper by (Kuckertz et al., 2020) entitled "*Startups in times of crisis – A rapid response to the COVID-19 pandemic*" (with 48 citations during 2020) still entered the top 10 of the most cited articles in this area.

**Table 2.3:** Top 10 journal/sources on Crisis management and Small Business (2010-2020)

| Sources                                                            | Articles |
|--------------------------------------------------------------------|----------|
| INTERNATIONAL SMALL BUSINESS JOURNAL: RESEARCHING ENTREPRENEURSHIP | 16       |
| JOURNAL OF CONTINGENCIES AND CRISIS MANAGEMENT                     | 8        |
| ENTREPRENEURSHIP AND REGIONAL DEVELOPMENT                          | 7        |
| JOURNAL OF BUSINESS VENTURING INSIGHTS                             | 6        |
| INTERNATIONAL JOURNAL OF ENTREPRENEURIAL BEHAVIOUR AND RESEARCH    | 4        |
| JOURNAL OF ENTREPRENEURSHIP IN EMERGING ECONOMIES                  | 3        |
| CURRENT ISSUES IN TOURISM                                          | 2        |
| ECONOMIC RESEARCH-EKONOMSKA ISTRAZIVANJA                           | 2        |
| INTERNATIONAL JOURNAL OF ENTREPRENEURSHIP AND SMALL BUSINESS       | 2        |
| JOURNAL OF RISK FINANCE                                            | 2        |

Source: Authors, by Bibliometrix-R (152 Scopus documents)

Table 2.3 shows that the most relevant journals on the subject are precisely those related to small businesses and crisis management. Clearly, the most relevant source on crisis management and small businesses during the period 2010-2020 was the "International Small Business Journal: Researching Entrepreneurship". It is also worth noting that most of the journals in the top 10 (6/10) are strongly related to the field of entrepreneurship.

**Table 2.4:** Top 10 authors on Business failure/Entrepreneurial failure and Re-entry (2010-2020)

| Authors              | Articles |
|----------------------|----------|
| SHEPHERD DA          | 11       |
| AMANKWAH-AMOA H J    | 4        |
| UCBASARAN D          | 3        |
| WIKLUND J            | 3        |
| AGHAEIRAD A          | 2        |
| BERGER ESC           | 2        |
| COTTERILL K          | 2        |
| ESPINOZA-BENAVIDES J | 2        |
| GUERRERO M           | 2        |
| KUCKERTZ A           | 2        |

Source: Authors, by Bibliometrix-R (115 Scopus documents, filtered by words: Business failure/Entrepreneurial failure and consequences, aftermath, renaissance, repeat, re-entry, recovery, etc.)

**Table 2.5:** Top 10 most cited articles on Business failure/Entrepreneurial failure and Re-entry (2010-2020)

| Title                                                                                                                          | Paper key & general information              | DOI                            | Total Citations |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------------|-----------------|
| Entrepreneurial learning from failure: An interpretative phenomenological analysis                                             | COPE J, 2011, J BUS VENTURING                | 10.1016/j.jbusvent.2010.06.002 | 334             |
| The nature of entrepreneurial experience, business failure and comparative optimism                                            | UCBASARAN D, 2010, J BUS VENTURING           | 10.1016/j.jbusvent.2009.04.001 | 218             |
| Life After Business Failure: The Process and Consequences of Business Failure for Entrepreneurs                                | UCBASARAN D, 2013, J MANAGE                  | 10.1177/0149206312457823       | 216             |
| Misfortunes or mistakes? Cultural sensemaking of entrepreneurial failure                                                       | CARDON MS, 2011, J BUS VENTURING             | 10.1016/j.jbusvent.2009.06.004 | 128             |
| Failing firms and successful entrepreneurs: Serial entrepreneurship as a temporal portfolio                                    | SARASVATHY, 2013, SMALL BUS ECON             | 10.1007/s11187-011-9412-x      | 82              |
| Stigma and business failure: Implications for entrepreneurs' career choices                                                    | SIMMONS, 2014, SMALL BUS ECON                | 10.1007/s11187-013-9519-3      | 77              |
| The many faces of entrepreneurial failure: Insights from an empirical taxonomy                                                 | KHELIL N, 2016, J BUS VENTURING              | 10.1016/j.jbusvent.2015.08.001 | 61              |
| Success, Failure, and Entrepreneurial Reentry: An Experimental Assessment of the Veracity of Self-Efficacy and Prospect Theory | HSU, 2017, ENTREPRENEURSHIP THEORY PRACT     | 10.1111/etap.12166             | 57              |
| An integrative process model of organisational failure                                                                         | AMANKWAH-AMOA H J, 2016, J BUS RES           | 10.1016/j.jbusres.2016.02.005  | 55              |
| Venture failure, stigma, and impression management: A self-verification, self-determination view                               | SHEPHERD, 2011, STRATEGIC ENTREPRENEURSHIP J | 10.1002/sej.113                | 50              |

Source: Authors, by Bibliometrix-R (115 Scopus documents, filtered by words: Business failure/Entrepreneurial failure and consequences, aftermath, renaissance, repeat, re-entry, recovery, etc.)

Table 2.4 shows that Shepherd D A is the most prominent author in the field, although this does not seem to be reinforced by the level of citations of the most relevant papers seen in Table 2.5. However, in addition to the paper with 50 citations, in Table 2.5, Shepherd is co-author with Ucbasaran of the 2013 paper which has 216 citations. In turn, Ucbasaran D, is also clearly seen as a leading researcher on the topic of entrepreneurial failure and re-entry, especially at the level of citations of her papers, second only to the deceased author Cope J with his seminal paper, from 2011, with 334 citations. The contribution of author Amankwah-Amoah J can also be highlighted as outstanding, according to the information provided in Tables 2.4 and 2.5.

**Table 2.6:** Top 10 journal/sources on Business failure/Entrepreneurial failure and Re-entry (2010-2020)

| Sources                                                         | Articles |
|-----------------------------------------------------------------|----------|
| JOURNAL OF BUSINESS VENTURING                                   | 8        |
| INTERNATIONAL JOURNAL OF ENTREPRENEURIAL BEHAVIOUR AND RESEARCH | 5        |
| JOURNAL OF SMALL BUSINESS AND ENTERPRISE DEVELOPMENT            | 4        |
| INTERNATIONAL ENTREPRENEURSHIP AND MANAGEMENT JOURNAL           | 3        |
| JOURNAL OF BUSINESS RESEARCH                                    | 3        |
| BUSINESS HORIZONS                                               | 2        |
| JOURNAL OF BANKING AND FINANCE                                  | 2        |
| JOURNAL OF BUSINESS VENTURING INSIGHTS                          | 2        |
| SMALL BUSINESS ECONOMICS                                        | 2        |

Source: Authors, by Bibliometrix-R (115 Scopus documents, filtered by words: Business failure/Entrepreneurial failure and consequences, aftermath, renaissance, repeat, re-entry, recovery, etc.)

The Journal of Business Venturing is the most prominent journal in the field of failed entrepreneurship and re-entry between 2010-2020, as shown in Table 2.6. This journal is characterised by its high impact factor, which places it among the best scientific journals in the field of business, especially in the topic of entrepreneurship. The International Journal of Entrepreneurial Behaviour and Research also stands out in Table 2.6, a journal that also appears in the list in Table 2.3 (on crisis management and small businesses), as does the emerging Journal of Business Venturing Insights.

Finally, it should be noted that in Table 2.6 only 9 journals appear in the top 10, because from position number 10 onwards each source/journal (among the 88 identified for the 115 documents) counts only 1 document respectively, between the years 2010-2020.

## **2.3 Content Analysis**

### ***2.3.1. Theoretical Approaches***

#### ***Psychological view***

One of the most used theories to explain the causes and consequences of failure is "attribution theory", which relates to how individuals assign the causes of their actions and outcomes to internal (or personal) or external factors. In general, entrepreneurs attribute the outcome of their actions to internal variables (Cardon et al., 2011; Walsh & Cunningham, 2017), which are under their control; but in the context of failure and aiming to diminish the social stigma of this outcome (failed) entrepreneurs tend to attribute the causes of business failure to external factors (Cardon et al., 2011; Mandl et al., 2016; Walsh & Cunningham, 2017; Yamakawa et al., 2015). However, attributing failure to external factors could limit learning, if one considers the "entrepreneurial learning theory" (Cope, 2011; Minniti & Bygrave, 2001) in which learning is seen as a remedial process that allows entrepreneurs to learn about themselves and about entrepreneurship and that failure can improve entrepreneurial readiness for subsequent entrepreneurial activity.

Another psychological theory, which plays an important role in the learning process, is the "comparative optimism (CO) theory" which also posits a perception bias (as does attribution theory), in this case it is assumed that individuals tend to think that more positive experiences happen to them than to others. In this regard, Ucbasaran et al. (2010) arrive at interesting results related to this theory and the process of re-entrepreneurship, for example, they find that previous (failed) experience moderates comparative optimism (CO) in subsequent ventures. They find that portfolio entrepreneurs who have experienced failures are

less likely to report CO, but that failure experience has no effect on the CO of serial entrepreneurs. They argue that the ability to learn from failure is influenced by the context in which the experience is acquired due to differential effects on emotions.

In addition to these three theories, there are others from the field of psychology that have been used to understand the phenomenon of failure and re-entry, such as impression management theory (Shepherd & Haynie, 2011), resilience theory (Corner et al., 2017; Korber & McNaughton, 2018), self-efficacy theory, and prospect theory (Hsu, Wiklund, et al., 2017). Regarding the last two theories mentioned, the authors cited above suggest that from the self-efficacy theory, those who have been successful in previous ventures are more likely to re-enter; conversely, they point out that the prospect theory predicts a higher probability of re-entry in those who have suffered previous losses, as it leads them to a riskier attitude of recovery from losses (Hsu, Wiklund, et al., 2017) in line with the framing effects proposed by Kahneman & Tversky (1979).

Consequently, the literature on the psychological approach, related to re-entry after entrepreneurial failure, is fragmented and with contradictory empirical results, putting emphasis on the individual characteristics of entrepreneurs and little attention on the re-entry process after business failure. Therefore, following the most recent literature focused on this process (Amankwah-Amoah, et al., 2018; Guerrero & Espinoza-Benavides, 2021b; Williams et al., 2019), we found it appropriate to consider a broader perspective, such as human capital theory (Becker, 1993) as this has contributed to the entrepreneurship literature with a better understanding of the role of skills, knowledge, capabilities, and experiences in entrepreneurial entry, tenure, exit, and re-entry (Fu et al., 2018; Hessels et al., 2011; Parker & Van Praag, 2012; Stam et al., 2008).

### ***Institutional Economic view***

Institutions represent the set of rules that shape and organise economic, social, and political interactions between individuals and social groups, with effects on business activity and economic development (Bruton et al., 2010; North, 1990). Building on this definition, Fu et al. (2018) point out that there are few systematic studies on how the institutional context affects the re-entry decision of experienced entrepreneurs, which is an important gap in the literature, as re-entrepreneurs are often the most likely to attract external capital and scale their ventures into fast-growing firms. They also add that the lack of attention to external contingencies, such as institutions and regulations prevalent in mainstream entrepreneurship studies, is problematic, as they are arguably more generalisable than more heterogeneous individual factors (such as those contemplated within the psychological approach).

Despite the point made in the previous paragraph, there is recent literature showing that there is a significant effect of institutional factors on re-entrepreneurial behaviour (Eberhart et al., 2017; Guerrero & Peña-Legazkue, 2019; Hsu, Shinnar, et al., 2017; Simmons et al., 2014, 2019; Yamakawa et al., 2015). For example, Eberhart et al. (2017), in general terms, contribute to research at the nexus of institutional and entrepreneurship theory by emphasising the connection of barriers to failure, firm growth, and elite entrepreneurs. They also highlight how institutional change can foster a regenerative cycle of failure, founding, and growth, thus attracting more capable entrepreneurs.

More generally, it has also been shown that institutional contexts play a preponderant role in entrepreneurial activity and this, in turn, is a determinant in the achievement of important indicators related to economic growth and development (Amankwah-Amoah, et al., 2018; Bruton et al., 2010; Chowdhury et al., 2019; Guerrero & Peña-Legazkue, 2019; Urbano et al., 2019). In particular, the more general view of the impact of institutions shows that it is informal institutions, such as culture, that can have the most significant effects on entrepreneurial behaviour (Thornton et al., 2011). Now, given the state of progress in the study

of re-entry after business failure, particularly in relation to the two theoretical approaches described above, and also the need for a more integrative perspective of both approaches, we have identified the conceptual framework of "entrepreneurial ecosystems" (Spigel & Harrison, 2018; Stam, 2015) as a suitable alternative to conceptually and theoretically link all the objectives that we set out for the development of this thesis. Thus, in the following, we provide some general information on this perspective.

### ***Ecosystem view***

The framework on entrepreneurial ecosystems has been a relatively recent development in the entrepreneurship literature (Neumeyer et al., 2019; Roundy et al., 2017; Stam, 2015), but it has become a popular topic of discussion among academics and policy makers, especially in emerging economies (Guerrero et al., 2020; Guerrero & Urbano, 2017). It is also gaining relevance in the current difficult times caused by the COVID-19 pandemic (Kuckertz et al., 2020; Portuguese Castro & Gómez Zermeño, 2020; Ratten, 2020b). According to Stam (2015, p. 1765), an entrepreneurial ecosystem can be defined as "a set of interdependent actors and factors, coordinated in such a way as to enable productive entrepreneurship". The main components or pillars of an entrepreneurial ecosystem are accessible markets, human capital/workforce, funding sources, support systems/mentors, government and regulatory framework, education and training, and leading universities as catalysts and cultural support (Stam, 2015).

The popularity and usability of this framework is probably due to its ease of understanding, its flexibility and ubiquity to adapt to different contexts, and that it tends to be rather prescriptive (Roundy et al., 2017; Stam, 2015). In any case, this framework can be considered as an extension of institutional economic theory, which is aimed at understanding in more depth and detail how the formal and informal institutional conditions of an economy

(territory, industrial sector, organisation - multilevel view) affect, among other socio-economic phenomena, entrepreneurial activity (Chowdhury et al., 2019; North, 1990).

Because of their relevance to the main issues addressed in this thesis, Guerrero & Espinoza-Benavides (2021a) identify and justify 5 pillars of the entrepreneurial ecosystem, which are key to helping entrepreneurs who want to restart a business after failure. Regarding "governance and regulatory framework", by improving business insolvency regulations or bankruptcy, governments should also design specialised programmes to provide support to failed entrepreneurs who are able to restart a new business. On "access to finance", ecosystems that have investors who positively evaluate the experience of business failure will create a more favourable context for re-entry after business failure. Regarding the "support and mentoring system", if mentors/coaches have experience restarting ventures, after having previously failed in another business, it will also generate a better business environment for entrepreneurs who have recently failed to have the opportunity to restart a new business.

Concerning the role of "universities", human capital could be improved through entrepreneurship training programmes which will also improve the business environment for failed entrepreneurs who want to restart. And finally, "culture" should not penalise entrepreneurial failure, and when this condition is met, more favourable environments can be created for re-entry after business failure to develop (Guerrero & Espinoza-Benavides, 2021a).

If we also take into account the qualitative evidence from Guerrero & Espinoza-Benavides (2021b)' research, which in addition to providing different patterns/profiles of re-entrants according to the quality and speed of their re-entry ventures, shows that a key factor moderating re-entry behaviour is the social capital of failed entrepreneurs, in particular the role played by family members, other entrepreneurs, mentors and angel capitalists. They also demonstrate the need for further studies that provide more empirical evidence in emerging economies.

### ***Crisis management view***

Crisis is understood as an unexpected and high-impact event (Bundy et al., 2017; Herbane, 2010; Williams et al., 2017). According to Bundy et al. (2017), there is a convergence towards a consensus definition of crisis, in the organisational sphere, understood as "an event perceived by managers and stakeholders to be highly salient, unexpected, and potentially disruptive" (Bundy et al., 2017, p. 1663). Although this definition can be applied/adapted to multiple levels (Doern et al., 2019), there are other definitions that are less adaptable to weakening over time, culminating in an event of disruption to the normal functioning of an organisation (Doern et al., 2019; Williams et al., 2017). Given the "unexpected event" and "weakening" nature, Williams et al. (2017, p. 737) proposed two definitions of crisis management. Considering the "event" nature, the first one is "coordinating stakeholders and resources in an ambiguous environment to bring a disrupted system (i.e., organization, community, etc.) back into alignment". And second one is considering the "weak signals" of crises-in process, in-event organizing, and post-event actions to protect a system and (when necessary) bring it back into alignment".

The first perspective (crisis as an event) has received greater attention in previous literature on crises. For example, Parker (2018) argues that the accumulation of knowledge on the link between economic crises and entrepreneurial activity has increased considerably in recent decades. Indeed, other authors also point out that most research on "crises" focuses on studying the effect of external economic shocks on entrepreneurial activity (Bishop, 2019; Obschonka et al., 2016). Regarding the second perspective, Herbane (2010) confirms that little is known about how small firms respond to crises because existing studies have not provided evidence (qualitative and quantitative) to anticipate (or foresee) a crisis event, merely react to it (Drummond & Chell, 1994; Ouedraogo, 2007; Runyan, 2006; Spillan & Hough, 2003).

Indeed, it is important to understand how entrepreneurs/managers make decisions related to a planned response to a crisis threat; how aware these entrepreneurs/managers are of the potential threats of a crisis; and how resilience influences the business survival or re-entries (Herbane, 2010, p. 61).

### ***2.3.2. Business failure and re-entry***

#### ***Determinants of business exit/ business failure***

Business "exit" or "failure" has been considered from a range of viewpoints: economic-financial, accounting, legal, strategic, organisational, and business. How this phenomenon is understood is determined by the theoretical approach adopted. Hessels et al. (2011, p. 450) refer to business exit as the permanent closure, sale, discontinuance, or abandonment of a business. As a complement, Ucbasaran et al. (2013, p. 175) defines business failure as the cessation of involvement in business because of the lack of achievement of the minimum economic expectations stipulated by the entrepreneur. The two definitions speak of the cessation of an entrepreneurial initiative derived from individual decisions, organisational characteristics, and environmental conditions. From the points of view of business success/failure, a range of internal and external factors shape the occurrence of these events throughout the entrepreneurial process (Sheppard & Chowdhury, 2005; Zacharakis & Meyer, 1999).

Table 2.7 shows the internal and external determinants of business failure. Most research has centred on individual and organisational factors as the crucial determinants of a business exit/failure decision (Ucbasaran et al., 2009; 2010; 2013). Individual characteristics (age, education, experience, the propensity to risk, confidence, resources, capabilities) influence the choices made by entrepreneurs (Cardon et al., 2011; Walsh & Cunningham, 2016). Thus, the absence of skills and limits on liquidity have been the leading causes of business failure or exit

(Gaskill et al., 1993; Hayward et al., 2010; Hessels et al., 2011; Walsh, 2017; Walsh & Cunningham, 2016). In spite of the research mainly focussing on internal and organisational factors (Cardon et al., 2011; Gaskill et al., 1993; Liao et al., 2008), a small number of papers have linked business failure to external conditions including the level of unemployment, tax, per capita income, percentage of business entries/exits, government changes, technology, and market conditions. Prior research has also shown that the absence of regulatory, fiscal, and financial frameworks that support business creation and development (Stephen & Wilton, 2006), in addition to the poor quality of institutions (Vaillant & Lafuente, 2007), have been linked to failure and exit. Along the same lines, Sheppard & Chowdhury (2005) pointed to the critical role of organisational interactions and managers' strategic adjustments on business failure rather than environmental conditions.

**Table 2.7:** Determinants of business exits/failures

| <b>Determinants</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Internal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>External</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b><u>Entrepreneur</u></b><br/>(Hayward et al., 2010; Hessels et al., 2011; Khelil, 2016; Ucbasaran et al., 2009, 2010, 2013; Walsh &amp; Cunningham, 2016)</p> <ul style="list-style-type: none"> <li>• Decisions and actions that are under control</li> <li>• Human capital: lack of knowledge, lack of skills, lack of abilities, lack of previous managerial or entrepreneurial experiences</li> <li>• Personal characteristics: lack of confidence, risk-aversion</li> </ul> <p><b><u>Organisational</u></b><br/>(Gaskill et al., 1993; Khelil, 2016)</p> <ul style="list-style-type: none"> <li>• Lack of financial planning</li> <li>• Lack of investment capital or liquidity</li> <li>• Lack of social capital</li> <li>• Lack of organisational capacity</li> </ul> | <p><b><u>Environment</u></b><br/>(Cardon et al., 2011; Khelil, 2016; Stephen &amp; Wilton, 2006; Ucbasaran et al., 2009, 2010, 2013; Vaillant &amp; Lafuente, 2007)</p> <ul style="list-style-type: none"> <li>• Events beyond the control of the entrepreneur</li> <li>• Social, economic, political, natural circumstances of the country</li> <li>• Fiscal policies</li> <li>• Labour policies</li> <li>• Financial policies and support related to access to credit or loans</li> <li>• Quality of institutions</li> <li>• Culture</li> </ul> |

Source: Authors

### ***Determinants of re-entrepreneurship after a business exit/ business failure***

The entrepreneurial process brings with it events and interactions between the entrepreneur, the organisation, and the environment in a specified space and time. According to Kang & Uhlenbruck (2006), entrepreneurial actions depend on cyclical and dynamic processes of exploration and exploitation of business opportunities. Consequently, entrepreneurs decide the entrepreneurial trajectory of their initiatives: the continuity, the exit, or the re-entry. Generally, the process for an entrepreneur starts by seeking out opportunities (discovering, searching, selecting) that can head for exploitation (organisation, negotiation, strategy, and learning) and then to a potential survival, decline (management, investment, liquidation, de-investment), or re-entry into the process (Kang & Uhlenbruck, 2006, p. 49). During the entrepreneurial process, entrepreneurs may take the step from exploration to exit bypassing exploitation or even jump from exploration to re-entry without experiencing an exit (DeTienne, 2010; Shepherd et al., 2019). As a consequence, an exit or business failure will change the motivations an individual has. Some entrepreneurs would prefer to seek stable employment options, while others would take on greater risks looking for self-employment options such as becoming investors or re-entering the entrepreneurial process (Burton et al., 2016; Kang & Uhlenbruck, 2006; Parker, 2013; Parker & Van Praag, 2012; Ucbasaran et al., 2006, 2013). Both alternatives have offered insights into the positive and negative effects of business failures (Table 2.8).

In terms of the positive effects of business failure, prior research has demonstrated positive consequences of business failure on entrepreneurs. Firstly, business failure encourages the entrepreneur to identify personal strengths and weaknesses (i.e., skills, attitudes, knowledge, and beliefs) that are of great use throughout the entrepreneurial process (Jenkins et al., 2014). Secondly, business failure can be a chance to identify organisational strengths and weaknesses (i.e., customer information, market, liquidity, production, and innovation) that are

beneficial in discovering business opportunities and reducing exploitation costs (Atsan, 2016). Thirdly, business failure contributes to the creation of strategic networks and social relationships that could possibly be built into dynamic capabilities for ventures further down the line (Cope, 2011). Fourthly, previous business experiences demonstrate how necessary leadership and managerial roles, as well as the notion of high-level learning due to the eruption of discontinuous events of small organisations, are (Cope, 2003). Fifthly, the literature referring to serial entrepreneurship has shown greater (but temporal) economic-financial benefits as a consequence of the learning process from previous failure in addition to its spillover effects (Khelil, 2016; Parker, 2013). In this line, Parker (2013) made note of the importance of public policies that promote/strengthen the re-entry into entrepreneurship even if they generate performance indicators lower than their previous companies. Likewise, public policies that support re-entrepreneurship after failure must consider the different paths that entrepreneurs follow from failure to recovery that have an impact on the subsequent process of re-entrepreneurship; some entrepreneurs are better able to deal failure and re-start without the support of external agents (public and private), while some require the support of institutions and organizations in different steps of the re-entry process following business failure (Corner et al., 2017; Williams et al., 2019).

In terms of the negative consequences of business failure, prior work has indicated four adverse effects of business failure on entrepreneurs. Firstly, the cultural stigma of failure in sanctioned societies has had a negative impact (Cardon et al., 2011; Simmons et al., 2014). Secondly, individuals' risk-taking and career decisions such as re-starting a venture or seeking paid work have been impacted negatively by the socialisation process (Cope et al., 2004). Thirdly, the negative consequences on specific procedures or regulations connected with limited access to credits or grants after a business failure (Haselmann & Wachtel, 2010; Kerr & Nanda, 2009). Fourthly, re-entrepreneurs will be forced to encounter structural barriers like

access to innovation/knowledge, cost disadvantages, capital requirements, government licenses, financial risks, and strategic barriers that include strategic behaviours, collusion, information asymmetries, and lack/excess of capacities (Lutz et al., 2010).

**Table 2.8:** Effects of business exits/failures

| <b>Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Positive</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Negative</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b><u>Entrepreneur</u></b><br/>(Atsan, 2016; Cope, 2003, 2011; Khelil, 2016)</p> <ul style="list-style-type: none"> <li>• Experience to access information linked to previous business activity that reduces opportunity cost</li> <li>• Experience to explore and exploit opportunities</li> <li>• Business management experience</li> <li>• Building networks and contacts</li> </ul> <p><b><u>Organisational</u></b><br/>(Cope, 2011; Jenkins et al., 2014; Khelil, 2016)</p> <ul style="list-style-type: none"> <li>• Understanding how to improve financial indicators</li> </ul> <p><b><u>Environment</u></b><br/>(Parker, 2013)</p> <ul style="list-style-type: none"> <li>• Encourage the development of favourable policies towards entrepreneurship re-entry</li> </ul> | <p><b><u>Entrepreneur</u></b><br/>(Cardon et al., 2011; Cope et al., 2004; Simmons et al., 2014)</p> <ul style="list-style-type: none"> <li>• Lack of confidence and optimism</li> <li>• Fear of failure</li> <li>• Assuming lower risks/business projects due to assumed costs</li> </ul> <p><b><u>Organisational</u></b></p> <ul style="list-style-type: none"> <li>• ....</li> </ul> <p><b><u>Environment</u></b><br/>(Cardon et al., 2011; Haselmann &amp; Wachtel, 2010; Kerr &amp; Nanda, 2009; Simmons et al., 2014)</p> <ul style="list-style-type: none"> <li>• The negative perception of business failure in society</li> <li>• The lack of regulatory frameworks to access to credits</li> </ul> |

Source: Authors.

### ***Ecosystem determinants of re-entrepreneurship after a business exit/business failure***

Environment has been placed in an indisputably important role in the promotion of entrepreneurial activity as well as in its influence on the economic development of a territory by the research on entrepreneurship (Hoskisson et al., 2011). According to the institutional theory (North, 1990, p. 3), institutions are "the rules of the game in a society" that can be formal

(laws, regulations) and informal (attitudes, values, social norms). In taking this view, it is possible to identify conditions, both formal and informal that have had an influence on entrepreneurial entries and re-entries. An institutional framework is necessary to facilitate/promote entrepreneurial culture in a territory as well as interrelations/cooperation between entrepreneurs, organisations, and other agents (Brown & Mason, 2017). Based on these relations, the so-called "entrepreneurial ecosystem" (Acs et al., 2017) has emerged. This terminology has been utilised to comprehend the web of entrepreneurs (potential, nascent, and existing), financing agents (companies, venture capitalists, business angels, and banks), and promoting organisations (universities and public sector agencies) that converge to back entrepreneurial initiatives (social, inclusive, high growth potential, serial) seeking to create value in the territory (Mason & Brown, 2014, p. 5). The analysis of entrepreneurial ecosystems has been essential in the creation of public agendas (Acs et al., 2017).

Table 2.9 lays out the entrepreneurial ecosystem pillars that strengthen the individual and organisational determinants of entrepreneurial initiatives (Herrmann et al., 2012; Simón-Moya et al., 2014; WEF, 2013). In reality, an entrepreneurial ecosystem is a dynamic and evolutionary process that encourages the creation of high-potential entrepreneurship that generates growth, productivity, and well-being (Stam & Spigel, 2016). The body of literature on business failure underlined three propositions. First, failure can be a consequence of shortcomings/errors connected to the entrepreneur and external conditions that escape the entrepreneur's control. Second, some favourable and adverse effects that determine subsequent labour decisions can be generated by business failure. Three, even though entrepreneurial ecosystems are aimed at high growth entrepreneurs, the ecosystems' pillars, directly and indirectly, make a contribution to re-entry processes by diminishing the negative consequences or weaknesses after a business failure.

**Table 2.9:** Entrepreneurial ecosystem and its influence on the determinants of entrepreneurial activity

| <b>Impact<br/>s</b> | <b>External</b><br>(Hoskisson et al., 2011;<br>Mason & Brown, 2014)                                                                                                    | <b>Internal</b>                                                                                                        |                                                                                                                                        |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
|                     |                                                                                                                                                                        | <b>Individual</b><br>(Herrmann et al., 2012; WEF,<br>2014;<br>Simón-Moya et al., 2014)                                 | <b>Organisation</b><br>(Herrmann et al.,<br>2012; WEF, 2014;<br>Simón-Moya et al.,<br>2014; Stam, 2015)                                |
|                     | <ul style="list-style-type: none"> <li>- Jobs and careers</li> <li>- Social-economic development</li> <li>- Wellness</li> <li>- Legitimacy entrepreneurship</li> </ul> | <ul style="list-style-type: none"> <li>- Income</li> <li>- Professional Satisfaction</li> <li>- Recognition</li> </ul> | <ul style="list-style-type: none"> <li>- Productivity</li> <li>- Competitiveness</li> <li>- Growth</li> <li>- Profitability</li> </ul> |
| <b>Output<br/>s</b> | <b>High-growth entrepreneurship</b><br>(Stam, 2015)                                                                                                                    |                                                                                                                        |                                                                                                                                        |
| <b>Inputs</b>       | <b>Pillars linked to environmental conditions</b><br>(Acs et al., 2017; Stam,<br>2015;<br>Stam & Spiegel, 2016)                                                        | <b>Pillars linked to individual and organisational conditions</b>                                                      |                                                                                                                                        |
|                     |                                                                                                                                                                        | <b>At the individual level</b><br>(Herrmann et al., 2012; WEF,<br>2014;<br>Simón-Moya et al., 2014)                    | <b>At the organisational level</b><br>(Herrmann et al.,<br>2012; WEF, 2014;<br>Simón-Moya et al.,<br>2014; Stam, 2015)                 |
|                     | <ul style="list-style-type: none"> <li>- Legal and regulatory framework</li> <li>- Government policies</li> <li>- Support infrastructure and mentors.</li> </ul>       | <ul style="list-style-type: none"> <li>- Identification of opportunities</li> </ul>                                    | <ul style="list-style-type: none"> <li>- Bureaucracy, taxes</li> <li>- Advice</li> <li>- Incubation</li> </ul>                         |
|                     | <ul style="list-style-type: none"> <li>- Financial Structure</li> </ul>                                                                                                | <ul style="list-style-type: none"> <li>- Increase in capital sources</li> </ul>                                        | <ul style="list-style-type: none"> <li>- Access to funding sources</li> </ul>                                                          |
|                     | <ul style="list-style-type: none"> <li>- Education and training</li> <li>- University system</li> </ul>                                                                | <ul style="list-style-type: none"> <li>- Leadership</li> </ul>                                                         | <ul style="list-style-type: none"> <li>- Workforce</li> <li>- Talent</li> <li>- Open Innovation</li> </ul>                             |
|                     | <ul style="list-style-type: none"> <li>- Culture of support for entrepreneurship</li> </ul>                                                                            | <ul style="list-style-type: none"> <li>- Entrepreneurial attitude</li> </ul>                                           | <ul style="list-style-type: none"> <li>-Entrepreneurial orientation</li> </ul>                                                         |

Source: Authors.

Based on these propositions, Table 2.10 presents the theoretical framework joining the internal and external factors associated with business failure, the favourable and adverse effects encountered in re-entrepreneurship processes, in addition to the role of the pillars that create

the entrepreneurial ecosystem. The pillars of the entrepreneurial ecosystem, which are found in Table 2.10, are connected to those posited in the following sources: Acs et al (2017); Stam (2015) and Stam & Spigel (2016) (see Table 2.9), but critical analysis led to adjusting these pillars in the light of the literature related to re-entrepreneurship after business failure. Thus, five pillars of the entrepreneurial ecosystem are discussed below and for each of them a proposition related to the process of re-entrepreneurship after business failure is justified.

**Table 2.10:** Entrepreneurial ecosystem and re-entrepreneurship

| <b>Entrepreneurship ecosystem pillars</b>                                              | <b>- Regulatory frameworks<br/>- Government policies</b>                                                                                                                                                                                                                                   | <b>- Financial Structure</b>                                                                                                                                                                                                                                                                                                            | <b>- Support infrastructure and Mentors</b>                                                                                                                                                                                                                                                                 | <b>- Education and training<br/>- University system</b>                                                                                                                                                                                                                                                                                                        | <b>- Culture of support</b>                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Re-entrepreneurship (covering or reinforcing weaknesses after business failure)</b> | <ul style="list-style-type: none"> <li>- Establishment of policies and programs that encourage re-entrepreneurship (as a mechanism of the legitimacy of business failure)</li> </ul> <p>(Kerr &amp; Nanda, 2009; Parker, 2013; Ucbasaran, Wright, Westhead, et al., 2003; Walsh, 2017)</p> | <ul style="list-style-type: none"> <li>- Access to credit or sources of capital by valuing the project and the entrepreneur's experience rather than hardening the procedure following the failure</li> </ul> <p>(Atsan, 2016; Chakrabarty &amp; Bass, 2013; Cope et al., 2004; Kerr &amp; Nanda, 2009; Khelil, 2016; Parker, 2013)</p> | <ul style="list-style-type: none"> <li>- Providing advice</li> <li>- Design of workshops in which they participate and disseminate experiences of business failure or re-enterprises to support other entrepreneurs in the system</li> </ul> <p>(Cannon &amp; Edmondson, 2005; Cope, 2011; Walsh, 2017)</p> | <ul style="list-style-type: none"> <li>- Strengthen personal weaknesses and those linked to entrepreneurial activity</li> <li>- Strengthen processes to raise awareness of business failure</li> <li>-Design of education and training programmes</li> </ul> <p>(Amaral et al., 2011; Hsu, Wiklund, et al., 2017; Ucbasaran et al., 2006, 2009; WEF, 2013)</p> | <ul style="list-style-type: none"> <li>- Dissemination of experiences of business failure and re-entrepreneurship</li> <li>- Sensitise society to failure as a process of learning and growth instead of punishing it with the belief that it is something negative.</li> </ul> <p>(Atsan, 2016; Cardon et al., 2011; Khelil, 2016; Ravindran &amp; Baral, 2014; Shepherd &amp; Wiklund, 2006; Stuetzer et al., 2018)</p> |

Source: Authors.

### ***2.3.3. Entrepreneurial Re-entry after failure and Crisis Management***

#### ***Entrepreneurial learning***

The literature review has shown that some of the most influential articles on entrepreneurial learning are related to the perspective provided by the researcher Jason Cope (Cope, 2005, 2011; Cope & Watts, 2000; Pittaway & Cope, 2007), thus the decision was made to highlight in this section some of his main contributions in this respect. A central theme of much of Cope's research is the importance of "critical incidents" as moderators of entrepreneurial learning. Cope & Watts (2000) emphasize that such incidents can help take entrepreneurs and small business owners out of their frames of mind that have previously helped them start up a business, but do not necessarily contribute to other stages of the business life cycle like the growth stage. Cope and Watts (2000, p. 115) also found that although critical incidents were conceptualized as either the best or worst moments in the history of the business, respondents tended to focus predominantly on the bad moments or "crises", indicating that the resolution of problematic events tends to have more lasting significance (in terms of learning). While the conceptual model developed by Cope has been incorporating more key factors related to entrepreneurial learning (Pittaway & Thorpe, 2012), and although critical incidents are central to his conceptual framework, we have not seen any research that discusses how his model relates to the wider literature on crisis management, and in particular to crisis management in small firms. Preliminary empirical evidence suggests that small business owners do not learn much from internal or external crisis events that befall them (Herbane, 2010).

However, on observing the literature on crisis management in small businesses (Doern, 2016; Herbane, 2013, 2015), the key concept that emerges is "resilience" (Corner et al., 2017; Doern, 2017), at organizational (Herbane, 2019; Williams et al., 2017) and individual levels (Lafuente et al., 2019). Although this phenomenon has been extensively studied, it still has significant challenges in terms of, for example, its definition (Ahmed et al., 2022). But for now

and in the context of this thesis, we can indicate that it is an individual/organizational ability to cope with adverse situations and continue with relatively normal functioning (Corner et al., 2017; Williams et al., 2017). Although Cope's conceptual model (Pittaway & Thorpe, 2012) does not develop the notion of resilience in-depth, his work on entrepreneurial learning from the experience of business failure (Cope, 2011) provides interesting evidence that experiences of failure could lead to entrepreneurs' better self-knowledge which, among other aspects, improves their resilience and therefore possibly leads to better performance in future entrepreneurial initiatives, in line with what Politis (2008) has suggested. This phenomenon of re-entry into entrepreneurial activity after business failure has been conceptualized in different ways, for example, serial entrepreneurs (Ucbasaran et al., 2010; Westhead & Wright, 1998), re-nascent entrepreneurs (Guerrero & Peña-Legazkue, 2019; Stam et al., 2008), re-generative entrepreneurs (Walsh & Cunningham, 2017), and resilient entrepreneurs (Lafuente et al., 2019); though we conceptualize it as re-entrepreneurs in the last parts of this literature review, following research work carried out with a focus on emerging economies (Guerrero & Espinoza-Benavides, 2021a, 2021b).

### ***Crisis management and entrepreneurship***

The accumulation of knowledge about the conceptual relationship between economic crises and entrepreneurial activity has increased considerably over the last decades (Parker, 2018). Most research has focused on the effect of external economic crises on entrepreneurial activity (Bishop, 2019; Cucculelli & Peruzzi, 2020; Obschonka et al., 2016), which implies that crises have been studied from the perspective of an event with a low probability of occurrence, but which can generate great economic, social, and health damage (Pearson & Clair, 1998; Williams et al., 2017). The term "crisis" can be understood from two perspectives, the first one from the seminal paper of Pearson and Clair (1998, p. 60), in which they propose

the following definition: “An organizational crisis is a low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly”.

In this respect, Williams et al. (2017) comment that this definition puts the “event” that causes the organisational crisis at the centre, but another concept to consider is from the perspective that assumes a crisis as a process of organisational weakening. Thus, “crisis” can be defined as weakening over time that culminates with an event that disrupts normal functioning (Doern et al., 2019; Williams et al., 2017). However, and despite these kinds of definitions, the topic has not been as relevant within the discipline of management and organisations, perhaps because of the lack of consensus and fragmentation of the literature, in addition to its normative and prescriptive orientation (Bundy et al., 2017; Williams et al., 2017). Although research efforts are currently being made to understand the effect of a pandemic like Covid-19 on small businesses and entrepreneurs (Doern, 2021; Kuckertz et al., 2020; Thorgren & Williams, 2020), information is still needed to learn from an unprecedented event, and understanding how SMEs manage in adverse contexts is still a discipline that requires further theorizing and empirical evidence (Doern et al., 2019; Herbane, 2010, 2019).

According to their nature and causal factors, managing a crisis is analysed from different levels: (i) government-institutional-territorial; (ii) cluster-industry; (iii) large established businesses; (iv) established micro-small businesses; and (v) entrepreneurship and new business (Apostolopoulos et al., 2019; Doern et al., 2019; Muñoz et al., 2019; Simón-Moya et al., 2016; Williams et al., 2017). These different levels of analysis add complexity to the conceptual and theoretical development of crisis management. Williams et al. (2017) provide a framework of concepts that helps to give greater clarity to the definition of “crisis management” that can be applied at the level of small or large organisations and could also be useful for start-ups. Williams et al. (2017, p. 737) also propose two definitions for crisis

management: (a) “crisis as an event: Coordinating stakeholders and resources in an ambiguous environment to bring a disrupted system (i.e., organization, community, etc.) back into alignment”; and (b) “crisis as a process: Managing attention to “weak signals” of crises-in-process, in-event organizing, and post event actions to protect a system and (when necessary) bring it back into alignment”. The process approach to crisis management is discussed in a theoretical-conceptual way. Bundy et al. (2017) define three key stages: pre-crisis prevention, crisis management, and post-crisis outcomes. For these authors, these stages of crisis management are applicable from two perspectives, the internal one (management dynamics within the organisation) and the external one (interaction of the organisation with its stakeholders). Despite the contribution of Williams et al. (2017) and Bundy et al. (2017), crisis management remains a topic that requires further research in the context of established small businesses and start-ups (Doern, 2021; Herbane, 2019; Kuckertz et al., 2020; Thorgren & Williams, 2020) and a key issue to explore is the crisis management process, and its different stages, within this type of company (Buchanan & Denyer, 2013; Doern et al., 2019).

Nevertheless, in the literature, it is possible to identify some theoretical models on crisis management applicable to the processes of business creation (entrepreneurship) and the action decisions of an entrepreneur in adverse contexts. However, these models require further empirical validation (Doern, 2021; Herbane, 2010, 2019; Shepherd & Williams, 2020). It is possible to recognize some recent contributions of certain scientific works that have approached crisis management at the level of micro and small enterprises and new businesses (and entrepreneurs). For example, Chumarina et al. (2019) identify as key the training of managers of smaller companies in financial management, which would allow them to be more effective in the tasks they perform in the context of a crisis. The corporate social responsibility (CSR) literature is also key in managing the crisis. According to Vallaster (2017), CSR could positively affect recovery from internal and external crises, which would also have implications

for social entrepreneurs. Other crucial issues for strategically managing microenterprises in adverse contexts are innovation and productivity, which cause positive effects concerning the economic performance of this type of enterprise despite being faced with an external crisis (Mendoza Ramírez & Toledo López, 2014). On the other hand, Doern (2016) identifies, in her work regarding the effects of riots on micro-entrepreneurs, that the key aspects of crisis management are: the role of owner-managers, the role of the surrounding community, the damage generated by the crisis, and the level of resilience or vulnerability of the micro-enterprises.

The understanding of crisis management in small businesses has been refined from assuming that managers react to an external crisis event (Herbane, 2010) instead of being more predictive of crisis management in the face of external threats (Herbane, 2019, 2020) towards the most recent evidence of the effects of COVID that points to a more reactive and mainly frugal resource-oriented management (Thorgren & Williams, 2020). This evidence comes from European countries where COVID has occurred very suddenly and aggressively since it originated in China (Ratten, 2020). In this respect, it seems interesting to know more about what has happened with small businesses and entrepreneurs in Latin American countries, where the pandemic broke out a couple of months later than in Europe and Asia. Yet, little is known about the crisis management of small businesses and entrepreneurs in another context. Other research also shows how complex the understanding of crises concerning “entrepreneurship” can be. For example, an external crisis can even favour the probability of survival for new ventures during periods of economic growth (Simón-Moya et al., 2016). Crises also trigger the emergence of new opportunity, need, and especially social entrepreneurship ventures (Apostolopoulos et al., 2019; Vallaster, 2017; Williams & Shepherd, 2016). It is also possible to identify that a key issue associated with crisis management in entrepreneurship is the level

of resilience of entrepreneurs (Bullough et al., 2014; Corner et al., 2017; Herbane, 2019). This topic is developed further in the next point.

### ***Entrepreneurial resilience***

There is a consensus about the lack of an operational definition of “entrepreneurial resilience” that allows measurements to be generalised (Alonso & Bressan, 2015; Duchek, 2018; Fisher et al., 2016; Korber & McNaughton, 2018). Williams et al. (2017) also argue that resilience is a very attractive topic that has been addressed by different disciplines, which raises the challenge of finding common ground for theory-building. In this vein, previous studies have linked the analysis of entrepreneurial resilience to a territorial level (Bishop, 2019; Williams & Vorley, 2014), community-level (Linnenluecke & McKnight, 2017; Shepherd & Williams, 2020), organisational level (Alonso & Bressan, 2015; Sabatino, 2016; Williams et al., 2017), and individual level (Bullough et al., 2014; Corner et al., 2017).

In this thesis, we paid attention to three levels: territorial, organisational, and individual. At a territorial level, resilience has been conceived as the capacity-building of regional economies to cope with external shocks (Williams & Vorley, 2014), especially those economies with diverse knowledge creation (Bishop, 2019; Korber & McNaughton, 2018). Likewise, territories that have suffered from terrorism are more likely to encourage a higher level of entrepreneurial resilience motivated by the intention to restore the economy (Branzei & Abdelnour, 2010; Bullough et al., 2014). At the organisational level, resilience can be defined as a company’s capacity to maintain good performance while overcoming challenging scenarios that put its stability and functioning at risk over time (Williams et al., 2017). Empirical studies also have found that resilience contributes to better economic performance of the business (Duchek, 2018; Fisher et al., 2016). At the individual level, we could define resilience as a person’s ability to move forward in achieving a purpose in life by exhibiting

cognitive, behavioural, and emotional stability during and after experiencing adversity (Bullough et al., 2014; Corner et al., 2017). In fact, conceptually, the definition of resilience proposed by Luthans (2002) is very close to the phenomenon addressed in the next point of this literature review (Re-entrepreneurship after business failure); “resiliency is the positive psychological capacity to rebound, to bounce back from adversity, uncertainty, conflict, failure or even positive change, progress and increased responsibility” (Luthans, 2002, p. 702).

Extant studies have found that training/mentoring program participants can improve entrepreneurial resilience (Bernard & Barbosa, 2016; Bullough & Renko, 2013; Vissa, 2012) because mentors facilitate emotional learning (St-Jean & Audet, 2012). Similarly, recent studies have found that families and minorities are more likely to develop entrepreneurial resilience (Lugo & Shelton, 2017; Mzid et al., 2019). Some influential work on entrepreneurial learning has linked resilience to the experience of business failure, on the one hand, assuming that theoretically, the learning generated by business failure can strengthen entrepreneurial resilience (Cope, 2003, 2011; Shepherd, 2003), as well as the confidence added to resilience, could help entrepreneurs who have failed in business to try to venture again in the creation of a new business (Hayward et al., 2010). Despite the theoretical relevance of this research, there is still insufficient empirical evidence to validate its propositions. Finally, it is relevant to mention that the relationship between resilience and entrepreneurial ecosystems is recently being researched. This approach is interesting because it is ubiquitous for the territorial, organizational, and individual levels of resilience. As mentioned above, the interaction between the coherence and diversity of the entrepreneurial ecosystem is key to strengthening its resilience. However, a more dynamic vision that recognizes the particularities of each ecosystem is still required to enhance the theoretical and empirical development of this approach (Roundy et al., 2017; Stam, 2015).

### ***Re-entrepreneurship after business failure***

Business closure/failure brings a range of consequences that can positively or negatively influence the individual's behaviour. According to Stam et al. (2008, p. 493), there should be no reason to venture after experiencing a business failure. This assumption is supported by the costs (i.e., financial, emotional, and social) involved in a closure and a new venture (Cardon et al., 2011; Cope, 2011; Shepherd et al., 2009; Shepherd, 2003; Ucbasaran et al., 2013) or by the negative interactions that occur in the family/social context after a business failure/closure (Fu et al., 2018; Guerrero & Espinoza-Benavides, 2021b; Simmons et al., 2014, 2019). Considering the negative impacts of business failure, for example, the social stigma of failure (Simmons et al., 2014), means that anyone wishing to re-enter entrepreneurship after this previous failed experience could be considered a marginalised entrepreneur. This is in line with recent research, focused on women entrepreneurs, which shows that marginalised entrepreneurs are forced to use special tactics to mobilise resources for their ventures, given the constraints imposed on them by their institutional context (Simarasl et al., 2022).

We can preliminarily point out that an entrepreneur who re-starts after a business failure can be defined as a serial entrepreneur (Espinoza-Benavides & Díaz, 2019; Westhead & Wright, 1998). Serial entrepreneurship is associated with individuals with a strong entrepreneurial experience that represent 12% to 50% of the all entrepreneurs (Sarasvathy et al., 2013; Ucbasaran et al., 2013; Westhead & Wright, 1998) and generates significant economic benefits (Nielsen & Sarasvathy, 2011; Parker, 2013; Plehn-Dujowich, 2010; Westhead et al., 2005). Moreover, serial entrepreneurs discontinue their original business but later find, buy, or inherit another organisation. In contrast, novice entrepreneurs have no previous business experience in founding, buying, or inheriting a business (Westhead & Wright, 1998, p. 173). However, as this research brings together several concepts related to business adversity, it could be considered more appropriate to adopt an even more precise

definition than "serial entrepreneur", as we are interested in learning more about only those who have closed a previous business due to business failure and not, for example, those who have closed due to the sale of their business (Wennberg et al., 2010). We therefore find it more accurate to coin the concept of "re-entrepreneur" in this thesis, as we have observed in recent related studies (Baù et al., 2017; Guerrero & Espinoza-Benavides, 2021a; Hsu et al., 2017).

So for this thesis, "re-entrepreneurship" is understood as the behavior observed in some individuals who carry out an entrepreneurial initiative (into a similar or different sector) shortly after having failed/closed down a venture (Fu et al., 2018; Hsu et al., 2017; Walsh & Cunningham, 2017; Williams et al., 2019). Although some research has tried to define a profile of the re-entrepreneur, prior studies recognize several limitations related to samples, methods, and heterogeneity (Baù et al., 2017; Hessels et al., 2011; Hsu et al., 2017; Stam et al., 2008). Studies on the dynamics of entrepreneurial exit and subsequent re-entry, have demonstrated the influence of human and social capital on re-entrepreneurial behavior (Guerrero & Espinoza-Benavides, 2021b). Previous research has shown that business experience plays a key role in starting a new company after business failure (Dias & Teixeira, 2017; Omoredede, 2020). The plausible explanation is related to the improvement of entrepreneurial skills, such as the ability to learn and better identify opportunities, and thus, a positive experience is achieved in which entrepreneurs learn how to benefit for future ventures (Cope, 2011; Guerrero & Espinoza-Benavides, 2021a; Lattacher & Wdowiak, 2020). According to Ucbasaran et al. (2013), entrepreneurs who have experienced business failure tend to cultivate learning and strengthen the intention to start new businesses. Likewise, some authors suggest that re-entrepreneurs take advantage of networks to access resources that are necessary for re-entry and find a positive relationship between family/work relationships and re-entrepreneurship (Guerrero & Espinoza-Benavides, 2021a; Stam et al., 2008). Experience and relationships as/with an informal investor also strengthen re-entrepreneurship (Cope et al., 2004; Espinoza-Benavides & Díaz, 2019).

## 2.4 Cross-learning Analysis

Following the cross-learning analysis (Ika et al., 2020), all selected papers were analysed observing in parallel the process of crisis management and business failure by considering the entrepreneurial re-entry as part of the recovery stage (Bundy et al., 2017; Cope, 2011; Herbane, 2010; Lattacher & Wdowiak, 2020; Ucbasaran et al., 2013).

The analysis starts with the pre-event conditions that explain the available prediction tools (Dias & Teixeira, 2017; Patil et al., 2012; Ucbasaran et al., 2013), the configured cognitions/emotions among entrepreneurs/managers (Hayward et al., 2010; Herbane, 2015; Kahn et al., 2013; König et al., 2020; Lattacher & Wdowiak, 2020; Mantere et al., 2013; Smith & McElwee, 2011), the role of uncertainty (Doern, 2016; Guerrero & Espinoza-Benavides, 2021a; Herbane, 2015; Ratten, 2020a; Thorgren & Williams, 2020), and the current organisational conditions (Bundy et al., 2017; Ucbasaran et al., 2010; Williams et al., 2017; Yamakawa et al., 2010). These elements help to understand the link between adverse contexts, negative impacts, and confrontation with limited resources.

The second stage of the analysis is when the event occurs such as a business failure provoked by an internal/external circumstance, as well as crisis management provoked by an external shake-out (Buchanan & Denyer, 2013; Doern et al., 2019; Pearson & Clair, 1998; Ucbasaran et al., 2013). In this stage, the role of previous cognitions/emotions/experiences are crucial for evaluating potential impacts (Herbane, 2010; Ucbasaran et al., 2013) and defining quick responses based on the available resources/capabilities (Doern, 2016; Shepherd et al., 2009; Williams et al., 2017).

The third stage is the confrontation/response. Here, thanks to "resilience" and "learning", it is possible to recover and continue with a business activity over time, either by maintaining the business that was affected by the crisis or by restarting, in a regenerative way (Bullough et al., 2014; Bundy et al., 2017; Corner et al., 2017; Doern, 2016, 2017, 2021; Franco

et al., 2020; Hayward et al., 2010; Herbane, 2015, 2019, 2020). But "the story" can have a bad ending, without resilience and without learning, the financial, psychological, and social impacts cannot be overcome, the crisis of the organisation results in "business failure", and the failed entrepreneur does not recover from the costs he or she suffered due to the failure of their business (Boso et al., 2019; Buchanan & Denyer, 2013; Bundy et al., 2017; Cope, 2011; Doern, 2016, 2021; Foote, 2013; Herbane, 2010, 2019; Lattacher & Wdowiak, 2020; Omorede, 2020).

The fourth stage is the recovery from business failure and crisis management via entrepreneurial re-entry thanks to learning, resilience, support from networks and family, and exploitation of new business opportunities (un)related to the previous one (Amankwah-Amoah, 2018; Bundy et al., 2017; Doern et al., 2019; Herbane, 2020; Lattacher & Wdowiak, 2020; Parker, 2013; Stam et al., 2008; Stokes & Blackburn, 2002; Tipu, 2020; Westhead et al., 2005; Williams et al., 2017).

The final stage is the outcomes derived from the recovery process that could be positive or negative.

In relation to the above, the details of the cross-learning analysis can be seen in Table 2.11 below.

**Table 2.11:** Cross-learning analysis: Crisis management and Entrepreneurial failure.

| Phase/dimension of comparison                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Crisis management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Entrepreneurial Failure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><u>1.A- Pre-event (similarities):</u></b></p> <p><b><u>1.a.1- Prediction tools</u></b><br/> Relevant citations: (Dias &amp; Teixeira, 2017; Patil et al., 2012; Ucbasaran et al., 2013)</p> <p><b><i>1.a.2- Cognition and emotions: biases in perceptions of managers/owners of SMEs/entrepreneurs; pre-event</i></b><br/> Relevant citations: (Hayward et al., 2010; Herbane, 2015; Kahn et al., 2013; König et al., 2020; Lattacher &amp; Wdowiak, 2020; Mantere et al., 2013; Smith &amp; McElwee, 2011)</p> <p><b><i>1.a.3- Impact and uncertainty of the environment</i></b><br/> Relevant citations: (Doern, 2016; Guerrero &amp; Espinoza-Benavides, 2021a; Herbane, 2015; Ratten, 2020a; Thorgren &amp; Williams, 2020)</p> <p><b><i>1.a.4- Internal organisational problems</i></b></p> | <p>1.a.1- In crisis management at the corporate level and from the perspective of crisis as a process of weakening, forecasting tools are studied to anticipate and proactively take measures to prevent crises. We have already mentioned that this is not analysed in crisis management in small companies.</p> <p>1.a.2- It has been studied that the mentality of managers/owners, such as arrogance, perception biases, among others, can trigger or precipitate crises within their organisations.</p> <p>1.a.3- There is considerable evidence that unexpected events in the environment can cause an organisational crisis and/or generate a highly uncertain scenario.</p> <p>1.a.4- A bad organisational environment or culture, lack of human capital competences,</p> | <p>1.a.1- Research is mainly carried out at corporate level and in the areas of bankruptcy forecasting (e.g., stock market analysis). Also, on other topics such as plant closures, industrial accidents, etc.</p> <p>1.a.2- The mentality of entrepreneurs has also been investigated, e.g., arrogance or over-optimism, which can cause their ventures to fail.</p> <p>1.a.3- Unexpected events in the environment, or events not foreseen by the entrepreneurs, can also lead to business failure.</p> <p>1.a.4- Problems between the partners (entrepreneurial team), ethical problems, lack of</p> |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Relevant citations: (Bundy et al., 2017; Ucbasaran et al., 2010; Williams et al., 2017; Yamakawa et al., 2010)                                                                                                                                                                                                                                                                                                                                                                                                                                          | ethical problems, poor organisation of key tasks, generate internal crises.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | skills of the human team, among others, can cause business failure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b><u>1B- Pre-event (differences)</u></b><br><b><u>1.b.1- Type of organisation</u></b><br>Relevant citations: (Guerrero et al., 2020; Herbane, 2010; Reynolds et al., 2005; Ucbasaran et al., 2013)<br><br><b><i>1.b.2- Management/leadership style</i></b><br>Relevant citations: (Cope, 2011; Dias & Teixeira, 2017; Doern, 2016; Williams et al., 2017)<br><br><b><i>1.b.3- Cognition and emotions: biases in perceptions of managers/owners of SMEs/entrepreneurs; pre-event</i></b><br>Relevant citations: (Shepherd, 2003; Shepherd et al., 2009) | 1.b.1- Research is mostly oriented towards large organisations (private and other) and usually organisations that have been in operation for several years, known as established organisations.<br><br>1.b.2- For large companies (corporations), the manager (or management team), who is usually different from the owners of the company, is studied. In small companies this is called owner/manager. Research focuses on the type of leadership and its relation to the possibility of an organisational crisis.<br><br>1.b.3- In the literature reviewed, no attention is paid to the emotional impacts/effects on leaders (human team), prior to the imminent occurrence of a possible organisational crisis, especially in the case of owners/managers of small companies. | 1.b.1- Research is mainly oriented towards start-ups, new, technological and SMEs. Established companies are less considered, and extraordinarily little research is done on failure in organisations other than private businesses.<br><br>1.b.2- Research generally focuses on the entrepreneur, the founding leader, some studies also use the term owner/manager, and to a lesser extent entrepreneurial teams are studied.<br><br>1.b.3- Bereavement is theorised as an emotional impact of failure. Entrepreneurs may delay the failure of their business (assuming higher financial costs), due to a kind of anticipatory mourning, which supposedly makes the emotional cost of failure lower in the long run. |
| <b><u>1.C- Cross-learning, pre-event stage</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>For both perspectives:</b><br>- Much similarity is observed between external, organisational, and internal factors, which can cause an internal crisis or failure. So, prior to the event (crisis and/or failure), conceptually we can say that, for both perspectives, companies are in a situation of threat to their continuity/survival; and that this threat may be greater or lesser, depending on how the external and internal factors that put pressure on the crisis/failure situation are configured.<br><b>For the crisis management perspective (from the perspective of business failure):</b>                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>- Consideration should be given to the possibility that leaders, managers of the company with a potential crisis, experience early mourning, which could affect the duration of the crisis, should it occur.</li> <li>- We see opportunities to extend a crisis management perspective, differentiated according to the seniority of the company. We assume that the crisis management perspective would change depending on whether the firm is nascent, new, or established.</li> </ul> <p><b>For the perspective of business failure (from a crisis management perspective):</b></p> <ul style="list-style-type: none"> <li>- It should be studied how culture, teamwork, and leadership style influence a greater or lesser probability of failure, as these variables can generate an organisational crisis or configure a certain profile of vulnerability prone to a crisis and subsequent failure.</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Phase/dimension of comparison                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Organisational crisis management (focus on small businesses)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Recovery Process from Entrepreneurial Failure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><b><u>2.A- Occurrence of the event (similarities)</u></b></p> <p><b><u>2.a.1- Definition and typology of the event</u></b></p> <p>Relevant citations: (Buchanan &amp; Denyer, 2013; Doern et al., 2019; Pearson &amp; Clair, 1998; Ucbasaran et al., 2013)</p> <p><b>2.a.2- Cognition and emotions: biases in perceptions of managers/owners of SMEs/entrepreneurs; during the event</b></p> <p>Relevant citations: (Amankwah-Amoah et al., 2018; Cope, 2011; König et al., 2020; Williams et al., 2017, 2019)</p> | <p>2.a.1- "An organisational crisis is a low-probability, high-impact event that threatens the viability of the organisation and is characterised by ambiguity of cause, effect, and means of resolution, as well as by the belief that decisions must be made quickly". There are different events that produce a crisis: natural disasters, social unrest, macroeconomic crises, terrorist attacks, management errors, technical errors, etc.</p> <p>2.a.2- Research indicates that the level of awareness and commitment of managers can generate greater or lesser attention to the event; and these perceptions and emotional predispositions condition the subsequent way of dealing with the impacts of the crisis.</p>                                                                                                                                                                                                                               | <p>2.a.1- Based on the definition of crisis, business failure is the undesired outcome that is to be avoided through organisational crisis management. Although some authors comment that business failure is also a crisis. The same events that generate a crisis can lead to the closure (failure) of the company, precisely when crisis management did not produce results.</p> <p>2.a.2- Previous literature analyses cases of entrepreneurs who were not aware of how badly their company was doing financially until it was too late.</p> |

| <p><b>2.a.3- Event impacts</b><br/>Relevant citations: (Herbane, 2010; Ucbasaran et al., 2013)</p> <p><b>2.a.4- Resource endowments</b><br/>Relevant citations: (Doern, 2016; Shepherd et al., 2009; Williams et al., 2017)</p>                            | <p>2.a.3- Crises generate various impacts within and outside the organisation, and the immediate impacts are mostly negative. These negative impacts can be financial, emotional, and even affect stakeholders, e.g., customers, shareholders, the community, etc. Normally the impacts of crises are more destructive in smaller companies.</p> <p>2.a.4 Companies have capabilities (knowledge, skills, experience, etc.) that can help them minimise the impacts of a crisis. These resources can be financial; cognitive/behavioural/emotional; and relational.</p>           | <p>2.a.3- Business failures also have negative effects on entrepreneurs, mainly on the founding owners of the failed business. The literature has identified three types of costs that business failure generates in entrepreneurs: financial, psychological, and social.</p> <p>2.a.4- Although a business failure significantly depletes the resources of failed entrepreneurs, it is possible that they still have personal financial wealth, that they have ownership stakes in other businesses, that they also have the support of networks of entrepreneurs or family members, all of which can help to reduce the negative impacts of business failure.</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Phase/dimension of comparison                                                                                                                                                                                                                              | Organisational crisis management (focus on small businesses)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Recovery Process from Entrepreneurial Failure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b><u>2.B- Occurrence of the event (differences)</u></b><br/><b><u>2.b.1- Definition and typology of the event</u></b><br/>Relevant citations: (Buchanan &amp; Denyer, 2013; Doern et al., 2019; Pearson &amp; Clair, 1998; Ucbasaran et al., 2013)</p> | <p>2.b.1- Although we did not find it explicitly in the literature analysed, we can point out that the definition of crisis includes the fact that a business failure (closure of a business) can generate an organisational crisis; this could happen when the failed business is a relevant business within the business portfolio of a corporation (holding company for example), which would generate a crisis at the level of the corporate structure and perhaps, through a domino effect, could cause a crisis in other businesses in the holding company's portfolio.</p> | <p>2.b.1- We cannot affirm that a business failure is an organisational crisis. According to the literature, we are sure that, within a period, prior to the final closure of the company, the organisation tried to manage an insolvency crisis. But once the failure has occurred, the organisation no longer exists and what follows is experienced, on a personal level, by the people who were part of the failed company.</p>                                                                                                                                                                                                                                 |

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| <p><b>2.C- Cross-learning, event occurrence stage</b></p> | <p><b>For both perspectives:</b></p> <ul style="list-style-type: none"> <li>- There is a high degree of commonality in the types of impacts generated by both crises and business failure, the former at the level of the organisation and the latter on the failed entrepreneur. These impacts can be summarised in three domains: cognitive-behavioural, financial, and social. In other words, both crises and failures undermine or deplete cognitive-emotional capital (human capital), financial capital, and social capital, both of the organisation in crisis and of the failed entrepreneur. We highlight here one of the main similarities of these two phenomena occurring in the entrepreneurial environment.</li> <li>- On the other hand, we assert that both phenomena and concepts (crisis and failure) will always be related and overlapping in the business environment.</li> </ul> <p><b>For the crisis management perspective (from the perspective of business failure):</b></p> <ul style="list-style-type: none"> <li>- The general literature on organisational crisis management remains prescriptive and based on anecdotal evidence, in that the events that generate organisational crises are atypical, for that reason the empirical work, which is carried out in this area, is of a qualitative rather than quantitative type. As we argued earlier that every failed company had an unsuccessful experience of crisis management, we see in failed entrepreneurs (of which there are many, thousands of cases in the world every day) a great opportunity for crisis management researchers to carry out quantitative (but also qualitative) studies that allow us to know how they managed the crisis before failure and why this management failed.</li> </ul> <p><b>For the business failure perspective (from a crisis management perspective):</b></p> <ul style="list-style-type: none"> <li>- We believe that the business failure perspective will benefit from the knowledge that has been and will be generated about successful crisis management (the achievement of the company's survival), as it is possible to know which resources contributed most significantly to minimising the impacts of the crisis. This knowledge may be useful to an entrepreneur who has just failed, but still has options to protect some of the resources of the organisation that has just died, and the question is which ones to protect: Ideally, those that contribute most to organisational resilience.</li> </ul> |
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| Phase/dimension of comparison                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Organisational crisis management (focus on small businesses)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Recovery Process from Entrepreneurial Failure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p><b><u>3.A- Response/confronting the event (similarities)</u></b><br/> <b><u>3.a.1- Purpose/objective of response/confronting the event.</u></b><br/> Relevant citations: (Faisal et al., 2020; Guerrero &amp; Espinoza-Benavides, 2021b; Muñoz et al., 2019; Shepherd et al., 2009; Spillan &amp; Hough, 2003)</p> <p><b>3.a.2- Resilience</b><br/> Relevant citations: (Corner et al., 2017; Doern, 2016, 2017; Franco et al., 2020; Hayward et al., 2010; Herbane, 2015, 2019, 2020)</p> <p><b>3.a.3- Confrontational strategies/tactics</b><br/> Relevant citations: (Bullough et al., 2014; Bundy et al., 2017; Doern, 2017, 2021; Guerrero &amp; Espinoza-Benavides, 2021b; Herbane, 2015; Mantere et al., 2013; Pardo &amp; Alfonso, 2017; Shepherd &amp; Williams, 2020; Simmons et al., 2014, 2019; Singh et al., 2015; Thorgren &amp; Williams, 2020; Walsh &amp; Cunningham, 2017; Williams et al., 2019; Yamakawa et al., 2015)</p> | <p>3.a.1- Within crisis management, one of the main aims, once the event has occurred, is damage containment. In other words, containing/minimising the social, psychological, and financial costs, in addition to possible damage to physical integrity or risk to people's lives, depending on the type of event that has generated the crisis.</p> <p>3.a.2- The most recent and most relevant literature on crisis management in small enterprises identifies organisational resilience as the most decisive factor in being able to adequately confront a crisis. The more resilient a company is, the better it will be able to control the negative impacts of a crisis.</p> <p>3.a.3- In crisis management, especially in small companies, contractionary measures are observed to reduce costs: Layoffs, delaying investments, renegotiating debts, etc. Some companies show an entrepreneurial orientation and choose to confront crises by developing new products and/or new businesses. The literature also reports on the external management of firms in crisis to manage impressions, especially from their stakeholders (shareholders/owners, employees, community, etc.), usually to build or restore trust,</p> | <p>3.a.1- Immediately after business failure; and after experiencing the costs, the failed entrepreneur reacts (or his environment supports him) to control these costs and try to minimise them. We have already mentioned that these costs are mainly classified into financial, psychological, and social costs.</p> <p>3.a.2- The concept of resilience is also key in the post-failure process. In fact, there is empirical evidence that shows that resilient entrepreneurs who have recently been affected by a business failure quickly manage to minimise the negative impacts, even if it is not necessary to go through a period of mourning.</p> <p>3.a.3- The evidence found in various articles, mainly based on interviews, allows us to identify that it is common for failed entrepreneurs to reduce their general expenses, which implies radically changing their lifestyle (moving to lower their housing costs, changing, or selling their car, changing their diet, changing their children's school, etc.). We have also identified cases, although less frequently, where their "immediate" response to the impacts of business failure is an entrepreneurial orientation, through</p> |

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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | manage expectations, avoid stigmatisation. Stakeholders are also key to helping overcome the crisis.                                                                                                                                                                                                                                                                                                                                                                                            | the development of new products and/or new businesses. On the other hand, failed entrepreneurs use narratives to generate impressions in their relevant environment (family, creditors, other entrepreneurs) to balance the social costs (stigma) with the psychological costs (self-esteem). This impression management would be conditioned by the greater or lesser punishment that society gives to failure.                                                                                                                                                                                                                                                             |
| <b>Phase/dimension of comparison</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Organisational crisis management (focus on small businesses)</b>                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Recovery Process from Entrepreneurial Failure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p><b><u>3.B- Response/confronting the event (differences)</u></b></p> <p><b><u>3.b.1- Purpose/objective of response/confronting the event.</u></b><br/> Relevant citations: (Faisal et al., 2020; Guerrero &amp; Espinoza-Benavides, 2021b; Muñoz et al., 2019; Shepherd et al., 2009; Spillan &amp; Hough, 2003)</p> <p><b><u>3.b.2- Resilience level</u></b><br/> Relevant citations: (Corner et al., 2017; Doern, 2016; Franco et al., 2020; Hayward et al., 2010; Herbane, 2015, 2019, 2020)</p> <p><b><u>3.b.3- Confrontational strategies/tactics</u></b></p> | <p>3.b.1- The main purpose of crisis management is to achieve business continuity. This implies that the failure of the company is avoided.</p> <p>3.b.2- In the field of crisis management, the concept of "organisational resilience" is addressed. "Organisational resilience". This can be understood as the organisational capacity to overcome highly challenging scenarios.</p> <p>3.b.3- In the context of crisis management, the style/personality of the organisation's leader is</p> | <p>3.b.1- The "ultimate" purpose is not clear. It may be simply to clean up the financial situation and find a job. It may be to overcome a depression and then withdraw from economic activity. It may be to restart as quickly as possible or to learn from failure and, based on that learning, to decide whether to restart or to follow another path.</p> <p>3.b.2- In the area of business failure, the concept of "individual (entrepreneurial) resilience" is discussed. This is the ability of the individual to overcome highly challenging scenarios.</p> <p>3.b.3- In the literature on business failure, we have not seen an emphasis on the personality of</p> |

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| <p>Relevant citations: (Bullough et al., 2014; Bundy et al., 2017; Doern, 2017, 2021; Guerrero &amp; Espinoza-Benavides, 2021b; Herbane, 2015; Mantere et al., 2013; Pardo &amp; Alfonso, 2017; Shepherd &amp; Williams, 2020; Simmons et al., 2014, 2019; Singh et al., 2015; Thorgren &amp; Williams, 2020; Walsh &amp; Cunningham, 2017; Williams et al., 2019; Yamakawa et al., 2015)</p> | <p>important. It is also relevant how this leader and his or her support team (if there is one) manage communication and public relations with the different stakeholders. The commitment of workers during the crisis seems to be key to the organisation's ability to overcome the situation. On the other hand, the crisis management literature has not paid much attention to whether leaders, or other members of the organisation's human capital, experience a bereavement or other significant cognitive-emotional impact when the crisis has been triggered.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>failed entrepreneurs and their leadership style prior to business failure. Beyond the use of narratives for impression management, there has been little in-depth understanding of how failed entrepreneurs manage communication to overcome the impacts of business failure and in the face of their respective stakeholders' post-failure. On the other hand, the literature on failure has focused on how entrepreneurs cope with the emotional impact of business failure, it seems to be common for them to experience a period of grief, like what happens when a loved one dies; after this period of mourning, the recovery phase begins.</p> |
| <p><b>3.C- Cross-learning, stage response/confronting the event</b></p>                                                                                                                                                                                                                                                                                                                       | <p><b>For both perspectives:</b></p> <ul style="list-style-type: none"> <li>- In both similarities and differences, the same three themes emerge: Purpose/objective, resilience, and strategies/tactics. This, for us, is an indication of the complexity of the different factors that are associated with the confrontation stage of an organisational crisis or business failure. For there are immediate and wider objectives, which are interdependent. The tactics employed may be determined by the objectives, but also the outcome of these tactics may influence the reorientation of objectives or the emergence of new ones. And resilience, which is a resource for coping with adverse scenarios (at an organisational and individual level), is also dynamic in nature, i.e., it conditions the objectives and tactics, but also the objectives that are set and the tactics can affect the level of individual and organisational resilience. In general, it seems to us that, under the paradigm of economic rationality, decisions to deal with a crisis or business failure by reducing financial costs, and at the same time trying to reduce the concomitant level of uncertainty, are correct. Here we identify, by crossing both perspectives, that the turning point to move to the recovery phase is a combination of a significant decrease in the level of uncertainty and having contained, to a large extent, the negative financial, social, and psychological impacts. On the other hand, the fact that managers of an organisation in crisis or entrepreneurs who have recently been affected by a failure immediately take an entrepreneurial orientation, we believe that such</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                                                                                                                                                                                                                                                                                                                                            | <p>empirical evidence requires a theoretical perspective that goes beyond the rationalist paradigm., Therefore we see in the prospect theory/behavioural economics approach a good opportunity to address this theoretical challenge.</p> <p><b>For the crisis management perspective (from the perspective of business failure):</b></p> <ul style="list-style-type: none"> <li>- The business failure literature invites us to think about the possibility that managers and employees, of an organisation in crisis, experience bereavement or negative feelings, which during and after the crisis, might demand time for care and recovery.</li> <li>- We also believe that it is possible that the leaders and staff of the organisation in crisis may possess a level of individual resilience that helps or limits organisational resilience.</li> </ul> <p><b>For the business failure perspective (from a crisis management perspective):</b></p> <ul style="list-style-type: none"> <li>- The organisational crisis management perspective leads us to assume that it is possible that a lack of staff commitment and/or the failed entrepreneur's leadership style could have caused the business to fail. The idea also emerges that the personality of the failed entrepreneur may determine how he or she copes with the different costs of business failure.</li> <li>- Also, the crisis management literature invites us to explore how failed entrepreneurs employ different forms/tactics of communication to cope with the financial, psychological, and social impacts.</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| Phase/dimension of comparison                                                                                                                                                                                                                                                                                                              | Organisational crisis management (focus on small businesses)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Recovery Process from Entrepreneurial Failure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p><b><u>4.A.- Recovery from the Crisis/Business Failure (similarities)</u></b></p> <p><b><u>4.a.1- Learnings</u></b></p> <p>Relevant citations: (Boso et al., 2019; Buchanan &amp; Denyer, 2013; Bundy et al., 2017; Cope, 2011; Doern, 2016, 2021; Foote, 2013; Herbane, 2010, 2019; Lattacher &amp; Wdowiak, 2020; Omoredede, 2020)</p> | <p>4.a.1- Organisations that have overcome a crisis usually learn from the experience through a process that combines research, technical analysis, and reflection, to draw lessons learned and assess whether changes will be made to the organisation (changes usually occur). For small business owners, there is contradictory evidence that they may not have learned from the experience of managing a crisis or have developed a threat-focused mindset that would</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>4.a.1- Failed entrepreneurs, after overcoming the aftermath of business failure (or in parallel), initiate a process to make sense of the experience of failure and draw lessons learned for the future. The literature on business failure in general shows that failed entrepreneurs learn from their experiences of failure and that these help them in their future career development. However, there is also literature that presents evidence that there are failed entrepreneurs who did not learn from their experience, and that they</p> |

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| <p><b>4.a.2- Resilience</b><br/>Relevant citations: (Corner et al., 2017; Herbane, 2015, 2019; Korber &amp; McNaughton, 2018; Monllor &amp; Murphy, 2017; Williams &amp; Shepherd, 2016; Williams et al., 2017; Zwane et al., 2019)</p> <p><b>4.a.3- Support networks and social capital</b><br/>Relevant citations: (Eberhart et al., 2017; Guerrero &amp; Espinoza-Benavides, 2021a, 2021b; Herbane, 2019, 2020; Nielsen &amp; Sarasvathy, 2016; Shepherd et al., 2020)</p> | <p>leave them better prepared to deal with future uncertain scenarios.</p> <p>4.a.2- After overcoming a crisis, the resilience of the organisation is strengthened and can be improved when managers deliberately incorporate actions to support it. It also happens (especially in SMEs) that, without much planning, some "resilient" dynamics that were put in place during the crisis become routine.</p> <p>4.a.3- Crisis management literature reports on the importance of support networks (social capital) for organisational recovery. The collaboration of support agencies, other companies and the community is fundamental to return to normality as quickly as possible and makes it possible to identify and encourage changes within the organisation that has just emerged from a crisis.</p> | <p>are highly likely to repeat their mistakes in the future.</p> <p>4.a.2- Also, the literature on business failure supports the idea that entrepreneurs who have overcome business failures become more resilient, although more empirical evidence is still needed to support this.</p> <p>4.a.3- Support networks are tremendously important for failed entrepreneurs. They can help them to reduce the costs and consequences of failure, facilitate learning, contribute to their level of resilience, and help them to identify new opportunities for their future economic development. The support network can be made up of support agencies, other entrepreneurs, venture capitalists (mainly angel investors), and educational institutions.</p> |
| <p><b><u>4.B.- Recovery from the Crisis/Business Failure (differences)</u></b></p> <p><b><u>4.b.1- Role of the family</u></b><br/>Relevant citations: (Cope, 2011; Guerrero &amp; Espinoza-Benavides, 2021a; Cater &amp; Beal, 2014; Mikušová et al., 2020; Mzid et al., 2019; Singh et al., 2016)</p>                                                                                                                                                                        | <p>4.b.1- Although incipient and scarce, what little is known of the literature on crisis management in the field of family businesses is related to the fact that this type of business tends to be more resilient in the face of a crisis compared to non-family businesses. At the level of large companies, or non-family SMEs, the influence that families can have on the development of an organisational crisis or how the organisational crisis can impact</p>                                                                                                                                                                                                                                                                                                                                         | <p>4.b.1- The literature on business failure indicates that families can be strongly affected by the business failure of the owner of the failed business; evidence shows that, for example, divorce or other family conflicts occur due to the great stress experienced by an entrepreneur who has recently failed in a business. On the other hand, families are almost irreplaceable for the emotional recovery of the failed entrepreneur, as</p>                                                                                                                                                                                                                                                                                                       |

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|                                                                            | the families of managers/owner-entrepreneurs is virtually unknown.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | well as for the regeneration of a wider support network. However, there have also been cases where the failed entrepreneur's own family punishes them for their mistakes, undermining their ability to recover emotionally, socially, and financially. |
| <b><u>4.C.- Cross-learning, crisis recovery phase/business failure</u></b> | <p><b>For both perspectives:</b></p> <ul style="list-style-type: none"> <li>- The key issues, within the recovery stage, are quite similar from a conceptual and theoretical point of view, between the two perspectives under analysis. The difference, which we already marked in the preconditions, is related to the fact that recovery, in the context of crisis management, takes place at the organisational level; and on the side of the business failure perspective, it is at the individual level. Furthermore, we can observe that resilience is a key issue at more than one stage of the crisis management or business failure recovery process. In line with the above, both perspectives have supporting literature showing that by overcoming an organisational crisis or business failure, both the organisation and the entrepreneur become more resilient entities. We also learned that there is a complex and difficult-to-disentangle conceptual relationship between the concepts of learning, resilience, and social capital at both the organisational and individual levels.</li> <li>- Also, what has been analysed up to this stage could support the proposition that small business owners/managers who have overcome a crisis, like entrepreneurs who have overcome business failure, should be part of the "elite" group in global society in terms of resilience.</li> </ul> <p><b>For the crisis management perspective (from the perspective of business failure):</b></p> <ul style="list-style-type: none"> <li>- The crossover of perspectives leads us to assume that at least, in large companies, organisational crises must have negative impacts on the families of workers and managers, which may hinder the organisational recovery process. On the SMEs side, we believe that the impact on families could be much greater; but we also believe that families can also be a fundamental support during the crisis recovery stage.</li> </ul> <p><b>For the business failure perspective (from a crisis management perspective):</b></p> <ul style="list-style-type: none"> <li>- The scant evidence coming from the crisis management perspective leads us to think that it is possible that when dealing with a family business, both the pre-failure and post-failure process might be different from that of non-family businesses. We speculate that the pre-</li> </ul> |                                                                                                                                                                                                                                                        |

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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | failure process might be more extensive (because of the importance of the affective, and the phenomenon of anticipated grief), and that the recovery process might take less time and be much more regenerative than what happens with non-family business entrepreneurs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Phase/dimension of comparison</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Organisational crisis management (focus on small businesses)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Recovery Process from Entrepreneurial Failure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b><u>5. A.- Outcomes (similarities)</u></b><br><b>5.a.1- Changes</b><br>Relevant citations: (Amankwah-Amoah, 2018; Bundy et al., 2017; Cope, 2011; Doern et al., 2019; Guerrero & Espinoza-Benavides, 2021a; Ropega, 2011; Torres et al., 2019; Williams et al., 2019; Zhang et al., 2019)<br><br><b>5.a.2 Business continuity</b><br>Relevant citations: (Amankwah-Amoah, 2018; Bundy et al., 2017; Doern et al., 2019; Herbane, 2020; Lattacher & Wdowiak, 2020; Parker, 2013; Stam et al., 2008; Stokes & Blackburn, 2002; Tipu, 2020; Westhead et al., 2005; Williams et al., 2017) | 5.a.1- The literature on crisis management is conclusive that after a crisis, the affected organisation changes. This change can be in work routines, e.g., better work safety practices, but it can also affect the organisational structure, the company's strategy, and even the business model. At the level of small companies, it has been observed that there are changes in the mentality of managers/owners, for example, they are more attentive to threats and are more likely to adopt more rigorous procedures to prevent risks.<br><br>5.a.2- This milestone closes the cycle of successful crisis management in any type of organisation that has experienced a critical event. It is highly likely that the company that continues after a crisis is better equipped to face other adverse scenarios. What the literature has not been able to determine clearly is whether having survived an organisational crisis causes better economic performance in the future. | 5.a.1 The literature on business failure also suggests that entrepreneurs who have undergone regenerative learning change their mindset on issues related to their own individual identity and purpose, as well as on concepts about business and how to manage it. Several cases have been found in previous literature, which show that, in case of re-entry, they would make changes in the business model and/or look for opportunities in different industry sectors.<br><br>5.a.2 Regenerative re-entry, i.e., a new entrepreneurial initiative, which builds on the lessons learned from the experience of previous failure, is probably the best possible outcome when viewed from a socio-economic perspective. Empirical evidence tends to show that entrepreneurs who start a business after having previously run and closed another one (so-called serial entrepreneurs), tend to achieve better economic performance in subsequent businesses. |
| <b><u>5. B.- Outcomes (differences)</u></b><br><b><u>5.b.1- Business failure</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 5.b.1- The failure of the company is the unintended result, the scenario to be avoided, and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 5.b.1- The perspective of business failure, which is more oriented towards entrepreneurial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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| <p>Relevant citations: (Guerrero &amp; Espinoza-Benavides, 2021b; Herbane, 2011; Lattacher &amp; Wdowiak, 2020; Omoredede, 2020; Williams et al., 2019)</p>                                                                                                                                                                                                                                   | <p>the strongest proof that crisis management did not work properly. We were unable to find any concrete data on the number of companies in crisis that end in business failure (definitive closure of the company). However, the background information we have suggests that this is a high percentage, especially in the case of small businesses.</p>                                                                                                                                                                                                                                                                                                                                                                                                 | <p>learning, does not frame failure as something totally negative, precisely because it allows entrepreneurs to develop learning that can help them to perform better in the future, in some other business they own, or owned by others.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>5.b.2- Serious or irreversible impacts on people</b><br/> Relevant citations: (Bundy et al., 2017; Byrne &amp; Shepherd, 2015; Cope, 2011; Doern, 2016; Faisal et al., 2020; Guerrero &amp; Espinoza-Benavides, 2021b; Muñoz et al., 2019; Runyan, 2006; Singh et al., 2007; Thapa et al., 2017; Ucbasaran et al., 2013; Walsh &amp; Cunningham, 2016, 2017; Williams et al., 2019)</p> | <p>5.b.2- In the field of crisis management, when a disruptive event threatens the physical integrity and lives of people, it matters little what perspective or tactic is used, if the life and integrity of the people affected by the crisis are preserved. There are many studies on catastrophes, attacks, riots, etc., which not only put at risk the resources and viability of a business, but also the lives of the members of that business and its surrounding community. So, within the broad framework of crisis management, the preservation of the integrity of the person (their life) is fully assumed and is undoubtedly the highest priority in any crisis management system, when a life-threatening event can potentially occur.</p> | <p>5.b.2- In the literature on business failure, it has been argued that there are emotional, financial, and social costs that almost immediately change an entrepreneur's life from heaven to earth (or rather from heaven to hell). While the psychological impact of business failure has been theorised and is also evidenced, previous literature has not been able to capture the experience of a significant number of people who have suffered major impacts, such as severe depression or other serious mental harm (although we did observe some anecdotal cases in interview-based research). We greatly value the work of the researchers who were able to conduct such interviews with people experiencing (possibly not severe) depression, because it is very unlikely that severe cases would be accessible, for obvious reasons. Thus, in the literature on business failure and, more generally, in the field of entrepreneurship, not much attention is given to the serious or irreversible impacts that entrepreneurial failure can have on the lives of those who experience it.</p> |

**5.C.- Cross-learning, stage outcomes of the crisis/business failure**

**For both perspectives:**

- One of the main distinctions is that, if the outcome of the business in crisis is the failure of the business, which implies the definitive closure of the business; then, in case of a small business it is highly likely that the owner/manager (entrepreneur) will move from the process of crisis management, immediately, to the process of business failure and subsequent recovery. In other words, moving from trying to resolve an organisational crisis to trying to resolve a personal crisis, dealing with the negative impacts that business failure has on the individual. In other words, the entrepreneur lives two cycles, one to try to save the company in crisis; and the second, to try to survive at the individual level (socio-economically and emotionally).

**For the crisis management perspective (from the perspective of business failure):**

- Our interpretation of the state of the art on crisis management literature, especially in the context of small businesses, is that there may be a bias in not considering failure (closure of a business) as a possible solution to the crisis management process, understanding that the literature is dominated by the concept of "business continuity". However, the possibility of closing a business in a crisis context may be an "appropriate" outcome, depending on the institutional context in which the business is embedded.

**For the business failure perspective (from a crisis management perspective):**

- We believe that in the business failure literature and, more generally, in the field of entrepreneurship we should give the same importance to human health and integrity that they have in the field of crisis management. Entrepreneurship, as a phenomenon, is an experience of high uncertainty and tests people's cognitive and emotional capacities to the maximum. While many people in the world benefit from the businesses that entrepreneurs create, very few of us sympathise when these same people fail and suffer trying and retrying.

Source: Authors

## **2.5. Proposed Conceptual Frameworks**

### ***2.5.1. Ecosystem determinants of entrepreneurial re-entry after business failure***

Institutional economic theory (North, 1990; Urbano et al., 2019) and the entrepreneurship ecosystem perspective (Roundy et al., 2017; Stam, 2015), strengthen the centrality of context on entrepreneurial activity (Welter, 2011), in particular as it refers to re-entry activity after entrepreneurial failure (Cope, 2011; Simmons et al., 2014, 2019; Tipu, 2020). An example of this is the mentoring programs with senior entrepreneurs for shrinking the personal barriers of novice entrepreneurs (Cannon & Edmondson, 2001, 2005; Cope, 2011; Walsh, 2017), the regulatory framework to support programs for new entries or re-entries (Westhead et al., 2003), formal practices for accessing to public/private sources of capital (Chakrabarty & Bass, 2013; Cuthbertson & Hudson, 1996; Walsh, 2017), and the attraction of human capital that is required for building teams (Hsu, Wiklund, et al., 2017). As a consequence, entrepreneurial ecosystems also play a role in the identification and quality of opportunities for entrepreneurs (Guerrero & Espinoza-Benavides, 2021a).

Additionally, according to Fu et al. (2018), labour market rigidity not only influences the re-entry of experienced entrepreneurs, but the magnitude of this influence is also determined by the work status of the individual at the moment of re-entry, meaning that re-entrepreneurs will respond based on opportunity costs depending on those that are not employed (by necessity) with respect to those that are exploring a new business opportunity (by opportunity). The quality of entrepreneurship is a relevant factor that explains the growth of a country's competitiveness (Cardon et al., 2011; Guerrero & Peña-Legazkue, 2019; Henrekson & Sanandaji, 2020; Rusu & Dornean, 2019) and environmental conditions can determine the re-entry speed and quality after a business failure (Guerrero & Espinoza-Benavides, 2021b; Guerrero & Peña-Legazkue, 2019).

A favourable entrepreneurial ecosystem also improves the accelerated re-entries of experienced entrepreneurs when the support conditions for new ventures are known to them (Chowdhury et al., 2019; Fu et al., 2018; Hsu, Wiklund, et al., 2017; Lin & Wang, 2019; Simmons et al., 2016), but an unfavourable entrepreneurial ecosystem characterised by unclear bankruptcy laws will slow down new entries (Lee et al., 2011; Peng et al., 2010; Simmons et al., 2019). So, taking into consideration the assumption that re-entrepreneurs participate in emerging economies that are distinguished by fostering entrepreneurial ecosystem conditions (Guerrero & Espinoza-Benavides, 2021b), we suggest the following hypothesis:

***Hypothesis 1 (H1):*** In the same way stronger entrepreneurial systems are beneficial for new entrepreneurial entries in an economy, the formal conditions will positively influence entrepreneurial re-entries.

It has become possible to better comprehend the role of informal conditions on entrepreneurial activity in the context of emerging economies through the contribution of institutional economic theory (Bruton et al., 2010). Legitimacy is dictated through social norms and social pressure is placed on individuals if they do not respect those norms and act accordingly (Meek et al., 2010); therefore, values and norms are determinants of individual-level decisions. For example, entrepreneurs, after a business failure, are exposed to the stigma of negative social judgments and to the sanctions created by society when they choose to re-enter the game (Cardon et al., 2011; Shepherd & Haynie, 2011; Simmons et al., 2014; Singh et al., 2015). If those informal conditions influence behaviours and emotions (Funken et al., 2020), we expect that societal perceptions will shed light on entrepreneurship dynamics (entry, permanence, exit and re-entry) across countries.

Another way of identifying societal perceptions in relation to entrepreneurship is exploring social media content, social status, respect for successful entrepreneurs and considering being an entrepreneur as a desirable profession (Bosma, 2013). Especially, the

positive effect of social media on entrepreneurship has been identified in the literature, but has provided few insights into re-entry after failure (Olanrewaju et al., 2020). Social norms associated with negative emotions reduce aspirations and orientations in entrepreneurial re-entry (Cardon et al., 2011; Jenkins et al., 2014). In addition, negative emotions can be seen as the opportunity to capture societal recognition for confident, optimistic entrepreneurs (Khelil, 2016). That is to say that potential re-entrepreneurs respond differently because the effect produced by social norms translated into negative emotions (by necessity) differs from those considered an opportunity for recognition (by opportunity). Therefore, in the light of prior research on the role of institutions in emerging economies (Guerrero & Espinoza-Benavides, 2021b; Hessels et al., 2011), we posit the following hypothesis:

***Hypothesis 2 (H2):*** In the same way stronger entrepreneurial systems are beneficial for entrepreneurial new entries in an economy, the informal conditions will positively influence entrepreneurial re-entries.

Prior research has demonstrated the importance of social capital in the entrepreneurial process (Baron & Markman, 2000; Neumeier et al., 2019), including the role of family/friends, other entrepreneurs, mentors, and angel capitalists in making the re-entry process after business failure smoother, especially in emerging economies (Espinoza-Benavides & Díaz, 2019; Guerrero & Espinoza-Benavides, 2021b; Hessels et al., 2011). Moreover, at the level of the individual, previous experience is relevant in the subsequent engagement of the entrepreneur, as a habitual entrepreneur (Ucbasaran et al., 2010; Westhead & Wright, 1998), even after having failed in a previous business (Espinoza-Benavides & Díaz, 2019; Hessels et al., 2011; Stam et al., 2008), this evidence is in line with the theory of human capital (Becker, 1993) and the theory of entrepreneurial learning (Minniti & Bygrave, 2001).

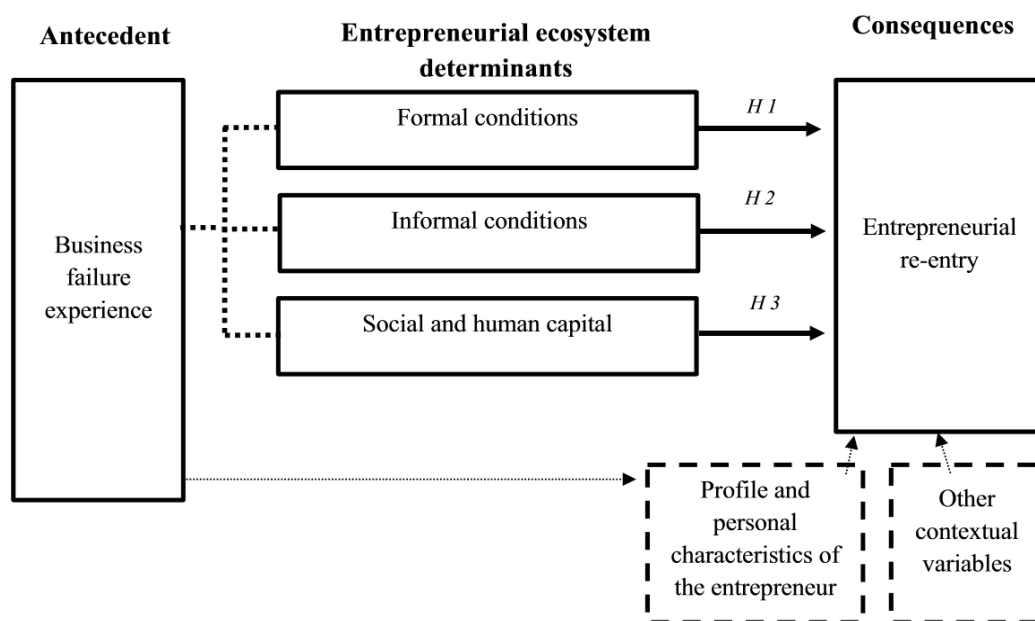
There is also a contribution from social capital theory to the entrepreneurship literature to more clearly comprehend the role of networks on entrepreneurial dynamics (Alonso &

Leiva, 2019; Davidsson & Honig, 2003; Lechner & Dowling, 2003; Neumeyer et al., 2019; Stam et al., 2008). In light of the complexity of the concept of social capital, Neumeyer et al. (2019) propose using the definition of “social networks” as a proxy of social capital in the entrepreneurship field, therefore suggesting the following definition: “set of nodes (e.g. persons and organizations) linked by a set of social relationships (e.g. friendship and transfer of funds) of a specific type” (Laumann et al., 1978; Neumeyer et al., 2019). By following this approach, the concept is that entrepreneurs are agents embedded in a society and leverage vital resources from their social environment to develop and grow ventures (Baron & Markman, 2000).

After exiting a venture, it is expected that entrepreneurs will have a considerable number nodes linked by a set of relationships with close people (e.g., family and friends) and people from other organisations (e.g., government, banks, suppliers, investors, entrepreneurs, and associations) (Ucbasaran et al., 2009, 2010, 2013). If their nodes encourage re-entry, they will obtain vital resources, market information and, as a consequence, be better prepared to locate and make the most of new opportunities. Social capital intensity offers a mechanism for absorbing previous business exit experiences and strengthening the re-entrepreneur’s optimism for making the entrepreneurial re-entry decision without delay (Nielsen & Sarasvathy, 2011). If a re-entrepreneur is participating actively in networks with other entrepreneurs, this social capital could produce normative effects or pressure to re-enter through better entrepreneurial initiatives (Stam et al., 2008). Therefore, the entrepreneurial initiatives differ from country to country, varying in the number and the quality of their social capital (Alonso & Leiva, 2019; LaFuente et al., 2020). In the assumption that social contacts and networks offer re-entrepreneurs the chance to be supported and not re-enter emerging markets alone, we propose the following hypothesis:

**Hypothesis 3 (H3):** In the same way that stronger entrepreneurial systems benefit new entrepreneurial entries in an economy, social capital will positively influence entrepreneurial re-entries.

Figure 2.6 illustrates the proposed framework related to the entrepreneurial ecosystem determinants of the re-entry of entrepreneurs after business failure.



**Figure 2.6:** Ecosystem determinants of entrepreneurial re-entry after a business failure

Source: Authors

### ***2.5.3 Individual and organisational determinants of entrepreneurial re-entry after business failure and crisis management***

Based on the comparison and integration of both perspectives from the cross-learning analysis (Table 2.11), we propose a conceptual framework (see Figure 2.7) and the following general and specific propositions:

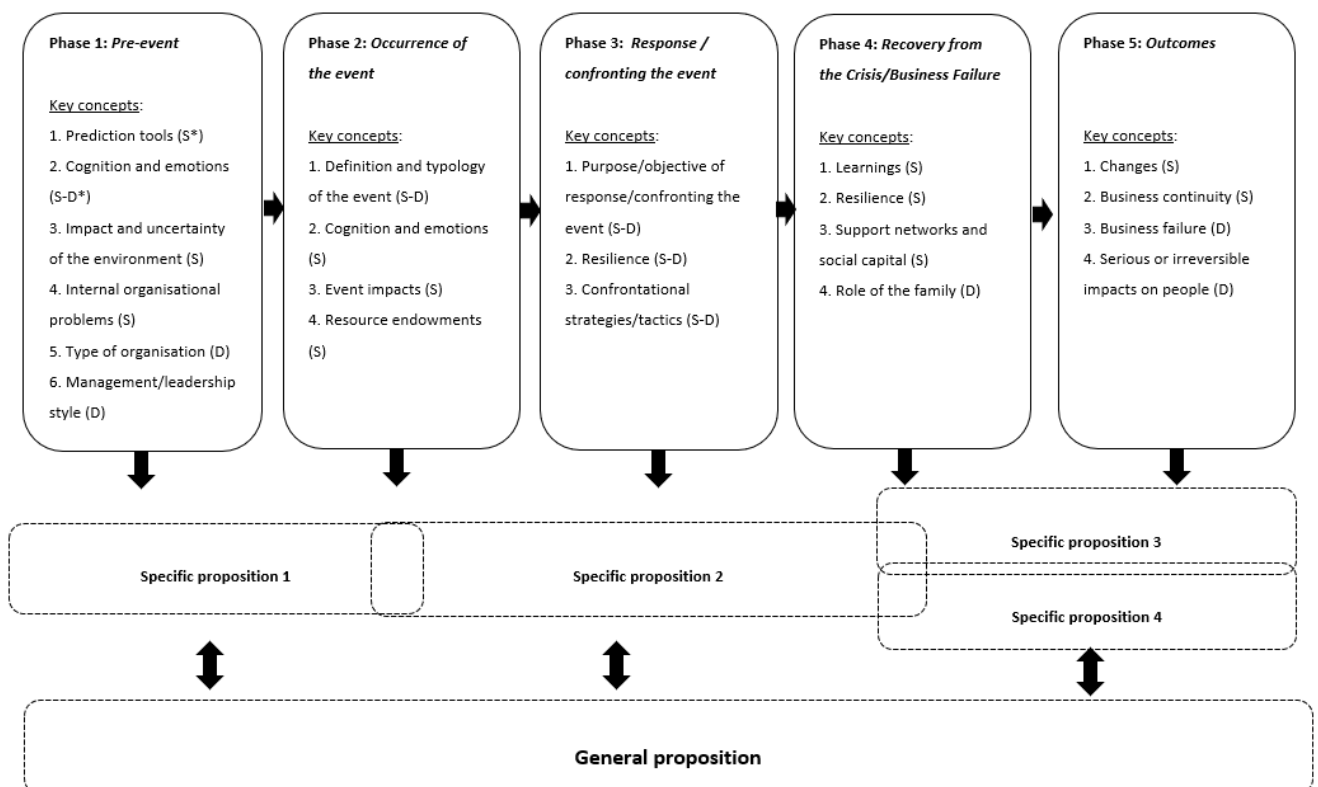
*General proposition: “Those individuals who have the experience of re-entrepreneurship after business failure should exhibit a higher level of resilience, in adverse contexts, than those entrepreneurs who do not have that experience. Furthermore, differences should be observed in the way these groups of entrepreneurs manage crises (at business and individual levels) produced by the same adverse external event (or set of events)”*

Specific proposition 1: During a theoretical period, the phenomena of crisis management and business failure intersect (i.e., they are one and the same phenomenon for a period). This time span can be called the "context of threat to business continuity and survival" and occurs from the moment the threat is perceived until the event (crisis/failure) occurs. Once the event occurs, the processes are separated into an organisational and an individual perspective, but which follow similar stages, up to a point of outcome/result.

Specific proposition 2: During the crisis/failure process, both the organisation and the failed entrepreneur will find themselves balancing the negative impacts of the psychological, financial, and social costs that are generated, until these costs are minimised or contained, and reach a level of equilibrium that allows both the organisation and the failed entrepreneur to begin a process of recovery from the crisis or failure.

Specific proposition 3: The changes in the organisation/company that manages to continue after the crisis depend on the new positive balance between the organisation's financial, psychological, and social capitals, which were significantly reduced during the crisis (it follows that when the total balance of the three capitals is negative, the outcome of the company will be a failure).

Specific proposition 4: The decision and behaviour (re-entry, employment, etc.) that is the outcome of the recovery process of failed entrepreneurs will depend on the configuration of the new positive balance between the entrepreneur's financial, psychological, and social capitals, which, due to the failure, were significantly depleted (it follows that when the total balance of the three capitals is negative, the affected person runs a high risk of remaining in a serious situation<sup>2</sup> indefinitely).



\*Note: When the concept appears only with the letter S, or only with the letter D, it means that at the respective stage the concept shows only similarities or differences between the two perspectives. When the letters S-D appear together, it means that the concept has both similarities and differences at the same stage, for both perspectives analysed.

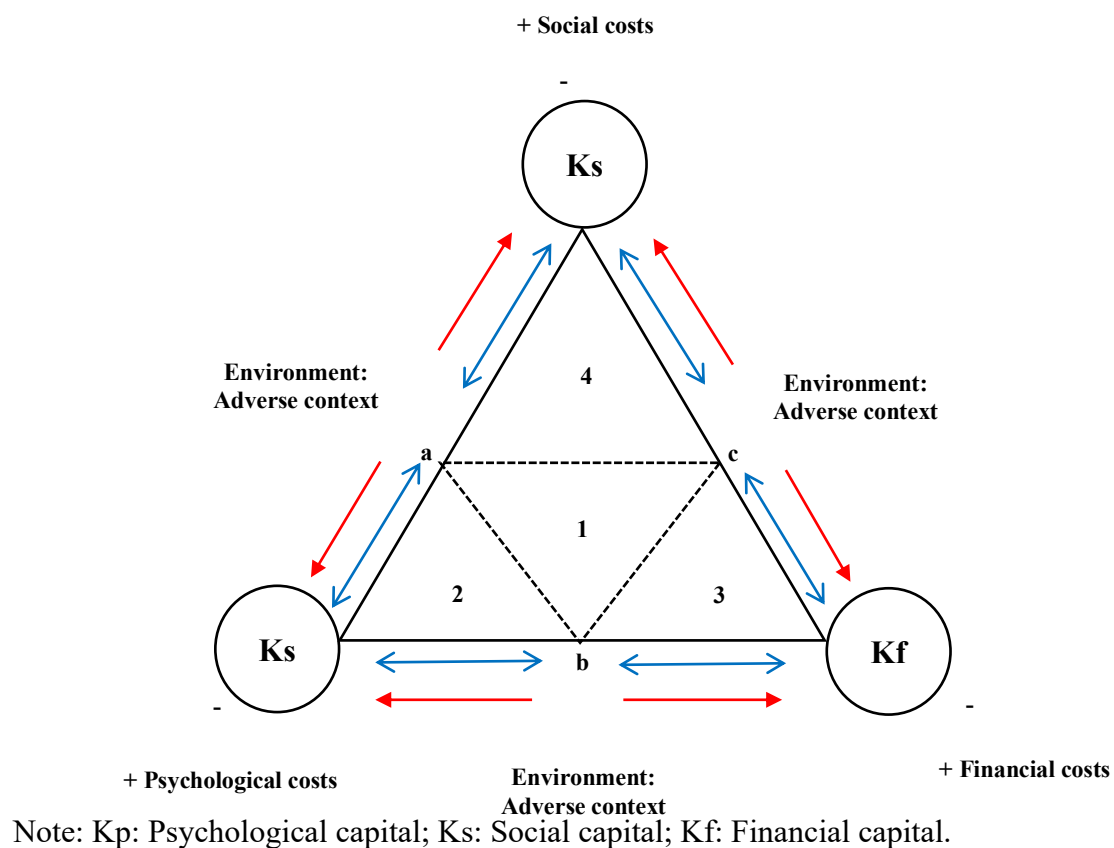
**Figure 2.7:** Conceptual framework of Crisis Management and Business Failure Recovery

## Processes

Source: Authors

<sup>2</sup> Examples of serious situations include irreversible cognitive impairment, court proceedings and/or prison sentences, some form of irreversible physical disability, irreconcilable family problems, suicide or suicide attempts, ongoing discrimination/judgement/social stigma, etc.

Due to the importance and attention that the literature analysed gives to the negative impacts of crises/failure, as well as the different decisions, actions, tactics that the organisation (and the individual) undertakes to deal with these impacts (Bundy et al., 2017; Herbane, 2010; Lattacher & Wdowiak, 2020; Shepherd et al., 2009; Ucbasaran et al., 2013) is that we choose to propose a theoretical model that, in a simple and graphic way, explains these complex interactions; and that perhaps, facilitates the prediction of the decisions that the organisation, as well as the individual, makes after they overcome the crisis/failure. This is inspired by the "balancing financial and emotional costs" work of Shepherd et al. (2009).



**Figure 2.8:** Individual and organisational determinants of entrepreneurial re-entry after a business failure and crisis management (A conceptual framework of negative impacts balancing).

Source: Authors

So, Figure 2.8 conceptually represents the individual and the organisational determinants of entrepreneurial re-entry after a business failure and crisis management. The peripheral triangle represents the dynamic/complex view of the phenomenon. In this view, there is a certain balance in the overall structure of a business or the way an entrepreneur organises his/her life; economically speaking. The overall structure (peripheral triangle) represents the following three capitals: Psychological capital (Kp)<sup>3</sup>, financial capital (Kf), and social capital (Ks).

In terms of balancing the negative impacts, caused by crisis, on an organisational view, previous literature emphasises two perspectives of organisational crisis management, one internal and one external (Bundy et al., 2017). In the internal perspective, the most highlighted issue is the role of leadership and human capital in resolving a crisis; and in the external perspective, the management of expectations, impressions, and links with stakeholders are relevant (Bundy et al., 2017). In this model, leadership and human capital are considered within Kp; and stakeholders within Ks. The points "a, b, and c" represent the organisation's equilibrium with respect to the combinations between Ks, Kp, and Kf. Also, the inner triangles (1, 2, 3, and 4) represent other sub-structures<sup>4</sup> of the organisation, which support the overall structure and facilitate the organisation's equilibrium with respect to Kp, Ks, and Kf.

The blue arrows, in two directions, represent the contribution of the different capitals to the equilibrium of the company and these arrows represent the interdependence existing between the different capitals. The red arrows represent the threats to equilibrium, or potential imbalances, in the overall structure of the firm, associated with the different capitals. There is

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<sup>3</sup> We understand psychological capital to represent the cognitive and emotional capacity of an individual, which enables him or her to perform adequately in a defined context. We can also associate Kp with the concept most commonly used in the entrepreneurship literature, namely "human capital" (Becker, 1993).

<sup>4</sup> As an example (although our ideas can be supported theoretically): triangle 1 represents the purpose or mission of the organisation, triangle 2 represents the management mode (Plan/leadership/business direction/control), triangle 3 represents the business model (how resources/revenues are generated) and triangle 4 the organisational structure of the company (Responsibilities and roles of the organisation's human capital).

also the environment, which, from our model, affects the organisation through its different capitals, positively increasing or negatively decreasing them. So, any threat from the environment can generate negative impacts (or costs) on any of the organisation's capitals. If this threat has the potential to completely undermine at least one of the organisation's capitals, then the situation can be defined as a potential crisis or "context of threat to the continuity/survival of the company".

In terms of balancing the negative impacts caused by business failure on an entrepreneur's view, previous literature exhibits a considerable consensus regarding the dual effect (negative/positive) of a business failure on an entrepreneur, who, as soon as the business failure has occurred, suffers significant negative effects (Byrne & Shepherd, 2015; Shepherd, 2003; Shepherd et al., 2009), but after a period, through a process of reflection and awareness, it is possible for them to achieve important lessons that help them to face their future work/entrepreneurial career in a better way, even with a good chance of achieving better performance (Cope, 2011; Lattacher & Wdowiak, 2020; Walsh & Cunningham, 2017).

In this conceptual framework (Figure 2.8), the impacts of business failure seriously threaten to collapse the life/wellbeing structure of the individual (e.g., psychological costs that can translate into diminished self-esteem significantly undermine  $K_p$ ). Also, family problems following a process of business failure, or problems with investment partners, negatively affect both  $K_s$  and  $K_f$ . These impacts cause the points "a, b, and c" to move drastically, destabilising the well-being structure of the person, because one or more of the capitals ( $K_s$ ,  $K_p$ , and  $K_f$ ), which configured the well-being situation of the entrepreneur prior to the business failure, have been undermined. In this scenario, the entrepreneur can see his or her overall well-being completely undermined, due to losses in all his or her capitals, or try, as the empirical evidence shows (Corner et al., 2017; Guerrero & Espinoza-Benavides, 2021b; Williams et al., 2019) to overcome his or her state of loss, balancing the negative impacts, and what remains of capital,

to reconfigure a minimum well-being structure that allows him or her to move towards a recovery phase (Cope, 2011).

So far, we have proposed three conceptual frameworks (Figures 2.6, 2.7 and 2.8) related to the determinants of re-entrepreneurship and its relationship with crisis management, which allows us to fulfil the SO1 of this thesis. Now, we must define how to find the empirical evidence that allows us to verify these conceptual ideas that have resulted from the bibliometric analysis, content analysis, and cross-learning analysis.

Thus, in the following chapter 3, a mixed methodological strategy is proposed to collect and analyse the empirical evidence, because the proposed conceptual frameworks are different in nature. For, on the one hand, it is necessary to quantitatively test the framework proposed in Figure 2.6 and its three hypotheses (to fulfil SO2 of this thesis); but, on the other hand, the frameworks defined in Figures 2.7 and 2.8 require a more qualitative approach, whose empirical evidence helps to prove at least the general proposition put forward, but also the qualitative approach should allow a "new" frame of reference to emerge from an inductive approach (to fulfil SO3 of the thesis). And this new inductive frame of reference, in the end, should be compared/contrasted with the conceptual frameworks represented in Figures 2.6, 2.7, and 2.8; to reach the main conclusions of this work.

## **CHAPTER 3: A MIXED METHODOLOGY APPROACH**

### **3.1 Mixed Methodological Approach**

Following the recommendations for future research from several previous research works (Lattacher & Wdowiak, 2020; Lee, Wiklund, et al., 2021; Tipu, 2020; Ucbasaran et al., 2013), a mixed research process, by combining qualitative and quantitative methods allows a better understanding of complex phenomena that involve multiple levels of analysis, stages, and determinants. To achieve the SO2 of this dissertation, quantitative methods allow us to test the determinants of entrepreneurial re-entries after a business failure across different countries. In this view, it is possible to globally test the proposed hypotheses by building a panel using secondary data sources (Global Entrepreneurship Monitor -GEM-, the World Economic Forum, the World Bank, and the International Monetary Fund). Then, to achieve the SO3 of this dissertation, qualitative methods allow an in-depth understanding of the entrepreneurial re-entry process derived from a business failure and crisis management (e.g., external shake-out events). In concrete terms, grounded theory and case study methods allow us to understand when most of the events and activities under study have already occurred, and the outcomes of these events and activities are known (Eisenhardt, 1989; Yin, 2003).

### **3.2 Quantitative Methodology**

#### ***3.1.1. Sample***

Prior studies have underlined the absence of data to study stigmatisation and business failure, as well as the phenomenon of re-entry in emerging economies (Amankwah-Amoah, 2018; Koçak et al., 2010; Shepherd & Haynie, 2011; Singh et al., 2015). To test the proposed hypotheses, we have chosen a panel data analysis set up to identify re-entry determinants and patterns across a range of economies. We built a panel data from 2004-2017, which considers 54 countries from different regions of the world, resulting in a total of 756 observations. The

combined data comes from different sources of information: Global Entrepreneurship Monitor (GEM), the World Economic Forum, the World Bank and the International Monetary Fund.

### ***3.1.2. Dependent variables***

Table 3.1 presents the operational definition of the variables under study, permitting us to evaluate the posited hypotheses, also pointing out the source of information and the prior research that used these variables in a similar way. To measure entrepreneurial activity, two dependent variables were constructed, based on the GEM Adult Population Survey (APS) database and on previous studies (Guerrero & Peña-Legazkue, 2019; Hessels et al., 2011). For the construction of these variables, the total entrepreneurial activity (TEA) indicator disaggregated per the quality of entry (necessity or opportunity) and per country was used.

According to Reynolds et al., (2005), TEA measures the percentage of the adult population, between 18 and 64 years, creating a new venture with less than 42 months. Following Guerrero & Peña-Legazkue (2019), this measure was adjusted using other variables included in the APS survey that consider information on business exits (e.g., sale or discontinuance) during the last year. This setting means extracting the percentage of entrepreneurs who have discontinued a business in the past 12 months, for reasons associated with adverse situations such as lack of profitability and lack of funding, from each country's TEA. Then a percentage, by country, is obtained of entrepreneurs beginning a new venture but have recently closed another one. After this correction, our variable new entries represents the percentage of the adult population that have carried out an entrepreneurial activity with less than 42 months determinants motivated by necessity or opportunity without any business exit antecedent in the past 12 months. Alternatively, our variable re-entries is the percentage of the adult population that have launched a new entrepreneurial venture with less than 42 months driven by necessity or opportunity with a business exit antecedent in the previous calendar year.

**Table 3.1: Description of variables**

| Dimension                                   | Variable                            |                        | Description                                                                                                                                                                                            | Source                                                           | Ref.                                                    |
|---------------------------------------------|-------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------|
| Dependent variable                          | Entry                               | TEA-Opportunity        | Percentage of the adult population that has created a new entrepreneurial activity with less than 42 months motivated by an opportunity without any business exit antecedent in the last twelve months | APS (GEM)                                                        | Stam et al., 2008; Hessel et al., 2011, Fu et al., 2018 |
|                                             |                                     | TEA-Necessity          | Percentage of the adult population that has created a new entrepreneurial activity with less than 42 months motivated by a necessity without any business exit antecedent in the last twelve months    |                                                                  |                                                         |
|                                             | Re-entry                            | Re-entry - Opportunity | Percentage of the adult population that has created a new entrepreneurial activity with less than 42 months motivated by an opportunity with business exit antecedent in the last twelve months        |                                                                  |                                                         |
|                                             |                                     | Re-entry-Necessity     | Percentage of the adult population that has created a new entrepreneurial activity with less than 42 months motivated by a necessity with business exit antecedent in the last twelve months           |                                                                  |                                                         |
| Formal Conditions/Entrepreneurial ecosystem | Financial support                   |                        | Financial environment related with entrepreneurship                                                                                                                                                    | NES <sup>5</sup> (GEM), Doing Business <sup>6</sup> (World Bank) | Vaillant & Lafuente, 2007; Fu et al., 2018              |
|                                             | Governmental policy                 |                        | Government concrete policies, priority, and support                                                                                                                                                    |                                                                  |                                                         |
|                                             | Government regulations              |                        | Government policies bureaucracy, taxes                                                                                                                                                                 |                                                                  |                                                         |
|                                             | Governmental programs               |                        | Government programs                                                                                                                                                                                    |                                                                  |                                                         |
|                                             | Primary entre. education            |                        | Entrepreneurial education at primary and secondary                                                                                                                                                     |                                                                  |                                                         |
|                                             | Post entre. education               |                        | Entrepreneurial education at college and university                                                                                                                                                    |                                                                  |                                                         |
|                                             | R&D transference                    |                        | R&D level of transference                                                                                                                                                                              |                                                                  |                                                         |
|                                             | Professional infrastructure         |                        | Professional and commercial infrastructure access                                                                                                                                                      |                                                                  |                                                         |
|                                             | Internal dynamics                   |                        | Internal market dynamics                                                                                                                                                                               |                                                                  |                                                         |
|                                             | Internal burdens                    |                        | Internal market burdens                                                                                                                                                                                |                                                                  |                                                         |
| Societal perception about entrepreneurship  | Desirable career (DC)               |                        | Percentage of people who consider that starting a new business is a desirable career choice                                                                                                            | APS (GEM)                                                        | Bosma, 2013                                             |
|                                             | Status and respect (SR)             |                        | Percentage of people who consider that successful new entrepreneurs have a high level of status and respect                                                                                            |                                                                  |                                                         |
|                                             | Media attention (MA)                |                        | Percentage of people who consider that the public media or internet often shows stories about successful new businesses                                                                                |                                                                  |                                                         |
| Individual human and social capital         | Higher education (HE)               |                        | Percentage of people that possess a college degree                                                                                                                                                     | APS (GEM)                                                        | Stam et al., 2008; Amaral et al., 2011; Fu et al., 2018 |
|                                             | Skills and Knowledge (SK)           |                        | Percentage of people that recognize that they possess knowledge, skill, and experience required to start a new business                                                                                |                                                                  |                                                         |
|                                             | Business angel experience (BAE)     |                        | Percentage of people that recognize that in the past three years, they personally provided funds for a new business started by someone else, excluding any purchases of stocks or mutual funds         |                                                                  |                                                         |
|                                             | Know entrepreneurs (KE)             |                        | Percentage of people that recognize that they know someone personally who started a business in the past 2 years                                                                                       |                                                                  |                                                         |
| Control variables                           | Individual                          | Fear of failure        | Percentage of people that perceive that fear of failure would prevent starting a business                                                                                                              | APS (GEM)                                                        | Bosma, 2013; Fu et al., 2018                            |
|                                             |                                     | Age                    | Age (in years)                                                                                                                                                                                         |                                                                  |                                                         |
|                                             |                                     | Gender                 | Male                                                                                                                                                                                                   |                                                                  |                                                         |
|                                             | Country (instrumental for ln GDPpc) | Temperature            | Annual average temperature                                                                                                                                                                             | World Bank                                                       | Edwards et al., 2004; Dell et al., 2012                 |
|                                             |                                     | Rainfall               | Average annual rainfall                                                                                                                                                                                |                                                                  |                                                         |

Source: Authors

<sup>5</sup> Score weighted from 1 to 5 according to various items measured on a Likert scale. For each country and respective year.

### **3.1.3. Explanatory variables**

For the first explanatory variable, which is related to the entrepreneurial ecosystem “formal conditions” and is generated from the GEM National Experts Survey (NES) data set and the Doing Business Survey (World Bank), we defined the formal ecosystem determinants of entrepreneurial entries and re-entries (Fu et al., 2018; Stam, 2015; Ucbasaran et al., 2006; Vaillant & Lafuente, 2007)<sup>7</sup>. To complement this, we also added the entrepreneurial ecosystem informal conditions (societal perception) in relation to entrepreneurship through the APS GEM data set (Bosma, 2013; Meek et al., 2010). Societal perceptions are measured with a set of three variables that capture: The percentage of the population who consider that starting a new business is a desirable career choice (desirable career); the percentage of the population who consider that successful entrepreneurs have a high level of status and respect in the society (status and respect); and the percentage of the population who consider that the media often shows stories about successful new business (media attention).

The second explanatory variable is social capital (Amaral et al., 2011; Fu et al., 2018; Hessels et al., 2011). Starting from an APS GEM data set, social capital is measured by a set of variables that capture the percentage of the population that recognizes that they know entrepreneurs that have started a business in the past two years (know entrepreneurs); the percentage of the population of each country that recognizes that they have that provided funds for a new business started by someone else in the past three years (business angel experience); the percentage of the population that in the past has had an entrepreneurial experience (entrepreneurial experience). This last set of human capital, agents, and links represent the

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<sup>6</sup> Weighted score of an indicator between 1 and 100 calculated from 10 standardised items. For each country and respective year.

<sup>7</sup> To avoid collinearity problems, we treated these formal environmental conditions as a factorial analysis that includes the contribution of the following elements of an entrepreneurial ecosystem per country: financial support; governmental policies, programs, regulations; primary/post-education; research and development (R&D) transference; professional and physical infrastructure; and internal market dynamics (See Appendix 2.2).

network available to entrepreneurs in each country (Neumeyer et al., 2019). GEM's APS and NES indicators are statistically reliable (Reynolds et al., 2005).

#### ***3.1.4. Control variables***

We took into account a set of control variables: higher education measures the average of a college degree of the population per country; skills and knowledge measures the average of the population per country that recognizes that they possess the skills and knowledge required to start a new business; age measures the average age of the population per country; gender measured as the percentage of the population that indicated that they are a man; and fear of failure measured as the percentage of the population per country that says they do not start a new business because of fear of failure (Reynolds et al., 2005, p. 216), in addition to instrumental variables at country level (temperature and/or raining) to control country effects, as well as reducing the inverse relationship between entrepreneurship and gross domestic product (GDP) (Dell et al., 2012; Edward et al., 2004). This aspect is practically not considered in studies on entrepreneurial activity that consider GDP or its annual growth rate as a control variable. For the analysis of emerging economies, the Global Competitiveness Index of the World Economic Forum was used to characterize each country per region and income level. In concrete terms, we differentiate advanced economies from advanced economies and emerging economies located in Latin America, Europe, and Asia (Hessels et al., 2011).

#### ***3.1.5. Data analysis***

The statistical analysis chosen was the fixed-effect dynamic generalized method of moments (GMM) estimation for panel data because it allows the researchers to control the heterogeneity of the different analysed countries that are not explained by the defined independent and control variables. This analysis is also recommended for data panels with many individuals and few periods, as our sample is (Arellano & Bover, 1995). Moreover, the analysis was disaggregated by necessity-based entry/re-entry (Model 1) and opportunity-based

entry/re-entry (Model 2). Table 3.2 shows the descriptive statistics and Table 3.3 shows the correlation analysis. An additional robustness test was included in our econometric model.

**Table 3.2:** Descriptive statistics

| Variable                  | Middle-Income |           |        |         | High-income |           |        |         |
|---------------------------|---------------|-----------|--------|---------|-------------|-----------|--------|---------|
|                           | Mean          | Std. Dev. | Min    | Max     | Mean        | Std. Dev. | Min    | Max     |
| TEA-Necessity             | 0.060         | 0.044     | 0.007  | 0.270   | 0.005       | 0.005     | 0.000  | 0.030   |
| TEA-Opportunity           | 0.017         | 0.017     | 0.000  | 0.102   | 0.027       | 0.014     | 0.005  | 0.085   |
| Re-entry-Necessity        | 0.005         | 0.005     | 0.000  | 0.033   | 0.001       | 0.002     | 0.000  | 0.009   |
| Re-entry-Opportunity      | 0.011         | 0.012     | 0.000  | 0.075   | 0.004       | 0.003     | 0.000  | 0.021   |
| Formal Conditions (FC)    | -0.268        | 0.934     | -1.462 | 4.135   | 0.122       | 0.985     | -1.155 | 4.967   |
| Desirable career (DC)     | 0.714         | 0.113     | 0.312  | 0.924   | 0.584       | 0.119     | 0.165  | 0.876   |
| Status and respect (SR)   | 0.711         | 0.097     | 0.333  | 0.870   | 0.680       | 0.100     | 0.386  | 0.885   |
| Media attention (MA)      | 0.675         | 0.131     | 0.210  | 0.863   | 0.553       | 0.128     | 0.224  | 0.859   |
| Higher Education (HE)     | 0.288         | 0.395     | 0.177  | 0.379   | 0.478       | 0.372     | 0.320  | 0.502   |
| Skills and knowledge (SK) | 0.548         | 0.156     | 0.116  | 0.922   | 0.469       | 0.113     | 0.092  | 0.793   |
| Business angel exp. (BAE) | 0.052         | 0.037     | 0.004  | 0.206   | 0.040       | 0.023     | 0.002  | 0.158   |
| Known entre (KE)          | 0.421         | 0.105     | 0.201  | 0.748   | 0.359       | 0.096     | 0.140  | 0.680   |
| Fear failure (FF)         | 0.648         | 0.092     | 0.387  | 0.946   | 0.605       | 0.105     | 0.263  | 0.859   |
| Gender-male               | 0.487         | 0.045     | 0.371  | 0.709   | 0.477       | 0.042     | 0.281  | 0.723   |
| Age                       | 38.591        | 2.885     | 30.50  | 47.376  | 43.430      | 3.786     | 31.863 | 55.949  |
| Temperature               | 18.032        | 8.167     | -5.668 | 27.225  | 11.513      | 6.396     | 0.042  | 28.175  |
| Rainfall                  | 108.35        | 75.525    | 11.047 | 309.848 | 80.345      | 41.088    | 2.155  | 262.410 |

Note: We divided these economies per income: High income and Middle Income.<sup>8</sup>

Source: Authors

**Table 3.3:** Correlation matrix

| Variables                    | 1        | 2        | 3        | 4        | 5        | 6        | 7        |
|------------------------------|----------|----------|----------|----------|----------|----------|----------|
| 1 TEA-Necessity              | 1        |          |          |          |          |          |          |
| 2 TEA-Opportunity            | 0.9133*  | 1        |          |          |          |          |          |
| 3 Re-entry-Necessity         | 0.9316*  | 0.8576*  | 1        |          |          |          |          |
| 4 Re-entry-Opportunity       | 0.9783*  | 0.8860*  | 0.8398*  | 1        |          |          |          |
| 5 Desirable career (DC)      | 0.4281*  | 0.4298*  | 0.3968*  | 0.4200*  | 1        |          |          |
| 6 Status and respect (SR)    | 0.2797*  | 0.2911*  | 0.2568*  | 0.2745*  | 0.3552*  | 1        |          |
| 7 Media attention (MA)       | 0.4433*  | 0.4172*  | 0.3722*  | 0.4589*  | 0.3587*  | 0.4303*  | 1        |
| 8 Skills and knowledge (SK)  | 0.5815*  | 0.5737*  | 0.5377*  | 0.5672*  | 0.5665*  | 0.2961*  | 0.3435*  |
| 9 Fear failure (FF)          | 0.2655*  | 0.2472*  | 0.2235*  | 0.2701*  | 0.1295*  | 0.0995*  | 0.3107*  |
| 10 Known entre (KE)          | 0.4887*  | 0.4843*  | 0.4189*  | 0.4948*  | 0.2671*  | 0.3203*  | 0.3857*  |
| 11 Business angel exp. (BAE) | 0.7190*  | 0.7332*  | 0.6145*  | 0.7312*  | 0.2964*  | 0.2104*  | 0.2747*  |
| 12 Formal Conditions (Fc)    | -0.1001* | -0.1150* | -0.1230* | -0.0817* | -0.2273* | -0.0554* | 0.1020*  |
| 13 Gender-male               | 0.0472*  | 0.1015*  | -0.0007  | 0.0646*  | -0.0486* | 0.0871*  | 0.1113*  |
| 14 Education (HE)            | -0.3953* | -0.3963* | -0.4094* | -0.3619* | -0.3815* | -0.1063* | -0.2217* |
| 15 Age                       | -0.4610* | -0.4626* | -0.4340* | -0.4472* | -0.3120* | -0.2420* | -0.2365* |
| 16 Temperature               | 0.3560*  | 0.3797*  | 0.3154*  | 0.3543*  | 0.3805*  | 0.1055*  | 0.3380*  |
| 17 Rainfall                  | 0.1171*  | 0.0847*  | 0.1028*  | 0.1230*  | 0.1415*  | -0.0507* | 0.3389*  |

<sup>8</sup> The middle-income group is integrated by European emerging economies (Romania, Turkey, Bosnia and Herzegovina, Macedonia), Latin America and the Caribbean emerging economies (Argentina, Brazil, Colombia, Ecuador, Guatemala, Jamaica, Mexico, Panama, Peru) and Asian emerging economies (Asia: China, India, Indonesia, Malaysia, Philippines, Thailand).

The high-income group is integrated by advanced economies (Australia, Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Netherlands, Norway, Portugal, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom, United States), European emerging economies (Croatia, Hungary, Poland) and Latin America and the Caribbean emerging economies (Chile, Barbados, Trinidad & Tobago, Uruguay).

|                             | 8        | 9        | 10       | 11       | 12       | 13       | 14       |
|-----------------------------|----------|----------|----------|----------|----------|----------|----------|
| 8 Skills and knowledge (SK) | 1        |          |          |          |          |          |          |
| 9 Fear failure (FF)         | 0.3259*  | 1        |          |          |          |          |          |
| 10 Known entre (KE)         | 0.5029*  | 0.2179*  | 1        |          |          |          |          |
| 11 Business angel (BA)      | 0.4823*  | 0.1735*  | 0.4749*  | 1        |          |          |          |
| 12 Formal Conditions (Fc)   | -0.1927* | -0.0549* | -0.0804* | -0.0076  | 1        |          |          |
| 13 Gender-male              | -0.0134  | -0.0411* | 0.1364*  | 0.1781*  | 0.0973*  | 1        |          |
| 14 Education-college        | -0.4038* | -0.1830* | -0.2439* | -0.2447* | -0.0786* | 0.1600*  | 1        |
| 15 Age                      | -0.3359* | -0.0326* | -0.4088* | -0.3152* | -0.3045* | 0.3992*  | 0.1381*  |
| 16 Temperature              | 0.4647*  | 0.1731*  | 0.1313*  | 0.1631*  | 0.1615*  | -0.4664* | -0.5259* |
| 17 Rainfall                 | 0.2144*  | 0.1827*  | 0.0934*  | -0.0107  | -0.0365* | -0.3120* | -0.1993* |
|                             | 15       | 16       | 17       |          |          |          |          |
| 15 Age                      | 1        |          |          |          |          |          |          |
| 16 Temperature              | -0.0645* | 1        |          |          |          |          |          |
| 17 Rainfall                 | -0.0268  | 0.5118*  | 1        |          |          |          |          |

Source: Authors

### **3.3 Qualitative Methodology: Grounded theory and multiple cases**

This research considers a particularly adverse context and at the same time the possibility of accessing quality data to answer the research questions and find evidence related to the general proposition (Figure 2.7). Given this, the adverse context faced by entrepreneurs in Chile during 2020 seems appropriate due to the impact of two events that occurred together, on the one hand the covid-19 pandemic and, on the other hand, the social crisis that arose at the end of 2019 and whose consequences extended into 2020. The pandemic alone caused 62.4% of Chilean companies to reduce their sales between 2019-2020, with smaller companies, which on average reduced their sales by 37.5% and their workforce by 21.2% (MINECOM-Chile, 2021), being the most affected. And, by 2020, it was estimated that around 15,000 smaller firms had been directly affected by the social crisis and that around 100,000 such firms were indirectly at risk of closure (Muñoz et al., 2020). In addition to those mentioned in the previous paragraph, in relation to the opportunity to obtain quality data relevant to our Research Objective 3, we considered a group of re-entrepreneurs that we met during the implementation of a consultancy project carried out in 2018 (Díaz-Valenzuela, et al., 2018). These people had small businesses that were operating in the metropolitan city called “Concepción” (south-central zone of Chile), which besides being the second most populated city in Chile (about 1 million residents), is an area that has been especially affected by other adverse events, for example, an earthquake and tsunami (year 2010), a mega-forest fire (year 2017), and a tornado (year 2019).

The challenge of adequately linking the difficult times that smaller companies and entrepreneurs in Chile experienced during 2020 with the privileged access to a group of 40 re-entrepreneurs of an area that made the adverse context more attractive, led to the conclusion that we had to apply mixed qualitative research strategies by combining grounded theory (Glaser & Strauss, 1967) and the multiple case study approaches (Eisenhardt, 1989; Yin, 2014).

Given the nature of this research, qualitative methods are the most appropriate because the aim is to build theory (Miles et al., 2014), the phenomenon being analyzed is dynamic, and it is a matter of understanding certain subjects within their frame of reference (Mertens, 2012). Although expert opinion indicates that the combined use of qualitative research strategies is unusual (Pratt, 2009), we considered that what Mertens (2012) highlights, regarding the dynamics of the phenomena under study, justifies our decision because, on the one hand, the great uncertainty generated by the two adverse events forced us to have a cross-sectional perspective to capture this information and thus to better analyze their impacts, which is usually more relevant for case studies than for grounded theory (Miles et al., 2014; Patton, 2002) and, on the other hand, it was also necessary to have a retrospective look at the previous history of the re-entrepreneurs (and previous adverse events) which can be better analyzed in depth from a grounded theory perspective (Glaser & Strauss, 1967). However, in the following points we provide more details that clarify the combined use of both qualitative research strategies.

### ***3.3.1. Sampling and data collection***

The unit of analysis is individuals with entrepreneurial experience, but this study also considers the organizational and contextual dimensions (both current and past), since according to Patton (2002, p. 397) “different units of analysis are not mutually exclusive”. This multi-level (individual, organisational, and territorial-context) and inter-temporal perspective of the study units lead to an integrated view of three different types of purposive sampling strategies (Patton, 2002), which are described and justified in more detail below. We first consider a sample based on group characteristics, specifically what Patton (2002, p. 407) defines as “key informants”, which as applied to this study is associated with the database of 40 re-entrepreneurs who are highly knowledgeable about the experience of having failed in one or more businesses and then starting a new one. As it is unusual to have a database of such entrepreneurs; and given the research questions justified in the introduction of this manuscript,

we considered it appropriate to select a sample of re-entrepreneurs from this database that would further the achievement of the OS3 of this thesis.

To determine the sample of re-entrepreneurs, in addition to the criterion of being a “key informant”, we considered the time limit (and also financial resources) imposed by the concurrent adverse context (pandemic and social crisis) and, as the aim was to try to capture data as simultaneously as possible for all the cases in the final sample of the research, a calendar month (August 2020) was proposed to collect the relevant information from all cases and thus control as best as possible the high dynamism of the adverse context, under the cross-cutting approach (Marshall & Rossman, 2011). Then, in addition to the task of controlling for the concurrent context for this group of key informants, there was the challenge of assessing if those re-entrepreneurs would show learned behaviors during adverse contexts, which would differentiate them from other types of entrepreneurs. Thus, it was necessary to also apply a type of sampling that Patton (2002, p. 405) defines as a “comparison-focused sampling (specifically the strategy called matched-comparisons), which allows us to compare cases that differ significantly on some dimension of interest to understand what factors explain the differences”. In this study the dimension was whether or not they had previous experience of business failure before the events of the pandemic and social crisis occurred in Chile. Therefore, it was determined that this study would be composed of two groups, one a group of re-entrepreneurs (RE) or key informants; and the second a group of entrepreneurs with no experience of business failure (NRE) or matched-group.

Two sampling techniques are relevant to the multiple case method (Yin, 2014) because of the possibility of contrasting information and employing different forms of data triangulation (Miles, et al. 2014), under the assumption that there is a comprehensive conceptual frame of reference for the phenomena under study, which allows for a mainly deductive analysis of the empirical evidence (Yin, 2014). But this was not the situation when we set out to conduct the

fieldwork during 2020. Therefore, in the absence of a comprehensive conceptual framework, it was felt necessary to consider a third sampling strategy, which would enable us not only to construct new theory from deduction (Yin, 2014), but also to complement our theory building from an inductive perspective, so the sampling strategy that Patton (2002, p. 407) defines as "inductive grounded and emergent theory sampling", which is typical of grounded theory (Glaser & Strauss, 1967), was identified.

To arrive at the final sample, we considered the three strategies and especially the turbulent context of Chile during 2020, as it was necessary to adjust the fieldwork plan on more than one occasion due to the difficulties that the pandemic was generating to meet people face-to-face during that year. In addition, the main socio-political consequence of the social crisis at the end of 2019 was the definition of an entrance plebiscite to approve or reject the idea of changing the current constitution of the Republic of Chile, a democratic instance that had been set for the month of April 2020, but due to the pandemic was postponed to 25 October 2020. Thus, the fieldwork plan was adjusted to be carried out as soon as possible before the October 2020 plebiscite, to capture that uncertainty in the research, as it was clear that the environment would be very different depending on the outcome of the vote. We then concluded that we should concentrate our primary source data collection during August 2020, which meant a couple of months lead time to contact potential key informants and matched-group participants, while also being within two months of the plebiscite. These time limits, previous fieldwork experience, and guidance from the literature (Miles et al., 2014; Patton, 2002) suggested that a total number of 20 interviews would be ideal. This implied defining exactly 10 cases of re-entrepreneurs (RE) and 10 cases of the matched-group (NRE).

Having defined the ideal number of cases and our time limits for the fieldwork, we took as a starting point the group of 40 re-entrepreneurs who participated in the consultancy project mentioned above (Díaz-Valenzuela, et al., 2018). Regarding this group, it is important to

highlight that it is very difficult to access this type of entrepreneurs, as public databases usually do not explicitly report who are the people who have had business failures, and it is also necessary to have the trust of the potential interviewees to ensure the quality of the information they provide to the research (Cope, 2011; Guerrero & Espinoza-Benavides, 2021a; Williams, et al., 2019). On the other hand, to avoid bias in the sample as much as possible, the best effort was made to make the group of re-entrepreneurs (key informants) as diverse as possible, following a criterion applied in similar and recently published research (e.g., Mahto et al., 2022) for which we considered the following variables: Gender, age of the entrepreneur, educational level, size, sector, and age of the businesses.

This criterion of variety determined that we could configure a group of up to 8 potential re-entrepreneurs to interview, as the group of 40 participants in the consultancy project had a clear age bias (average age 50) and was mainly made up of women. For this reason, we decided to include in our sample of re-entrepreneurs three people who participated as mentors/collaborators in this consultancy project, as they had re-entrepreneurial experience and helped us to improve the variety of the sample of key informants (2 men and 1 woman) and to ensure a base number of respondents in case we were unable to interview any of the 40 RE during August. The woman we added as a key informant was chosen creatively and strategically (Pratt, 2009); in line with our sample design and combination of qualitative methodologies, to fulfil several roles in our research process, which we will discuss below.

RE01 was the first person contacted after having defined the mixed sample design strategy, as she knew most of the 40 re-entrepreneurs in our original database and, on the other hand, during 2020, she was elected member of the management team of a trade association of smaller businesses in the city of Concepción (Chile), an organisation that brought together more than 300 businesses in the area that year. Therefore, first, we explained in general terms the objectives of our research, told her about the profiles of both groups (RE and NRE), and

asked her for help so that once we had finalized the interview with the first RE we could locate someone within the trade association who had a similar profile (but without previous business failure experience) to interview them in succession; and so on throughout the month of August, until we had completed 10 RE cases and 10 NRE cases. In this way we were able to integrate the perspective of sampling based on a matched-group (Patton, 2002) with the theoretical sampling that mainly seeks the saturation of codes on one or several research topics (Corbin & Strauss, 2014).

Table 3.4 shows the general profile of the 20 entrepreneurs who ultimately formed part of this study, subject to the consent of each one, and keeping their identities anonymous. Table 3.4 allows us to corroborate a balance in the dimensions of gender, educational level, size, and age of the businesses between the RE-group and the NRE group. Even so, a perfect complementarity in terms of the generational cohort of entrepreneurs was not achieved, as a decision was made based on the theoretical sample saturation criterion (Corbin & Strauss, 2014) that will be explained in the section on data analysis. Regarding the sector, there are eight service companies, one commercial company, and one food and beverage company in each group. In addition, Table 3.4 reports a brief description of the product-services of each business and the sequencing of the interviews, as well as presenting the dates when each interview was conducted and which matched cases were contrasted (RE-NRE), respectively.

**Table 3.4:** Profile of interviewees

| Code  | Sex   | Age | Education         | Sector            | Description of the main product/service           | Enterprise size | Enterprise age | Interviews Timeline          | Matched with |
|-------|-------|-----|-------------------|-------------------|---------------------------------------------------|-----------------|----------------|------------------------------|--------------|
| RE01  | Woman | 51  | Higher Technical  | Service           | Event production                                  | Small           | 9              | 1 <sup>st</sup> (July 29)    | NRE16        |
| RE02  | Woman | 60  | Higher University | Food and beverage | Production of healthy snacks                      | Micro           | 1.5            | 17 <sup>th</sup> (Sept 01)   | NRE18        |
| RE03  | Man   | 41  | Postgraduate      | Service           | Consultancy on social projects                    | Micro           | 1              | 15 <sup>th</sup> (August 27) | NRE12        |
| RE04  | Man   | 52  | Higher University | Service           | Formulation of public/private projects            | Micro           | 2              | 19 <sup>th</sup> (Sept 01)   | None         |
| RE05  | Man   | 36  | Higher University | Service           | Software development to educational organizations | Micro           | 4              | 13 <sup>th</sup> (August 22) | NRE19        |
| RE06  | Woman | 52  | Higher Technical  | Service           | Audiovisual production company                    | Small           | 10             | 3 <sup>th</sup> (August 06)  | NRE15        |
| RE07  | Man   | 22  | Higher Technical  | Service           | Marketing advice to MSMEs                         | Micro           | 2              | 11 <sup>th</sup> (August 20) | NRE13        |
| RE08  | Woman | 57  | Higher Technical  | Service           | Hospice for the elderly                           | Micro           | 3              | 9 <sup>th</sup> (August 14)  | NRE17        |
| RE09  | Woman | 44  | Higher University | Service           | Catering Services                                 | Micro           | 6              | 5 <sup>th</sup> (August 10)  | NRE20        |
| RE10  | Man   | 37  | Postgraduate      | Commercial        | Trading (importer) of electronic office products  | Small-Medium    | 12             | 7 <sup>th</sup> (August 13)  | NRE14        |
| NRE11 | Man   | 28  | Higher University | Service           | Software development to educational organizations | Micro           | 2              | 20 <sup>th</sup> (Sept 03)   | None         |
| NRE12 | Man   | 40  | Higher University | Service           | Audiovisual production company                    | Micro           | 10             | 16 <sup>th</sup> (August 29) | RE03         |
| NRE13 | Man   | 23  | Higher University | Service           | Catering Services                                 | Micro           | 2              | 12 <sup>th</sup> (August 21) | RE07         |
| NRE14 | Man   | 33  | Higher University | Commercial        | Trading (importer) of products for shows/events   | Small           | 5              | 8 <sup>th</sup> (August 13)  | RE10         |
| NRE15 | Woman | 45  | Higher Technical  | Service           | Audiovisual production company                    | Micro           | 1              | 4 <sup>th</sup> (August 07)  | RE06         |
| NRE16 | Woman | 49  | Postgraduate      | Service           | Marketing and strategy communication advice       | Micro           | 1              | 2 <sup>nd</sup> (August 03)  | RE01         |
| NRE17 | Woman | 64  | High School       | Service           | Lodging-Camping Service                           | Micro           | 18             | 10 <sup>th</sup> (August 18) | RE08         |
| NRE18 | Woman | 45  | High School       | Food and beverage | Typical food restaurant                           | Micro           | 5              | 18 <sup>th</sup> (Sept 03)   | RE02         |
| NRE19 | Man   | 38  | Postgraduate      | Service           | Software development and training company         | Small           | 3              | 14 <sup>th</sup> (August 24) | RE05         |
| NRE20 | Woman | 43  | Higher Technical  | Service           | Catering Services                                 | Small-Medium    | 16             | 6 <sup>th</sup> (August 11)  | RE09         |

Note: RE= With re-entrepreneurial experience; NRE= No re-entrepreneurial experience

Source: Authors

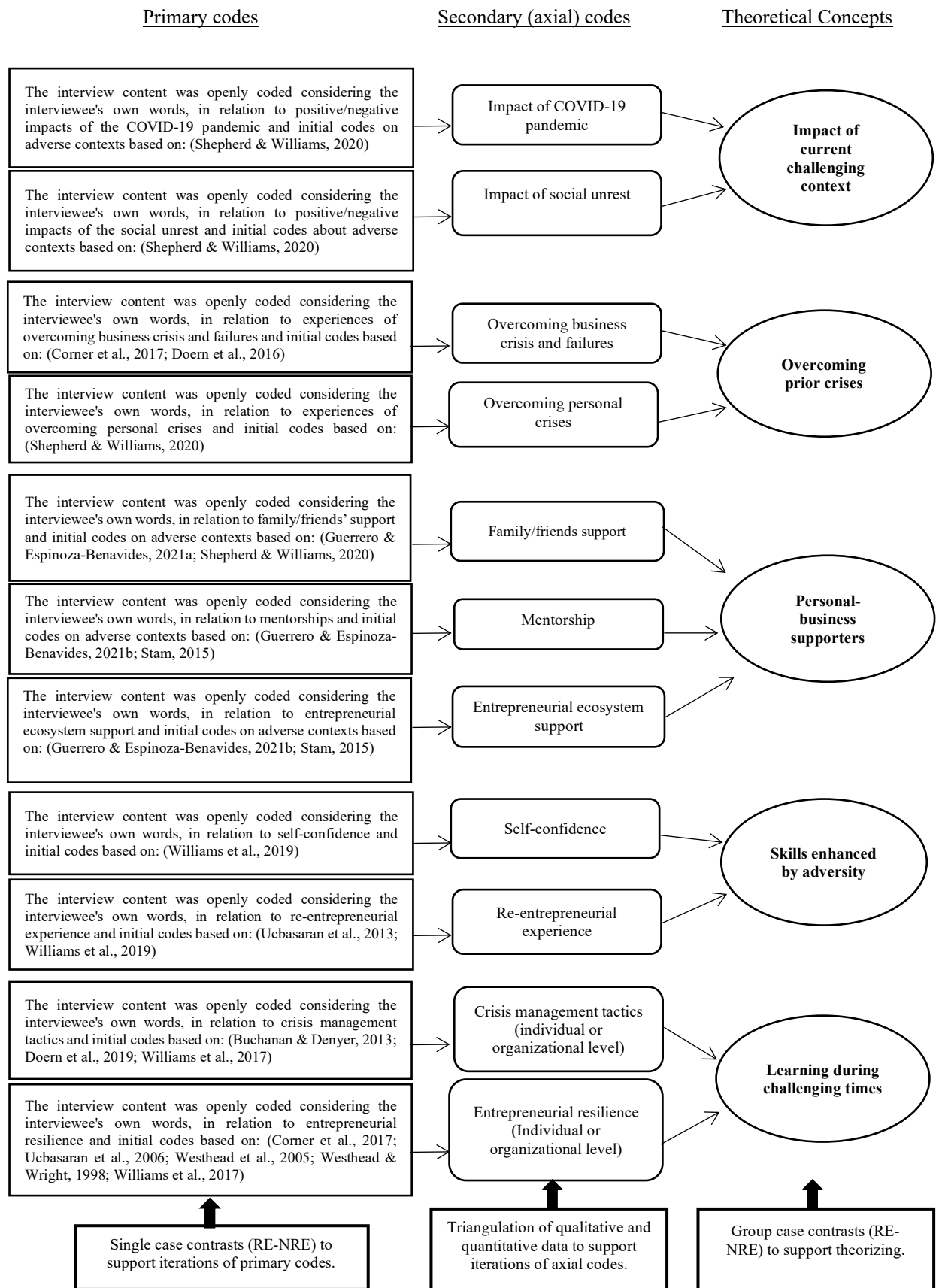
The main source of information was, therefore, the 20 in-depth interviews conducted with the 10 REs and the 10 NREs. The data collection instrument was structured considering the approaches and definitions of the variables under study proposed within some of the main research cited in the literature review. A semi-structured questionnaire was made up of 6 parts: general experience with previous crises and adverse contexts (Shepherd & Williams, 2020), crisis management (Buchanan & Denyer, 2013; Doern et al., 2019; Williams et al., 2017), entrepreneurial resilience (Corner et al., 2017; Williams et al., 2017), re-entrepreneurial experience -only applied to re-entrepreneurs- (Cope, 2011; Ucbasaran et al., 2013; Williams et al., 2020), entrepreneurial ecosystem (Guerrero & Espinoza-Benavides, 2021a; Stam, 2015), and final/open reflections. In Appendix 2.3, the fieldwork questions/script applied in each interview are presented. The twenty interviews were recorded on video, using the online meeting software “Zoom”. These interviews were transcribed textually into text documents, totaling 237 pages of written information and 34 hours of video recordings (Appendix 2. shows example evidence of the process of interview, transcribed and coding data -In Atlas TI).

As an alternative when the information collected was unclear, incomplete, or unreliable for the key informant group (RE group), an extensive secondary database of business information was used, including personal information of the re-entrepreneurs who had participated in the previous consultancy project (Díaz-Valenzuela et al., 2018). For example, there were data that were not well recorded in the interviews, such as age or even description of the business, which had to be corroborated in this previous record. In the case of the comparison group (NRE), we used as a key informant, in this case to validate information from secondary sources, the re-entrepreneur classified as RE01, because most of the interviewees in the group (NRE) belonged to the trade association that she led (7 out of 10) and the rest had been located through her personal contact networks. We also turned to RE01 when we were

unclear about individuals or some business information, for example members of her/his family or the age of the business, etc.

### **3.3.2. Data analysis**

The information from the interview process was analyzed under the four-stage constant comparison procedure (Glaser & Strauss, 1967, p. 105): “(i) comparing incidents applicable to each category, (ii) integrating categories and their properties, (iii) delimiting the theory, and (iv) writing the theory”. We describe this process by considering the guidelines and schemes proposed by Gioia et al. (2013). The coding process was complemented by triangulation analysis to identify patterns (Yin, 2014) between each singular case and between groups (RE versus NRE), thus favoring various iterations performed in the first-order coding, such as the axial coding process and finally being able to build a theory based on our findings (Eisenhardt, 1989; Corbin & Strauss, 2014). Based on the recommendations of various sources specialized in the analysis of interview content (Roulston, 2014; Toerien, 2014), as well as the process of coding information (Corbin & Strauss, 2014; Gioia et al., 2013; Miles et al., 2014), and taking into account other recent studies that have applied similar methodological approaches to this (and to similar phenomena) (Mahto et al., 2022; Shepherd & Williams, 2022; Simarasl et al., 2022). Figure 3.1 presents a general representation of the structure of coding and analysis of information to arrive at the results and theoretical model. Atlas TI software was used to carry out an open and axial coding process of the transcribed documents. The axial coding process considered an original list of 42 codes plus the results of the open coding process, and inductively added 73 codes that went through several iterations. Thus, a total of 115 codes were identified that were associated with 958 observations (quotations). This process of constant comparison resulted in eleven relevant conceptual categories, which could be integrated into a theoretical model consisting of five components. In the following, the analysis procedures carried out are described in more detail, in order to complement the scheme in Figure 3.1.



**Figure 3.1: Data coding structure**

Source: Authors

### ***Primary codes.***

The coding procedure was complemented by contrasting the cases at different times during the primary code saturation process, in other words, we abstracted from the coding process to discuss, with the primary and secondary evidence we had at that stage, the similarities and differences of the cases. This was done after the first two interviews (with RE01 and NRE16) in two instances, the first with the research team (two principal researchers, plus two transcribers) and the second with just the two researchers, plus the participation of RE01. The tight interview schedule forced us to move forward with 8 more interviews (up to NRE17) and to prioritize the first-order coding process to saturate these codes (Corbin & Strauss, 2014). After the first 10 interviews, the research team reconvened to abstract from coding and compare the cases (this time only the two principal investigators met) and tried to share conclusions and impressions from the comparison of the cases with RE01, but it was not possible to schedule a meeting with her during the remainder of August. So, we moved forward with the rest of the scheduled interviews until we saturated. This saturation of the primary codes was observed in the open coding process of interview number 17 with RE02, as no additional primary codes emerged compared to the coding of the previous interview with RE03 (interview number 15), nor in relation to the coding of the interview with NRE12 (interview number 16).

For the remaining three interviews, the two that were already scheduled (with NRE18 and with RE04) were conducted, but we decided to strategically use interview number 20, as neither NRE18 nor RE04 provided additional primary codes, confirming the saturation criterion. Then, given that the contrast of case RE05 with case NRE19, was the one that generated more doubts, because the content provided by RE05 duplicated the content generated by the interview with NRE19; although both were leaders of technology-based companies, it was noticeable that RE05 was much more extroverted than NRE19. There was also discussion that as RE05 had been a mentor in the previous consultancy project, he was more open to

sharing his reflections, which led to considering the case of RE07, who in addition to being the youngest re-entrepreneur in the sample, also participated as a mentor in the consultancy project referred to above. It therefore seemed strategic to choose a young leading entrepreneur (NRE20), with a more extroverted profile and who was also developing technology-based businesses and thus better complement the set of cases of the NRE group; therefore, the last interview was with NRE20, who indeed provided more content than NRE19, but did not yield additional first-order codes. Therefore, along with further validating the saturation of codes (Corbin & Strauss, 2014), NRE20 provided evidence to strengthen the findings highlighted in the results section.

In addition, it is important to clarify a couple of other issues in this first phase of primary coding and contrasting of cases. First, the principal researchers each assumed a different role in conducting the fieldwork and coding the interviews. One was the insider researcher and the other was the outsider researcher, the same as was applied in Shepherd & Williams' (2022) research. However, in our case, the insider researcher was responsible for conducting the interviews and open coding and proposing the first-order codes due to his cultural proximity and familiarity with the language, as well as with Chilean expressions (considering also that a team of two experienced Chilean people was hired to carry out the transcriptions). The outsider researcher, for his part, reviewed the first-level codes and made proposals for improvement based on his greater experience and academic trajectory, as well as on the process of contrasting cases as the interviews progressed. Second, and in line with what was described in the previous paragraph, we underline that this process of constant comparison between codes and contrast of cases led us to perform many iterations of the first level codes, until we arrived at a final list of 73 iterated codes (as previously reported).

### ***Secondary (axial) codes.***

In this stage of the analysis there are two inputs. The first input was the coded contents (quotes) with the list of 42 original axial (or deductive) codes, which the researchers extracted from previous relevant literature and tried to reflect within the questionnaire applied in the interviews. A second source was the contents (quotations) and inductively iterated codes (73 codes). So, this stage of aggregation of variables is considered as a database with a total of 115 codes (see appendix 2.5) and 958 related quotations. To aggregate/relate the codes from the first stage; and following the constant comparison protocol (Glaser & Strauss, 1967, p. 105), the researchers agreed to separately analyze the codes and citations of 10 cases each, 5 RE and 5 NRE respectively. And as the main objective was to make more general abstractions, the cases in each group (RE and NRE) were distributed randomly, implying that the case-match criterion was not considered in this assignation. A period of a month was set before meeting again and comparing the aggregation of axial codes, as it was also necessary to corroborate that the transcripts were faithful to the backed-up videos of each interview, which could not be done during the month of August due to the tight schedule between one interview and another. The meeting to review the axial coding allowed us to corroborate that 15 patterns were clearly emerging that could coherently aggregate a large part of the primary codes and 4 others that gave rise to some doubts as to how to interpret them correctly. We set out to discard patterns where there was no consensus in their interpretation and where the evidence base (codes and quotations) was qualitatively weak, i.e., the content did not have a good fit with the dominant concept of the construct, or a sufficient number quotations nested to the construct had not been achieved. Although this phase mainly followed the grounded theory analysis proposals (Glaser & Strauss, 1997), it was considered relevant to consider data triangulation which is a criterion of the multiple case study (Patton, 2002; Yin, 2014), i.e., triangulating both qualitative

and quantitative data, to make a decision on the number and name of the final constructs of this axial coding process.

### ***Theoretical Concepts.***

The end of the constant comparison process was reached by integrating the 11 patterns/factors of the axial codes into 5 more aggregated and conceptual theoretical categories (see Figure 1). We tried to rescue “the story” that ran through all the cases and codes; as well as those that were the protagonists (taking the analogy of Pratt, 2009), i.e., these 5 most aggregated and conceptual constructs and their relationships and interactions. For this, the key content was again considered by looking at the cases, but from a grouped perspective (RE vs NRE) and “power and proof quotes” were used following Pratt (2008, p. 501), which we present respectively in the text (power quotes) and in tables (proof quotes) included in the findings chapter (Point 4.2) to validate the formal propositions and theoretical model proposed in Figure 5.1. Although according to Gioia et al. (2013), for qualitative studies it is not mandatory to state formal propositions, doing so may nevertheless help to guide future qualitative and quantitative research. Furthermore, other studies that have applied a similar methodology also include formal propositions in their results and discussion sections of their respective articles (e.g., Chandra, 2017; Simarasl, et al. 2022). Also, the multiple case perspective and the procedure followed up to this third stage provide a high level of reliability and validity of the processes and results if we consider the criteria proposed by Gibbert et al. (2008, p. 1467). Finally, we reported that our first theoretical model had already been developed during October 2020; and we prepared it for presentation at a conference in November 2020. Until that month there was no known integrated conceptual framework/model on entrepreneurship in adverse contexts, until late 2020, once we started working on a first version of a draft manuscript, we identified the work of Shepherd & Williams (2020) which we incorporated as a key reference to contextualize our contributions. But our model was

refined, at a conceptual level, through presentation at academic conferences, as we also had a couple of instances to disseminate it with our key informant RE01 who helped us with validating the latest version.

## **CHAPTER 4: FINDINGS**

## 4.1 Quantitative Evidence

### *4.1.1. The role of entrepreneurial ecosystems' formal conditions on entrepreneurial re-entries*

Model 1 and Model 2 (Table 4.1 and Table 4.2) demonstrate that the effect of formal environmental conditions is generally seen in new entries, and not in re-entries. Only for the group of advanced economies (Model 1 and Model 2) a positive contribution (significance  $p < 0.1$ ) of formal conditions on re-entry activity after business failure can be seen. Even for the case of emerging European countries, formal conditions have a significant, but negative, effect on re-entry entrepreneurial activity (only in Model 1). For the rest of the cases, in both Model 1 (Table 4.1) and Model 2 (Table 4.2) we do not observe any statistically significant effect of the factor related to the formal conditions of the entrepreneurial ecosystem on re-entry activity, and thus, it is possible to affirm that our Hypothesis 1 is weakly supported by the empirical evidence at the global level.

It is possible to explain these results in that that entrepreneurial ecosystems' formal factors are designed and implemented to support new entrepreneurs, especially in emerging economies mostly characterized by institutional voids, and not re-entrepreneurs who have recently failed in a previous business (Guerrero et al., 2020; Puffer et al., 2010). This is in accordance with Guerrero & Espinoza-Benavides (2021a, 2021b) who present (theoretically and empirically) some challenges to entrepreneurial ecosystems in relation to the support that some of their formal components can provide to re-entrepreneurs. It can also be suggested that re-entrepreneurs need formal institutions more centred on strengthening their self-efficacy because of their previous failure experience as entrepreneurs that have overcome adverse scenarios (Cope, 2011; Shepherd & Williams, 2020).

What is true is that the formal conditions in current entrepreneurial ecosystems, in effect, place priority on strategies encouraging high-growth entrepreneurship (Acs et al., 2017;

Brown & Mason, 2017). This has created several tensions/challenges in evaluating entrepreneurship policies in emerging economies (Kantis et al., 2020).

#### ***4.1.2. The role of entrepreneurial ecosystems' informal conditions on entrepreneurial re-entries***

Our results show a significant and positive role of informal conditions (institutions), in particular, the essential position of media in entrepreneurial re-entries by necessity and opportunity in emerging economies located in Latin America, the Caribbean, and Asia (Model 1 and Model 2). However, results show only the positive effect of media on re-entries by opportunity in advanced economies, while in the context of European emerging economies, the effect of the media is negative for both entries and re-entries by opportunity (Model 2).

It is also possible to observe that the perception that entrepreneurship is a respectable and status career also makes a positive contribution to re-entry activity for opportunity-driven ventures, both in emerging economies in Latin America and the Caribbean and in emerging Asia (Model 2, Table 4.2). All in all, except in the case of necessity entrepreneurship in advanced economies and opportunity entrepreneurship in emerging Europe, the results show that informal conditions have statistically significant and positive effects on the re-entry rate after business failure; hence the empirical evidence rather supports our proposed Hypothesis 2.

One possible explanation of our findings could be the impact of the stigmatization of failure and the legitimization of entrepreneurship as a professional career (Shepherd & Haynie, 2011; Singh et al., 2015). To re-enter emerging economies, entrepreneurs need to confirm they are successful entrepreneurs in the market and perceive the society's positive sensibility toward entrepreneurship. This could also be understood as the society's acceptance of the entrepreneurship's role in society determining re-entry after failure (Meek et al., 2010).

#### ***4.1.3. The role of entrepreneurial ecosystems' social capital on entrepreneurial re-entries***

In the same line as prior studies (Espinoza-Benavides & Díaz, 2019; Guerrero & Espinoza-Benavides, 2021b; Hessels et al., 2011; Stam et al., 2008) our findings confirm that the lack and the possession of specific business creation skills determine entrepreneurial re-entries in emerging economies. Model 1 demonstrates that social capital makes up for the lack of formal/informal conditions that support re-entries in emerging economies. First, the negative effect of ecosystems' formal conditions on entrepreneurial re-entries by necessity in European emerging economies (0.0004;  $p < 0.001$ ) is compensated by the potential social networks developed by the re-entrepreneur in previous business angel experiences (0.011;  $p < 0.05$ ) and entrepreneurial experiences (0.005;  $p < 0.10$ ). A similar trend is observed in Asian emerging economies where the re-entrepreneur exerts the absence of effect of ecosystems' formal effects in previous business angel experiences (0.015;  $p < 0.001$ ) and entrepreneurial experiences (0.019;  $p < 0.05$ ). However, in both economies, the social network with other entrepreneurs that the re-entrepreneur knows affects only re-entrepreneur by opportunities.

Our results confirm that specific social capital from previous business angels and entrepreneurial experiences positively impacts entrepreneurial re-entry decisions by opportunity, supporting our Hypothesis 3. It is worth noting that strong evidence about the role of higher education on entrepreneurial re-entries could not be found. One intuitive explanation could be that individuals with better generic human capital prefer to enter the labour market rather than taking on accelerated risks or uncertainties within emerging markets (Amaral et al., 2011a; Guerrero & Peña-Legazkue, 2019). This is also in line with the reported positive effect on entrepreneurial action and new firms' competitiveness of different types of networks in emerging economies (Alonso Ubieta & Carlos Leiva, 2019; Lafuente et al., 2020).

**Table 4.1:** GMM estimations for entry/re-entry entrepreneurship by necessity (Model 1)

| Variables                 | Advanced economies  |                    | Emerging Europe     |                     | Emerging Latin America and the Caribbean |                    | Emerging Asia      |                    |
|---------------------------|---------------------|--------------------|---------------------|---------------------|------------------------------------------|--------------------|--------------------|--------------------|
|                           | New entry           | Re-entry           | New entry           | Re-entry            | New entry                                | Re-entry           | New entry          | Re-entry           |
| Formal conditions (FC)    | 0.0023* (0.0010)    | 0.0070* (0.0016)   | 0.0032 (0.0059)     | −0.0004*** (0.0003) | 0.0083*** (0.0032)                       | 0.0092 (0.0010)    | −0.0181** (0.0039) | 0.0002 (0.0003)    |
| Desirable career (DC)     | 0.0094 (0.0043)     | 0.0006 (0.0006)    | 0.1604*** (0.0391)  | 0.0217** (0.006)    | 0.0195 (0.0248)                          | −0.0029 (0.0039)   | −0.0122 (0.0189)   | −0.0091 (0.0111)   |
| Status, respect (SR)      | −0.0081 (0.0050)    | −0.0010 (0.0008)   | −0.0933** (0.0365)  | −0.0133* (0.0053)   | −0.0052 (0.0408)                         | 0.0056 (0.0163)    | −0.0198 (0.0180)   | −0.0027 (0.0097)   |
| Media attention (MA)      | 0.0023 (0.0040)     | 0.0003 (0.0007)    | 0.0332 (0.0269)     | 0.0023 (0.0084)     | 0.0771** (0.0201)                        | 0.0112* (0.0035)   | 0.0257** (0.0148)  | 0.0156*** (0.0120) |
| Known entrepreneurs (KE)  | 0.0122* (0.0006)    | 0.0018 (0.0009)    | 0.0436** (0.0286)   | 0.0297 (0.0134)     | −0.0261 (0.0257)                         | −0.0022 (0.0082)   | 0.0270*** (0.0056) | 0.0012 (0.0013)    |
| Business angel exp. (BAE) | 0.0500* (0.0030)    | 0.0067 (0.0050)    | 0.2372*** (0.0833)  | 0.0110** (0.002)    | 0.0455 (0.0679)                          | 0.0260 (0.0226)    | 0.3854*** (0.0867) | 0.1505*** (0.0156) |
| Entrepreneurial exp. (EE) | 0.3124*** (0.0521)  | 0.0800*** (0.0080) | 0.2372*** (0.1892)  | 0.0056* (0.0031)    | 0.3600*** (0.0606)                       | 0.0608*** (0.0007) | 0.0532* (0.0200)   | 0.0195** (0.0092)  |
| Higher education (HE)     | 0.0012** (0.0001)   | 0.0015 (0.0002)    | −0.0035** (0.0089)  | −0.0008 (0.0008)    | −0.0340*** (0.0103)                      | −0.0023 (0.0018)   | 0.0736* (0.0214)   | −0.0140 (0.0097)   |
| Skills and knowledge (SK) | 0.0082** (0.0005)   | 0.0010* (0.0008)   | −0.0489*** (0.0209) | −0.0315* (0.0104)   | 0.0607*** (0.0023)                       | 0.0114*** (0.0121) | −0.0755** (0.0381) | −0.0365* (0.0135)  |
| Fear failure (FF)         | −0.0068 (0.0052)    | 0.0011* (0.0007)   | −0.0436 (0.0326)    | −0.0026 (0.0114)    | 0.0706** (0.0308)                        | 0.0214* (0.0109)   | 0.0136 (0.0233)    | 0.0190*** (0.0045) |
| Gender (Male)             | −0.0017 (0.00)      | −0.0018 (0.0020)   | 0.02461 (0.0265)    | 0.0138*** (0.0064)  | 0.0059 (0.0597)                          | 0.0064 (0.0163)    | −0.0504* (0.0209)  | −0.0189** (0.0082) |
| Age                       | −0.0007*** (0.0001) | 0.0007*** (0.0000) | −0.0020** (0.0007)  | −0.0005* (0.0003)   | −0.0022** (0.0008)                       | 0.0004 (0.0005)    | −0.0044 (0.0005)   | −0.0062* (0.0003)  |
| Instrumental              | 0.0150* (0.0001)    | 0.0150* (0.0001)   | 0.2129* (0.1111)    | 0.0197** (0.0085)   | 0.0707* (0.0035)                         | −0.0012 (0.0245)   | 0.1547* (0.0962)   | 0.0496 (0.0750)    |
| <i>n</i>                  | 392                 | 392                | 98                  | 98                  | 182                                      | 182                | 84                 | 84                 |
| <i>R</i> <sup>2</sup>     | 0.505               | 0.520              | 0.442               | 0.344               | 0.416                                    | 0.482              | 0.526              | 0.475              |
| Under ident. test         | 0.161               | 0.161              | 0.182               | 0.181               | 0.732                                    | 0.732              | 0.161              | 0.161              |
| Weak test                 | 1.279               | 1.279              | 1.224               | 1.225               | 1.188                                    | 1.188              | 1.279              | 1.279              |
| Hansen J statistic        | 0.357               | 0.360              | 0.336               | 0.159               | 0.383                                    | 0.326              | 0.331              | 0.104              |
| Endogeneity test          | 0.465               | 0.446              | 0.464               | 0.452               | 0.489                                    | 0.399              | 0.416              | 0.205              |

Notes: \*\*\* p&lt;0.001, \*\* p&lt;0.05, \* p&lt;0.1

Source: Authors

**Table 4.2:** GMM estimations for entry/re-entry entrepreneurship by opportunity (Model 2)

| Variables                 | Advanced economies |                    | Emerging Europe    |                    | Emerging Latin America and the Caribbean |                    | Emerging Asia      |                    |
|---------------------------|--------------------|--------------------|--------------------|--------------------|------------------------------------------|--------------------|--------------------|--------------------|
|                           | New entry          | Re-entry           | New entry          | Re-entry           | New entry                                | Re-entry           | New entry          | Re-entry           |
| Formal conditions (FC)    | 0.0004* (0.0001)   | 0.0004* (0.0001)   | 0.0036*** (0.0010) | −0.0149 (0.0013)   | 0.0028** (0.0040)                        | 0.0016 (0.0007)    | 0.0015* (0.0011)   | 0.0001 (0.0001)    |
| Desirable career (DC)     | −0.0194 (0.0011)   | −0.0103 (0.0011)   | −0.0491 (0.0301)   | −0.0084 (0.0053)   | 0.0088 (0.0660)                          | 0.0121 (0.0307)    | 0.0381 (0.0193)    | 0.0032 (0.0026)    |
| Status, respect (SR)      | −0.0014 (0.0013)   | −0.0144 (0.0013)   | 0.0166 (0.0405)    | −0.0026 (0.0055)   | 0.0277* (0.0110)                         | 0.0234* (0.010)    | 0.0349* (0.0211)   | 0.0063** (0.0026)  |
| Media attention (MA)      | 0.0023* (0.0012)   | 0.0025* (0.0012)   | −0.0101* (0.0006)  | −0.0107* (0.0069)  | 0.0285*** (0.0331)                       | 0.0333*** (0.0051) | 0.0281* (0.0151)   | 0.0335* (0.0017)   |
| Known entrepreneurs (KE)  | 0.0001 (0.0016)    | 0.0001 (0.0016)    | 0.0411 (0.0496)    | 0.0050* (0.0114)   | 0.0257 (0.1743)                          | 0.0422 (0.0330)    | 0.0190 (0.0250)    | 0.0161*** (0.0023) |
| Business angel exp. (BAE) | 0.02322** (0.0081) | 0.02322** (0.0081) | 0.0067 (0.0199)    | −0.0179 (0.0177)   | 0.0815*** (0.0182)                       | 0.0777** (0.0382)  | 0.0025 (0.0041)    | 0.0001 (0.0005)    |
| Entrepreneurial exp. (EE) | 0.1388*** (0.0035) | 0.1388*** (0.0013) | 0.2658 (0.0439)    | 0.0658 (0.0439)    | 0.1148*** (0.0162)                       | 0.1181*** (0.0121) | −0.0007 (0.0292)   | −0.0020 (0.0027)   |
| Higher education (HE)     | 0.0004 (0.0001)    | 0.0004 (0.0004)    | −0.0206 (0.0124)   | −0.0049** (0.0017) | 0.0021 (0.0002)                          | −0.0041 (0.0060)   | 0.0148*** (0.0014) | 0.0422*** (0.0116) |
| Skills and knowledge (SK) | 0.0003 (0.0010)    | 0.0003 (0.0013)    | 0.0381** (0.0075)  | 0.0238** (0.0071)  | 0.0179* (0.0063)                         | 0.0198* (0.006)    | 0.2108*** (0.0208) | 0.2110*** (0.0208) |
| Fear failure (FF)         | 0.0044*** (0.0002) | 0.0044*** (0.0013) | −0.0815 (0.0589)   | −0.0153** (0.0072) | −0.2792** (0.1421)                       | −0.0330 (0.0290)   | −0.0444** (0.0184) | −0.0140** (0.0016) |
| Gender (Male)             | −0.0007** (0.0032) | −0.0007** (0.0032) | 0.0125* (0.0658)   | 0.0086* (0.0047)   | −0.0013 (0.3121)                         | −0.0402 (0.0619)   | −0.0336* (0.0260)  | −0.0229* (0.0034)  |
| Age                       | −0.0070* (0.0032)  | −0.0070 (0.0032)   | 0.0031* (0.0001)   | −0.0001** (0.0001) | −0.0122 (0.0077)                         | −0.0015 (0.0015)   | −0.0011** (0.0004) | 0.0000 −0.0402     |
| Instrumental              | 0.0152* (0.0002)   | 0.0152* (0.0002)   | 0.0759 (0.0640)    | −0.0033 (0.0053)   | 0.1231 (0.3261)                          | −0.0711 (0.0642)   | −0.0557 (0.2315)   | −0.0149 (0.0290)   |
| <i>n</i>                  | 392                | 392                | 98                 | 98                 | 182                                      | 182                | 84                 | 84                 |
| <i>R</i> <sup>2</sup>     | 0.505              | 0.420              | 0.463              | 0.444              | 0.421                                    | 0.421              | 0.416              | 0.416              |
| Under ident. test         | 0.161              | 0.161              | 0.182              | 0.181              | 0.732                                    | 0.732              | 0.161              | 0.161              |
| Weak test                 | 1.279              | 1.279              | 1.224              | 1.225              | 1.188                                    | 1.188              | 1.279              | 1.279              |
| Hansen J statistic        | 0.357              | 0.360              | 0.336              | 0.159              | 0.383                                    | 0.326              | 0.331              | 0.104              |
| Endogeneity test          | 0.465              | 0.446              | 0.464              | 0.452              | 0.489                                    | 0.399              | 0.416              | 0.205              |

Notes: \*\*\* p&lt;0.01, \*\* p&lt;0.05, \* p&lt;0.10

Source: Authors

## 4.2 Qualitative Evidence

### 4.2.1. Impact of current challenging context

Regarding the impact of exogenous events, both the RE group and NRE group have recognized several challenges and affectations, as have the re-entrepreneurs who have found positive effects of both exogenous events. On the one hand, sixteen of the twenty interviewees based near the disturbances recognized that social unrest affected operations and performance during the last quarter of 2019. The main economic affectations were when they provided services/products to the public administration. In this regard, interviewee NRE20 states: *“But now, with the issue of the social unrest, it affected me a lot, I lost many services... I work directly with the government, with public organizations like hospitals.”*

On the other hand, the COVID-19 pandemic has generated many challenges for all the enterprises related to non-essential activities. In this vein, Interviewee NRE18 mentioned: *“Then came the coronavirus... We worked until February, and then we closed for a week. Afterward, we could not open again... we have been unable to work since March.”* Indeed, those that continued operating during the pandemic mentioned several operational challenges. Interviewee RE02 said: *“I cannot get out, so the operational part does not work well.”* The evidence of our interviews also showed that two external events/crises occurring one after the other increased the negative impact on a business and an entrepreneur. The following power quote from entrepreneur NRE14 depicts this interaction between external shocks: *“The first, the social outburst was a jab to the chin and left you a little dazed, 2 minutes, 2 months I say...here the pandemic comes to definitively put the tombstone to those blows, which had left us a little knocked out and here the pandemic is definitely coming to bring the curtain down on the sector...”*. Table 4.3 provides further insights into the impact of the adverse events.

**Table 4.3:** Selected quotations about “impact of current challenging context”

| Impact of COVID-19 pandemic                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Impact of social unrest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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| <p><b>RE01:</b> “You know that this is a country where people are not honest and open... it was very painful, to realise that, especially because one as a woman and it is emotional... in one way or another it affects, especially in a pandemic... one would like to be much more cohesive...”</p> <p><b>RE04:</b> “...Totally different situation in the pandemic... because the pandemic generated another impact that has to do not only with stopping trade, but also with human health... and that's where the fear of contagion started, and after that the restrictions to be able to function, meetings with few people, etc.”</p> <p><b>RE04:</b> “I had been working with telework for months... my patience lasted a month, because being inside the house and always in the same space, not being able to go out, because at the beginning we all saw the news and saw contagions, so that generates a psychosis”.</p> <p><b>RE07:</b> “We set up another buy/sell, we tried to draw lots, but then the pandemic came along, sales dropped, the first month was horrible, I got into a lot of debt.”</p> <p><b>RE08:</b> “Well, when the staff and the grandparents got sick, it was quite stressful because the health service came and inspected us... all the staff that I told you about went to quarantine...”</p> <p><b>NRE12:</b> “The borders were closed, I said damn coronavirus, it was terrible because they suspended four trips I was going to have, for work in four Latin American countries, they were suspended until further notice”.</p> <p><b>NRE13:</b> “With the theme of the pandemic it was even worse...so that generated the temporary closure of the venture so to speak, due to this context more than anything else.”</p> <p><b>NRE14:</b> “...We are leaving here but we are going to continue working, but unconsciously, emotionally, it is a hard blow, it is a mourning that is experienced, and here I must admit that I did shed my tears, even there my throat tightens, and I become detached, and today there is uncertainty, and we don't know what will happen” (this quotation is a continuation of the one quoted in the text).</p> <p><b>NRE15:</b> “...And this last crisis that is the health pandemic brought us many problems...so we were all removed from our positions, we were all fired, there were 70 of us...”</p> <p><b>NRE16:</b> “(In pandemic) ... advertising sales also fall; companies decide not to invest or save the money for other more immediate and primordial needs”.</p> | <p><b>RE03:</b> “The social explosion made me close one of my businesses... I recognise that I had planned to do it, but in the end, the explosion accelerated the issue...”</p> <p><b>RE02:</b> “When the social crisis came... it was worse because I was left alone, in the quicksand, unable to move forward, because I only had money to buy the energy generator, but I didn't have the resources to hire someone and I was also too depressed to go out to sell with courage, I was emotionally bad”.</p> <p><b>RE05:</b> “So the social crisis came upon us just at that time, so that of the 50 important meetings we had, nothing was closed... so at the small company level it is catastrophic, so it didn't affect us 100% but 110%, and it was a tremendous drop in job expectations for a whole year, well, in short, it was like that”.</p> <p><b>RE06:</b> “The social crisis affected me at the time because businessmen had to start closing their buildings, many businesses were destroyed and that meant that I had to stop for a while with the audio-visual production”.</p> <p><b>RE09:</b> “...I had a problem... there was a contract for 3 months, but it could not be fulfilled because of the crisis and that was happening every other day... you didn't know when people were going to protest, that crisis was big until it reached this other one (pandemic)”.</p> <p><b>NRE11:</b> “Due to the social crisis, we had to make a change of office, and that generated an increase in costs”.</p> <p><b>NRE15:</b> “For me, the social crisis has one word and that is fear, when you live in fear at work, at home, with your child, when you see that there are barricades next to your child's school and you try to pass...that caused me an internal fear, that didn't allow me to advance either in my work or in my personal life, so I think that the social crisis was terrorism...”</p> <p><b>NRE17:</b> “In fact we had to give money back to many schools because of the outbreak and then the pandemic... in the outbreak many schools were afraid, and we had to give money back to them.”</p> <p><b>NRE19:</b> “Well, and the 2019 crisis which was the social one in Chile, let us see, it did not touch us so directly actually because we developed software and courses, just last year we left everything online, so it was not so much, it was not so critical”.</p> <p><b>NRE20:</b> “One day after the social unrest, they cancelled a lot of events, for which we already had the supplies and the staff ready, people asked to understand them, but they should understand us anyway...”</p> |

Source: Authors

Based on our findings, we present the following propositions related to the impact of current challenging context:

*Proposition 1: External critical events generate immediate and relevant impacts that disrupt the functioning of a business and negatively affect financial, social, and psychological aspects of any type of entrepreneur, independent of his or her history in business and previous crises.*

*Proposition 2: External events/crises that occur one after the other increase the negative impacts on the functioning of a business and on the financial, social, and psychological repercussions on an entrepreneur.*

#### **4.2.2. Overcoming previous crises**

Regarding overcoming business crises, Doern (2016) found that most small business owners continue their businesses after suffering major losses from riots and fires. Our study shows that all re-entrepreneurs (RE 01 to RE10) consider previous failure experiences as a learning process that is very useful in managing current exogenous events. In this regard, the re-entrepreneur RE03 explained: *“I am very happy with prior lessons. This lesson has been moving towards what I wanted to get to, ventures related to my professional subject in which I can help. Moreover, it could not be like that if I had not gone through the rest during these challenging times”*. Likewise, the re-entrepreneurs considered that from this experience, they had developed an entrepreneurial capability to overcome challenges and continue with entrepreneurial initiatives. In this view, the re-entrepreneur RE05 explained that: *“The capacity to restructure, reinterpret the experience I lived through is fundamental, and it has always served me and has been the pillar of my life... and key in these new ventures”*. It can be assumed that prior business crises are crucial for configuring entrepreneurial resilience based on these insights.

Regarding overcoming personal crises, in this study, the novel entrepreneurs with significant personal crises recognized that learning episodes helped them to manage business challenges. According to the entrepreneur NRE15, *“Emotional and personal crises, which I*

*lived through in the city of Santiago, where having everything left me with nothing... taught me to start my life from scratch*". For re-entrepreneurs, the management of personal and business crises has helped them reinforce confidence, assume risks, and look at exogenous challenges with another view. In this respect, RE07 states: *"With my grandfather's death, I realized that I had not taken risks. Afterward, I launched, launched, and launched new ventures (currently related to my studies)"*. This experience is helping me to manage current challenges". It can be assumed that prior personal crises are crucial for configuring entrepreneurial resilience. Table 4.4 provides further insights into the influence of prior personal crises.

**Table 4.4:** Selected quotations about "overcoming past crises"

| Overcoming business crisis and failures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Overcoming personal crises                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p><b>RE01:</b> "I believe that failing in business and getting back on my feet gives me confidence, gives me the certainty that one can start over many times."</p> <p><b>RE02:</b> "Yes, it was so tough in all areas, both economically and personally, that one comes out super strong and these things have helped me to face this pandemic and not be so affected by it, just as it makes me question myself a lot and at the same time makes me empowered a lot".</p> <p><b>RE04:</b> "What for some can be complicated, difficult, in the case of an economic crisis, can benefit others... in that time when there was a crisis... I had more work, I had many more projects in execution, the Chilean state needed to mitigate the effects of the crises, consequently it was one of the peak moments that I had in my company".</p> <p><b>RE06:</b> "Well, as a result of the closure of some businesses I was reinventing myself, I went from one area to another, I always kept the topic of marketing in my list of activities that I did, I always sold advertising for companies, so I started in the world of advertising".</p> <p><b>RE07:</b> "When I left the company, I started looking for other businesses, we had gone out with one of my friends, and we tried to set up another similar business."</p> | <p><b>RE01:</b> "Because my husband, because of not having taken his precautions 10 years earlier, was triggered by a disease which is cancer, so as I don't want to get sick, no human being wants to get sick... I experienced it first hand, there comes a limit where there is no return... as the body has reactions that make us sick to tell us things... so I wanted to do it the other way round, I wanted to listen to my body, my emotions and move forward responsibly".</p> <p><b>RE05:</b> "I was in two moments very unwell, maybe there was a slight possibility of losing my life... it involved a lot of physical wear, much malaise, I spent many months locked up in my room in bed, very complicated with my nervous system and very close to epilepsy... I tell you this because that served me a lot to contrast, regarding that there are things that are complex and there are other accidental things."</p> <p><b>RE06:</b> "There came my cancer, and I closed all my businesses, because they told me I was going to die, so there I faced a crisis that has been the biggest crisis of my life because I also had my children...before that when I was 20 years old my son died...So, in general, I have gone through very complex situations, also of child abuse as a child...so the obstacles are not so serious...I think it has helped me not to see this crisis as something that is closing the doors but continuing trying".</p> <p><b>NRE11:</b> "My father had two life-threatening surgeries... when I was in high school I got carbon dioxide poisoning and had to be revived... so we always had that desire to face anything".</p> <p><b>NRE20:</b> "I have not had an easy life, I went through a lot of pain, problems, tough things that I overcame practically alone, without a psychologist, without medication, without anything, practically with the mind to get ahead, to achieve things no matter how long it takes, I am like that, I set a goal. One wants to achieve it quickly, but with the time you realise that it can take a long time, but the important thing is to get where you always wanted to go".</p> |

Source: Authors

Based on our findings, we propose the following proposition related to the importance of prior personal crises:

***Proposition 3:** Overcoming previous crises, at a personal and at a business level, contributes to a more optimistic mindset to face new crises that negatively impact the functioning of a company and the financial, social, and psychological capitals of any entrepreneur.*

#### **4.2.3. Personal-business supporters**

For overcoming personal/business crises, entrepreneurs are supported/guided by family, friends (Cope, 2003; Cope & Watts, 2000; Shepherd, 2003), specialized mentors, and entrepreneurial ecosystem agents (Stam, 2015; Guerrero & Espinoza-Benavides, 2021a). First, related to family and friend support, entrepreneurs recognize the supporting role of their families in improving self-confidence. For entrepreneurs, NRE16 said: *“It has been a permanent learning process for me, and I firmly believe that your greatest support is in your family, that you can always take refuge in certain spaces, which will contain you, and that not everyone has them. I thank God that I have them. They have helped me keep going forward and learn that you can fall one day or take a break.... there is always someone who supports you, who contains you and serves to take up the fight”*. For re-entrepreneurs, RE07 mentioned: *“...what am I doing here? I had better change, that determination taught me by my grandfather”*. Therefore, the NRE group, supported by family and friends, has re-built confidence to face new challenging events. These insights are similar to previous studies (Cope, 2003, 2011; Shepherd, 2003).

Second, related to specialized mentorships, entrepreneurs recognized the guidance from specialized mentors (psychologists, lawyers, and business assessors), inspiring their lives and building their entrepreneurial mindsets. During the current challenges, novel entrepreneurs are looking for mentorships to face significant business challenges such as diversification

strategies, new components in the business model, or new business directions. In this regard, the entrepreneur NRE12 explained, *“I am discussing with my mentor, and I told her that I wanted to do a program and try to mix it with the help and empowerment of Latin American professionals”*. In this vein, specialized mentorship has been useful for re-configuring personal/business strategies to respond to challenging times.

Third, related to entrepreneurial ecosystem agents, we asked about their role in the current exogenous events. Most interviewees explained the existence of several initiatives promoted by the Chilean government and implemented by entrepreneurial ecosystem agents to support entrepreneurs during the current lockdown. Concretely, the re-entrepreneur RE10 mentioned: *“There are some examples in Chile such as the income tax was deferred, it was paid in April, and now it was paid on July 31. Therefore, you have to plan how to allocate the money. You have to pay for everybody”*. Therefore, agents from the entrepreneurial ecosystem offer support, guiding the way in challenging times. Table 4.5 provides further insights into the relevance of these agents.

**Table 4.5:** Selected quotations about “personal-business-supporters”

| Family/friends support                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Mentorship                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Entrepreneurial ecosystem support                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p><b>RE03:</b> <i>“With the support of my grandfather who motivated me to do business (he died in 2003) and lent me some money... I liked music, and with my brother who (was a minor at the time), we opened an event amplification and lighting company”</i>.</p> <p><b>RE04:</b> <i>“Luckily, I had the support of my family, and that is something that supports a lot so that retreat should help with: What? How? Where? What can be done?”</i></p> <p><b>NRE11:</b> <i>“Concerning the other thing, why we are strong, I think that the earthquake contributed a lot in that sense because as a family we had to be strong because we just had problems with transport, problems with basic supplies, everything that comes with a natural disaster, and personally my family has always been about getting through the problems no matter what”</i>.</p> | <p><b>RE05:</b> <i>“Of course, because it is difficult to find the right people in the business world...if you know how to find your team... a great mentor told me: when you find a good team in Chile, you have won the lottery because the Chilean person does not know how to work in a team”</i>.</p> <p><b>RE07:</b> <i>“...But on the last day, with an encouragement from Patricia (mentor), she told me: Now, you have half an hour to manage everything, so you can put a car outside.... We immediately put up a car, a giant banner... we got a lot of funding”</i>.</p> <p><b>NRE11:</b> <i>“Our mentor has also supported us with looking for new projects as he is an entrepreneur as well, we have worked for hand in hand, and systematically, it has not been just once... we have that</i></p> | <p><b>RE01:</b> <i>“As a result of the social unrest I left my office and arrived at a co-work space where I settled down very well”</i>.</p> <p><b>RE08:</b> <i>“Thanks to the government I also won a grant from CORFO*, regarding the COVID, which is a fund that reimburses us with 3 million pesos**... which is a relief when you are developing new business, and you are experiencing a pandemic”</i>. (*Chilean business development corporation. ** About US\$3,200 dollars).</p> <p><b>NRE13:</b> <i>“...Then we decided to develop the business idea further... we started to investigate through some courses of the National Training Service (SENCE)... and we were also working with the Business Centre of the city of Concepción, with a professional executive... with him</i></p> |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p><b>NRE15:</b> “We are four very close brothers, my older brother had a travel agency in Concepción, and I decided to tell him the truth ... this and that happened ... and he tells me, I have a car that is a little old, but you can still use it to move”.</p> <p><b>NRE17:</b> “I believe that the fundamental thing is the family, we thank God we have a very close family group even nephews, they have not gone away, and they visit us, and we take care of many of us”.</p> | <p>contact, and we can and are working together”.</p> <p><b>NRE16:</b> “We got ahead mainly because of contacts with others, friends who also have a business, who saw some things that we hadn't seen...”.</p> <p><b>NRE19:</b> “We started contacting people who had previously advised us, who led us to look at digital marketing, and we went back to talk to those people who helped us and gave us results initially...”.</p> | <p>we started to work a little more on the idea and he started to help us”.</p> <p><b>NRE18:</b> “We also have a cooperative that has generated meetings and we go when we can, they send us links to inform us, they also give us a certificate from the National Tourism Service (Sernatur), so that we know that everything is under control, and we can reopen”.</p> <p><b>NRE20:</b> “Here the government started to give help such as work suspension, I took advantage of that, because at the beginning, the first month I did nothing, I thought: I'm not going to do anything until the pandemic passes... and this started to drag on”.</p> |
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Source: Authors

Based on our findings, we offer the following proposition related to the role of individual/business supporters:

***Proposition 4:** Individual/business supporters (friends /family / mentors / entrepreneurial ecosystem) help entrepreneurs to overcome the negative impacts of crises on their businesses and enable them to reconfigure and/or strengthen their financial, social, and psychological capital during challenging times.*

#### **4.2.4. Skills enhanced by adversity**

In this study, self-confidence is a crucial component of entrepreneurial resilience. At the personal level, self-confidence has been improved during challenging times based on a superior and transcendent being (e.g., faith in God). In this respect, the re-entrepreneur RE06 states: “If God gave me a new opportunity, I commit to being strong and continuing. Some people need support because they have had different lives, and my life has always consisted of fighting every day.” At the business level, self-confidence has been improved during challenging times based on the motivation from close people (family and friends) and the support of specialized mentorships. In this respect, the entrepreneur NRE14 states: “After I lived through the experience with my enterprise, I realize that it is extremely dependent on

oneself in every sense: emotional, economic... then one also has to be calm of mind, fresh... Family and mentors are very supportive in difficult times.” For both the RE group and NRE group, based on these findings, self-confidence has been configured by personal beliefs and business beliefs.

Regarding re-entrepreneurial experience, Williams et al. (2019) found that failed entrepreneurs return to start a new business within the short to medium term. However, this research does not study the relationship between an external crisis, business failure, and re-entrepreneurship. In this regard, the re-entrepreneur RE06 explained to us: *“I had a newspaper, an agency, three pharmacies, and a cafeteria, so that teaches you, it is not that you want to have problems with internal taxes, but you have to learn over time that for example taxes can be deferred ... you can also go rescheduling debts, so you learn to re-start... I am applying these learnings to respond to the current challenges”*. Indeed, in this study, the re-entrepreneurs have been the most resilient in responding to the exogenous events analyzed. Table 4.6 provides further insights into the re-entrepreneurs’ resilience.

**Table 4.6:** Selected quotations about “skills enhanced by adversity”.

| Self-confidence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Re-entrepreneurial experience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <p><b>RE02:</b> <i>“So I think in that sense, I have learned a lot and I have already implemented it and I feel more powerful in that sense, for other people it may be absolutely insignificant, but the use I can make of it is not minor”</i>.</p> <p><b>RE05:</b> <i>“I perceive reality very lightly, the world does not subject me, does not frighten me, I believe that there is a commitment with oneself and about that one has to realise one’s life, not with the world, not with the standards, with one while one can breathe and be happy... from there on everything is expansive... So that has been key for me... to be able to face the crises, I thank God very much, I am a believer, that He has given me the rigour of that experience.... because it was at an early age, it punished me a little by not enjoying adolescence, but it taught me many things and filled me with life wisdom”</i>.</p> <p><b>RE08:</b> <i>“I have always remained positive and confident in God”</i>.</p> <p><b>RE10:</b> <i>“But these are different moments in human life, at the beginning just out of the university, living in my parents’ house, it is different from going through a moment of crisis or bankruptcy or from reinventing oneself to being married with children, with more responsibilities as a father, as a husband, also economic responsibilities.”</i></p> | <p><b>RE01:</b> <i>“An entrepreneur is sometimes so emotionally attached to his business that he keeps digging holes and doesn't realise that he should have closed that shop two years ago and got into debt, so as I already have that acquired knowledge, I stopped and analysed”</i>.</p> <p><b>RE02:</b> <i>“Yes, it was so strong in all areas, both economically and personally, that clearly one comes out super strengthened and these things have helped me to face this pandemic and not be so affected by it, as well as making me question myself a lot, it also makes me feel empowered... I feel like a warrior, and it is one more, this is one more battle that must be conquered”</i>.</p> <p><b>RE03:</b> <i>“About learning, yes, I am going with the sixth venture in my life, with three of them working, and with the maturity that comes with the passing of the years ... one is certainly focusing on ventures that have more to do with personal interests, and life, I am a little more reluctant to see only the economic opportunity of the venture, but I also care more about the values and things you like because there one does not suffer so much”</i>.</p> <p><b>RE04:</b> <i>“This has to do with how I used to be...when I was in charge of companies, they all started from zero and reached an important point of development because I gave 100%, I practically had no personal life...the company was like a</i></p> |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p><b>NRE11:</b> “We are a team of four people, all known from the university, and the four of us have one very important characteristic, it is that we always dream of being our own bosses”.</p> <p><b>NRE12:</b> “I work with a very important thing, the personal image that for me is the main letter of presentation and our tool of success in the achievement of objectives, for this to happen we have to have our image based on self-knowledge and confidence, to be able to project consciously and not by accident.”</p> <p><b>NRE13:</b> “I really like entrepreneurship, it's something that is mine, I feel that I can do it, that I like it, I'm passionate about it, therefore, regardless of all these crises, I think that I'm really going to continue, even though I had this "time" to think... I think that all of this has had a result”.</p> <p><b>NRE 19:</b> “I'm already in this and I like it, I'm going to give it until I make it as concrete as possible, in the best possible way.... In some critical moments one thinks of leaving this to a minimum, but this year opened our eyes to the fact that we can give more, we can establish ourselves and maintain ourselves over time.”</p> | <p>son...today, however, no, today I have a family, a son, so I no longer put 100% into the company, today I have not had the opportunity to dedicate myself to this 100%, because these opportunities that are at hand have presented to me”.</p> <p><b>RE05:</b> “I believe that one of the competencies that most refers to staying in front of these instances is to be disciplined in times, in good times you have to work three times more than in bad times because it allows you to foresee and establish yourself with more solidity in front of any movement that occurs, I believe that this has characterised me and that has kept me as an independent entrepreneur”.</p> <p><b>RE07:</b> “The most I've learned from re-entrepreneurship is that... and this is a phrase I love... if you depend on one source of income, you're one step away from bankruptcy... it's part of a philosophy of life”.</p> <p><b>RE08:</b> “About the previous undertakings it was a beautiful experience, which has its pros and cons, in the sense that when one is determined to stop being an employee of a certain company and decides to start an entrepreneurship it is quite complicated, but you also learn a lot... I say in the sense that one wants to dare to know if it is possible to do or not, leave the continuity of the days, the years, and do something to stay in time ...”</p> <p><b>RE10:</b> “I believe that one is always searching and making decisions in normal times and in not so normal times.... perhaps in these times of a downturn, perhaps your instinct of the beginnings comes back to you, to take everything forward and try to look for other niches, other products, to motivate people in one way or another to move forward and not affect those of us who work here”.</p> |
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Source: Authors

Based on our findings, we offer the following proposition related to the intersection between re-entrepreneurs’ resilience and exogenous events:

***Proposition 5:** Entrepreneurs who have overcome previous critical situations improve their self-confidence, which allows them to better cope with the negative impacts of new external critical events that affect the functioning of their business, reconfiguring and/or improving their financial, social, and psychological capitals.*

***Proposition 6:** The previous experience of business failure and subsequent re-entrepreneurship provides “re-entrepreneurs” with specialized skills to cope well with the negative impacts of new external critical events that affect the functioning of their business, reconfiguring and/or improving their financial, social, and psychological capitals.*

#### ***4.2.5. Learning during challenging times***

The empirical evidence provided by the interviews, supplemented by secondary information, allows us to state that most of the 20 interviewees do not have a system or model of crisis management designed and systematised within their companies that even comes close to the frameworks proposed by Bundy et al. (2017) and Williams et al. (2017). Nor was it possible to identify any entrepreneur who fully employed a crisis management model proposed by Buchanan & Denyer (2013) and Doern et al. (2019). The evidence corroborates that all interviewees employ different management tactics to address the impacts generated by the pandemic and the social movement in Chile. Specifically, we found evidence of 32 other actions (or tactics) employed by the entrepreneurs interviewed to face the challenging scenario. Therefore, the crisis management phenomenon observed is highly varied for each case (interviewee). However, from the 32 tactics, it was possible to generate a smaller number of categories during our iterated open coding process, which reduced the list to 13 tactical activities. Then the content of the quotes related to each of these 13 activities was analysed, which allowed us to integrate these categories into only five factors during the iterated axial coding process (in the first level). Table 4.7 shows the thirteen types and the number/open code of quotes associated with each of them, differentiating the frequency of quotes according to the group of entrepreneurs (RE or NRE) and the five factors within which these 13 are nested. Thus, these five factors represent a pattern of how the interviewed entrepreneurs managed the crisis at the organizational and individual level during the context of the pandemic and the social movement in Chile.

Table 4.8 provides insights into resilience by group. Regarding the RE group, the interviewee with the highest resilience (RE05) was emotionally/cognitively stable during the current challenging events and consequently, he has been persistent in introducing adjustments to the business model and diversifying the core business. Although the interviewee with the

lowest resilience (RE01) introduced several modifications to the business model by adding a digital commercial platform, she showed cognitive-emotional instability during social movement that was intensified by the death of her husband in early 2020 and the COVID-19 pandemic. Regarding the matched-group (NRE), the interviewee with the highest resilience (NRE20) has sixteen years of entrepreneurial experience. She was emotionally/cognitively stable during the current challenging events, and consequently, she has been persistent in introducing some adjustments to her business model. Contrastingly, the interviewee with the lowest resilience (NRE13) has a few years of entrepreneurial experience. He also was emotionally/cognitively affected by the exogenous events; he has not adjusted the business model to address the clients' needs in the new reality.

**Table 4.7:** Factors and categories related to crisis management tactics in challenging times.

| Factors (Iterated axial codes: first aggregation level)                                                            | Nº | Iterated primary codes                                 | NRE Group<br>Gr*=444;<br>GS=10 | RE Group<br>Gr=514;<br>GS=10 | Total |
|--------------------------------------------------------------------------------------------------------------------|----|--------------------------------------------------------|--------------------------------|------------------------------|-------|
| I- Decisions to make abrupt adjustments to lower costs or maintain/expand sales (relocation, layoffs, salary cuts) | 1  | Commitment to human capital<br>Gr=17                   | 8                              | 9                            | 17    |
|                                                                                                                    | 2  | Adjustments in the workforce of the business<br>Gr=16  | 7                              | 9                            | 16    |
|                                                                                                                    | 3  | Changing business priorities<br>Gr=16                  | 5                              | 11                           | 16    |
|                                                                                                                    | 4  | Frugal use of resources<br>Gr=18                       | 12                             | 6                            | 18    |
| II- Cognitive and emotional adjustments in the entrepreneur's mindset                                              | 5  | Change of mentality regarding business<br>Gr=19        | 22                             | 21                           | 43    |
|                                                                                                                    | 6  | Emotional and mental health self-management<br>Gr=43   | 9                              | 10                           | 19    |
| III- Research and analysis                                                                                         | 7  | Topics to be researched<br>Gr=37                       | 19                             | 18                           | 37    |
|                                                                                                                    | 8  | How it is researched<br>Gr=21                          | 9                              | 12                           | 21    |
|                                                                                                                    | 9  | Identification of External Gaps<br>Gr=26               | 8                              | 18                           | 26    |
| IV- Organizational and product/service innovation                                                                  | 10 | Implementation of organizational learning<br>Gr=15     | 2                              | 13                           | 15    |
|                                                                                                                    | 11 | Change-development products-services<br>Gr=27          | 18                             | 9                            | 27    |
| V- Use of communication channels to strengthen the entrepreneurial network                                         | 12 | Communication to persuade - build trust<br>Gr=24       | 9                              | 15                           | 24    |
|                                                                                                                    | 13 | Digital-web commercial-organizational support<br>Gr=20 | 7                              | 13                           | 20    |
| <b>Total</b>                                                                                                       |    |                                                        | 135                            | 164                          | 299   |

\*Gr = number of quotations per category or group

\*GS= Number of cases in each group.

Source: Authors

**Table 4.8:** Selected quotations about “learning during challenging times”

| Crisis management tactics                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Entrepreneurial resilience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <p><b>RE01:</b> “I did interviews with entrepreneurs and then, or conversations that later became interviews, and then those interviews were also shared on the web with the public”</p> <p><b>RE04:</b> “Maintain a permanent and fluid communication with the client, know how to be well informed of the steps being taken, what the problems we find are”.</p> <p><b>RE05:</b> “The subject does not affect my essence, my vitality, my soul, the subject is accidental and not essential, so I let it happen, I use my mind to change it or even to turn it into a great opportunity”.</p> <p><b>RE08:</b> “I received support from the remaining staff and then *SENAMA's help arrived” (*National Service for the Elderly).</p> <p><b>RE10:</b> “I believe that at this moment you begin to analyze all the people... then you wonder if he-she produces to pay well for everything... but in times of crisis you begin to watch over your closest circle”</p> <p><b>NRE11:</b> “When we were going to start the presentation meetings this pandemic thing happens, so as we had initially transformed our product to adapt to the situation, again we had to re-adapt it, that was an important point...”</p> <p><b>NRE14:</b>“ ...There wasn't much to do anymore in the sense that well, this moment that we take care of ourselves, we take shelter, we take out for example the most expensive material from the storage, we rearrange the situation, people were not working”.</p> <p><b>NRE19:</b> “Yes, look, we are a team of 6, some full time, some part time, and more than anything else it has made us realize that we are mainly going for empathy, that in theory one knows that, but in practice one doesn't, one thinks one is being empathetic, but in reality one is not”.</p> | <p><b>RE01:</b> “I believe that the crises I have gone through have helped me a lot...to manage all my perspectives, to have a more long-term vision...also to see what is happening in the global environment...I believe that what also helps me is faith, I believe that it is a key in my entrepreneurship and to be well prepared, to be in knowledge regarding the environment... I think that it gives me confidence in myself, it gives me the certainty that one can start over many times...”</p> <p><b>RE03:</b> “As I was saying, the pandemic allowed me to promote a new venture that arose with a friend with whom we had wanted to do something a long time ago... we are with the new venture that is starting it is not yet formalised, part of the goal is to do it now in August.”</p> <p><b>RE05:</b> “To stop heating the mind with things that are not essential, but of existential nature, then as long as there are health, spirit, and passion, one can keep oneself afloat and be alive and happy”.</p> <p><b>RE09:</b> “Well, within the crisis I came up with an idea... and I already have all the documents of a foundation... I already created it legally... the idea, for now, is to give a service of help to mental health and good nutrition to the elderly... this has been a problem that was more evident with the pandemic... this week I am already doing the first solidarity campaign”.</p> <p><b>RE10:</b> “we have been affected by the COVID-19, but we continue to sell, we continue to work remotely ... and trying to get some state benefits for people who work with us, job protection and the like”.</p> <p><b>NRE13:</b> “With the issue of the pandemic it was even worse because generally, one works with events...so that was the temporary closure of the venture...It was highly frustrating because I did not know what to do, I did not know how to deal with it”.</p> <p><b>NRE16:</b> “The memory that I have, personally, of the social explosion, is an important emotional affectation, that insecurity that one has left of if this is going to continue or is going to return, of what is going to happen...”</p> <p><b>NRE20:</b> “The first month I did not do anything, I thought: I am not going to do anything until the pandemic passes, and I realised that it took longer than expected. I got bored too, I could not stay in the house all day, I said to myself: I have to do something. Furthermore, that is when we started with the deliveries and looking for options... I just did it, I launched a promotion for Mother's Day in May, which turned out very well, then I thought about Father's Day, and making in between meals for the weekend.”</p> |

Source: Authors

Also, the frequency of quotations associated with positive and negative aspects of resilience, comparatively between RE and NRE groups, gives complementary quantitative support to triangulate with qualitative evidence and contrast with our general proposition. Therefore, the coding data show a higher frequency of positive quotations about resilience (118) related to the RE group and a much lower number (68) related to the NRE group. In addition, the NRE group has a higher frequency of negative (178) quotations about resilience than the number of quotations (144) associated with the RE group. According to Corner et al. (2017), entrepreneurial resilience is related to emotionally and cognitively stable individuals managing adverse effects. Following this approach, the results show that the most resilient entrepreneurs during the current challenging times have been re-entrepreneurs (RE03, RE05, RE06, RE08), except for one entrepreneur from the NRE group (NRE20). Therefore, the results provide some insights into our assumption (general proposition) that, given the experience of managing personal/organizational crises, re-entrepreneurs are more likely to be resilient during exogenous events (crisis, pandemics, natural disasters) than entrepreneurs from the NRE group. Based on our findings, we present the following proposition related to the ability to learning of re-entrepreneurs:

*Proposition 7: Adverse external contexts allow us to prove that people with previous re-entrepreneurship experiences are more resilient than those entrepreneurs who do not have this experience, which is proven by the ability of re-entrepreneurs to remain cognitively and emotionally stable in the management of their businesses, when critical external events disrupt the normal functioning of their firm.*

Moreover, based on the information in Table 4.7, it is possible to partially corroborate our “general proposition” since, according to the level of importance (measured by frequency of quotations received) that each group has about crisis management tactics. This can be seen in that for the first two factors there is a certain balance, both entrepreneurs in the RE group

and those in the NRE group use these actions in the same way to deal with adverse scenarios. It is considered relevant to highlight that these similarities in management tactics suggest a parallel between the literature on recovery from business failure (Cope, 2011; Ucbasaran et al., 2013) and crisis management in small businesses (Herbane, 2010). Regardless of the type of entrepreneur involved, it is observed that they perform similar actions to balance the emotional and financial costs produced by external crises. This is in line with what Shepherd et al. (2009) put forward in their work on balancing economic and emotional costs, but in the face of the experience of business failure. For example, it is observed that all our interviewees give similar importance to decisions/actions to lower costs and those related to adjustments in their entrepreneurial mindset (cognitive/emotional) in the way they cope with the effects of external crises.

This evidence also contrasts with the preliminary results of Thorgren and William's (2020) finding that some Swedish small business owners/managers have implemented cost control tactics as a rapid response to the pandemic threat. Still, given the timing of the research (March 2020) and the data collection method, they did not identify any actions related to possible psychological impacts of the crisis on the small business owners/managers who participated in their research. However, it is possible to appreciate clearer differences between the two groups. For example, the re-entrepreneurs employ tactics related to research and analysis in the context of crisis more intensively and frequently. It is also evident that they use more tactics related to communication channels to strengthen their enterprise's network. Our evidence is consistent with the 'external perspective' developed within the general crisis management literature, which seeks to strengthen stakeholder support networks through communication tactics (Bundy et al., 2017). Thus, the results suggest that entrepreneurs who have previous experience in overcoming business failure are more likely to employ crisis management tactics through the use, creation, and strengthening of social capital than those

who have no previous experience in business failure (see Tables 4.7 and 4.8). Based on our findings, we offer the following proposition related to the crisis management learnings of re-entrepreneurs:

*Proposition 8: During adverse contexts entrepreneurs who have previous experience in overcoming business failure are more likely to employ crisis management tactics through the use, creation, and strengthening of social capital compared to those who have no previous experience in business failure.*

## **CHAPTER 5: DISCUSSION AND CONCLUSIONS**

## 5.1 Discussion

### 5.1.1. Quantitative analysis

Regarding the achievement of the following specific objective,

*SO2: To analyse the determinants on the re-entry behaviour after a failure across economies.*

There was not enough evidence in our quantitative results to support the role of the entrepreneurial ecosystem's formal conditions (H1). The absence of empirical evidence in terms of re-entrepreneurial activity and the explanation behind these results require academics to move forward in the debate about the entrepreneurial ecosystem actors supporting entrepreneurial re-entries, especially in emerging economies where the presence of institutional voids have considerable influence. According to Guerrero & Espinoza-Benavides (2021a), it is important for entrepreneurial ecosystems to redirect their design and actions to provide effective and real support to re-entrepreneurs, particularly those facing contexts of adversity at the time of re-entrepreneurship.

In terms of the role of informal conditions (H2) of the entrepreneurial ecosystem (social norms) on the re-entrepreneurship activity at a national level, the results underline the relevance of social media in showcasing content about successful new ventures. This insight also requires a considerable advance in the academic debate about the role of social media in facilitating the whole range of entrepreneurial activities (Olanrewaju et al., 2020). The social legitimization of entrepreneurship via social media is an issue that should be considered by research in the future, in light of the fact that our empirical evidence indicates its impact on both new entrepreneurship and re-entrepreneurial behaviour. Results also demonstrate the limited role of societal perceptions in thinking about entrepreneurship as a career or societal status – particularly in

emerging economies where re-entrepreneurs still face a critical taboo with the stigma of failure (Guerrero & Espinoza-Benavides, 2021a, 2021b).

Our quantitative results about the relevance of social capital (H3) also brought to light the critical role of re-entrepreneurs using networks from their previous experiences or knowing other entrepreneurs. In fact, social capital contributes crucially taking into consideration the weaknesses of entrepreneurial ecosystems, in particular for those seeking to re-enter the market with a new entrepreneurial initiative. We could notice that some emerging countries' existing social capital generates a more favourable context for entrepreneurship (Alonso & Leiva, 2019; Lafuente et al., 2020), as well as for re-entrepreneurship after a business failure. Even though more educated citizens seem to harm both nascent and re-entrepreneurial activity, it would appear to be balanced out by the human capital available in each country, claiming to have the knowledge and experience to create and manage a business. This provides encouragement for both re-starting and new entrepreneurship. However, there is no doubt that the increased presence of angel investors in a country is a stimulus to entrepreneurship and re-entrepreneurship. These results are in line with those of prior research, which posits that these types of agents can make a direct contribution to an increased likelihood of re-entrepreneurship after business failure (Cope et al., 2004; Hessels et al., 2011).

#### **5.1.2. Qualitative analysis**

Regarding the achievement of the following specific objective,

*SO3: To analyse the individual/organisational determinants involved in the process of re-entrepreneurship derived from crisis management (e.g., external shake-out event) experienced by a person after business failure.*

Based on the SO3 insights and according to Corner et al. (2017), entrepreneurial resilience is related to emotionally and cognitively stable individuals who are managing adverse effects. Following this approach, our qualitative results show that the most resilient

entrepreneurs during the current challenging times are those who have been re-entrepreneurs (RE03, RE05, RE06, RE08) except for one entrepreneur from the NRE group (NRE20). Therefore, our results provide some insights into our assumption (general proposition) that, given the experience of managing personal/organisational crises, re-entrepreneurs are more likely to be resilient during exogenous events (crisis, pandemics, and natural disasters) than entrepreneurs from NRE group.

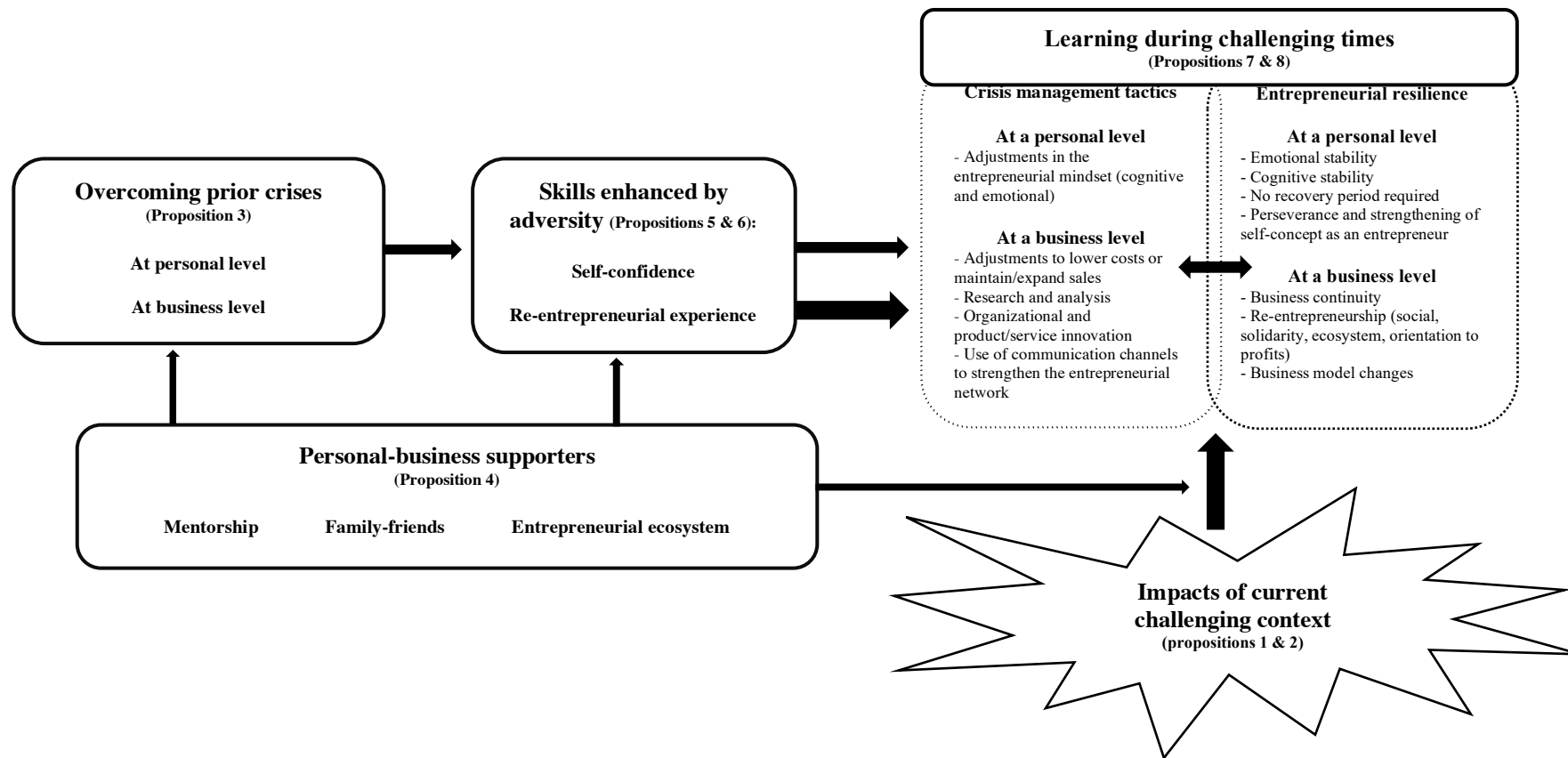
Based on this information, we can partially corroborate our general proposition, since according to the level of importance (measured by frequency of quotations received) that each group has in relation to crisis management tactics, we see that for the first two factors there is a certain balance, i.e., both entrepreneurs in the RE group and those in the NRE group use these actions in the same way to deal with adverse scenarios. We consider it relevant to highlight that these similarities in management tactics suggest a parallel between the literature on recovery from business failure (Ucbasaran et al., 2013) and that on crisis management in small businesses (Herbane, 2010), since, regardless of the type of entrepreneur involved, we observe that they perform similar actions to balance the emotional and financial costs produced by external crises. This is in line with what Shepherd et al. (2009) put forward in their work on balancing financial and emotional costs, but in the face of the experience of business failure. For example, we observe that all our interviewees give similar importance to decisions/actions to lower costs as well as those related to adjustments in their entrepreneurial mindset (cognitive/emotional) in the way they cope with the effects of external crises. This evidence is a preliminary support for the conceptual framework presented in Figure 2.8 of this document.

### ***5.1.3. Revised conceptual framework***

We propose a conceptual model to understand/study the link between crisis management, entrepreneurial resilience, re-entrepreneurial experience, and learning in

challenging times (see Figure 5.1). The configuration of entrepreneurial resilience includes several elements. Prior experiences related to overcoming business/personal crises represented a unique learning process (Cope, 2011; Lattacher & Wdowiak, 2020) that was enriched by the adequate guidance/support of significant family members, mentors, and other agents (Stam, 2015; Guerrero & Espinoza-Benavides, 2021b). Subsequently, individuals who experienced those difficult episodes are more likely to develop personal capabilities (self-confidence) and entrepreneurial capabilities (re-entrepreneurial experiences) that are crucial for being emotionally/cognitively stable (Corner et al., 2017) to respond to unexpected exogenous events (the COVID-19 pandemic and the 2019 social movements). In this study, the rapid response of resilient entrepreneurs to exogenous events was related to the introduction/adjustments of current business models, looking for specialized support to respond faster to the business affectations, and being persistent following the lockdown and health restrictions. It is also important to highlight the special emphasis that re-entrepreneurs make to maintain, strengthen, and create social capital during challenging times as RE01 states:

*“I believe that the crises I have gone through have helped me a lot...to manage all my perspectives, to have a more long-term vision...also to see what is happening in the global environment...I believe that what also helps me is faith, I believe that it is a key in my entrepreneurship and to be well prepared, to be in knowledge regarding the environment... I think that it gives me confidence in myself, it gives me the certainty that one can start over many times... when one is a serial entrepreneur the antennas are activated, and one becomes more intuitive, a little more receptive and one begins to focus”.*



**Figure 5.1:** Revised conceptual framework on Re-entrepreneurial experience, Crisis Management tactics and Entrepreneurial Resilience Patterns in Challenging Times

Source: Authors

## 5.2 Contributions

This thesis contributes to both institutional economic theory (North, 1990; Urbano et al., 2019) and the entrepreneurship ecosystem perspective (Roundy et al., 2017; Stam, 2015), as our results reinforce the importance of context on entrepreneurial activity (Welter, 2011), especially as it relates to re-entry activity after entrepreneurial failure (Cope, 2011; Simmons et al., 2014, 2019; Tipu, 2020) and in adverse contexts (Bullough et al., 2014; Bullough & Renko, 2013; Shepherd & Williams, 2020). Our quantitative results show that the role played by formal institutions is deficient when it comes to supporting entrepreneurs who are re-entering after business failure, especially in emerging economies.

On the other hand, the finding of the contribution of social media reinforces the importance of informal institutions on re-entry activity after entrepreneurial failure, in this case favouring it; for so far, other studies have shown the importance of informal institutions, such as the social stigmatisation of failure, in relation to the disincentive they cause, both for new and re-entrant entrepreneurship (Lee, Cottle, et al., 2021; Simmons et al., 2014, 2019). Therefore, our finding is pioneering in the identification and validation of an "informal" factor that incentivises entrepreneurial activity after business failure, globally.

Also, that we have successfully employed the entrepreneurial ecosystems perspective (Stam, 2015) and this contributes to the recent debate on the conceptualisation of this topic, e.g., Rocha & Audretsch (2022, p. 12) indicate that "any phenomenon with a strong transformative connotation, such as entrepreneurial ecosystems, faces a lack of agreement on its definition", so we hope that the way we have operationalised our quantitative analysis and the statistical validity of our results will contribute to give greater reliability to this perspective, for use in future research.

Our qualitative evidence also contributes to highlighting the role of the entrepreneurial ecosystem and contributes with an inductive model (presented in Figure 5.1) demonstrating the

role that these ecosystems can play in adverse contexts. We also contribute to reinforce the importance of social capital in the entrepreneurial process (Baron & Markman, 2000; Neumeyer et al., 2019), for example the role of family/friends, other entrepreneurs, mentors, and angel capitalists in facilitating the re-entry process after business failure. Our results allow us to affirm that, while it is already relevant to undertake entrepreneurship for the first time accompanied, it is even more important to have the support of other people during the re-entry process after business failure, especially in adverse contexts. However, we should not forget that the costs of failure also generate loss of social capital (Ucbasaran et al., 2013) and that families can play a dual role: helping to minimise the costs of business failure or increasing them and making re-entry more difficult (Guerrero & Espinoza-Benavides, 2021b).

Therefore, our main contribution is the unique learning process described through propositions 3 to 8 of our conceptual model. This is also strongly related to what Cope (2005, 2011) and Cope & Watts (2000) propose in relation to the phenomenon of entrepreneurial learning being situated/contextualized, especially in relation to its social environment. Thus, this thesis extends Cope's (2011) seminal contribution, specifically with respect to what he termed the "networks and relationship dimension of learning", which refers to the learning that the entrepreneur achieves from the experience of failure about the nature and management of relationships, both internal and external to the venture (Cope, 2011, p. 35). This type of learning (from previous failure) could be observed, for example, in the evidence that allowed us to state Proposition 8.

In line with the above, this unique learning process is nurtured by overcoming different critical incidents/events that contribute to a higher level of resilience to cope with the negative effects of concurrent external shocks (Propositions 1 and 2). Therefore, our model contributes to validate the importance of critical incidents in entrepreneurial learning (Cope & Watts,

2000), as well as to provide background for understanding how this learning is associated with a higher level of resilience of re-entrepreneurs in the face of external shocks.

Furthermore, the relationship between the learning process of re-entrepreneurs and their level of resilience, which we have elaborated from our grounded theory, contributes to a recent call for research that seeks to integrate psychological resilience, stress, and coping in entrepreneurship (Ahmed, et al 2022). First, we note that our conceptual model is broadly consistent with that proposed by the authors Ahmed, et al (2022, p. 517), but, second, our evidence is contradictory to one of the final theoretical speculations of these authors' work, that "self-enhancement might help entrepreneurs cope with adversity but is also associated with narcissism and negative perceptions of others, which may limit the ability to draw on social support that can also help cope with adversity" (Ahmed, et al 2002. 521). For the case of the group of re-entrepreneurs, our evidence confirmed that their self-confidence allows them to cope positively with the negative effects of external shocks and at the same time, in those contexts, to turn to social support and to move away from some kind of narcissistic or hubristic behavior.

To conclude this point, we would like to highlight three other contributions that we identified in this thesis, which go beyond the insights into the literature on learning from the experience of entrepreneurial failure. So, we group our propositions from a more general perspective, related to all types of entrepreneurs (propositions 1 to 5); and, on the other hand, we link the propositions that especially refer to the particularities of re-entrepreneurs (6 to 9). In this way, we set out below these three complementary ideas.

Our first five propositions also contribute to the emerging theoretical perspective on “entrepreneurship in adverse contexts” (Ahmed et al., 2022; Karanda & Toledano, 2023; Shepherd & Williams, 2020; 2022). More integrative conceptual frameworks on what we can call “entrepreneurship in adverse contexts” are just emerging. So far, the proposal of Ahmed et al. (2022) is the most theoretically complete (mentioned above). Our model has many parallels to what they propose, thus it makes an important contribution to this emerging perspective, which has undoubtedly become more important for society and researchers due to the adverse events we have been experiencing in recent years.

Our last three propositions (six, seven and eight) also contribute to the habitual entrepreneurship framework (Ucbasaran et al., 2003, 2006, 2008). At the level of the individual, by reinforcing the analysis of prior experience in the subsequent engagement of the entrepreneur, as habitual entrepreneur (Westhead & Wright, 1998), even after having failed in a previous business (Espinoza-Benavides & Díaz, 2019; Hessels et al., 2011; Stam et al., 2008). We provide a novel look at heterogeneous re-entry routes (different profiles and patterns) after entrepreneurial failure (Guerrero & Espinoza-Benavides, 2021b), in line with recent research works (Espinoza-Benavides & Díaz, 2019; Williams et al., 2020), and as a possible reflection of a new debate on heterogeneous entrepreneurial exit routes (Cefis et al., 2021; Fuentelsaz et al., 2020). Therefore, at the entrepreneur level, we contribute to the current discussion of different entrepreneurial profiles, for example, novice, serial, and portfolio entrepreneurs (Ucbasaran et al., 2003; Westhead & Wright, 1998).

Likewise, the last three propositions (six, seven, and eight) also contribute to the perspective of marginalised entrepreneurs, as entrepreneurs who have had previous experiences of business failure have had to overcome institutional barriers to re-entry, such as the stigmatisation of failure (Shepherd & Haynie, 2011; Simmons et al., 2014). This is also

explained in another way by Simarls et al. (2022), who highlight some of the strategies that marginalised entrepreneurs use to gain agency and legitimacy and mobilise resources. Considering tactics such as family transmutation, ally activation, and enabler cooptation (Simarls et al., 2022), we believe that re-entrepreneurs are a fertile field to extend and deepen the frame of reference of marginalised entrepreneurs.

### **5.3 Practical implications**

From a practical point of view, we believe that this thesis should be considered by different stakeholders. For example, public decision-makers should make greater efforts to develop formal institutions/agencies that can support re-entrepreneurs after failure, as we have confirmed that there are different types of re-entrepreneurs (Guerrero & Espinoza-Benavides, 2021b); and if these are correctly identified and supported, they can perform better in a business reattempt, compared to novice entrepreneurs, as recent research relates previous experience of business failure, and recovery from it (through business re-entry), with more resilient profiles and therefore with high chances of achieving better performance in their new businesses, even in adverse contexts (Ahmed et al., 2022; Lafuente et al., 2019; Shepherd & Williams, 2020).

On the other hand, we have seen that the consequences of business failure can be severe (emotional, financial, and social), such as: being left on the street, without the support of family or acquaintances, imprisonment, suicide attempts, etc. We believe that these cases (let us call them "extreme cases" for now) require institutions/agencies (within the entrepreneurial ecosystem) that can help the former entrepreneur to recover quickly from the negative consequences, and to have the real option of reintegrating into an economic activity in employment or self-employment. In other words, policy makers (and actors in the entrepreneurial ecosystem in general) should promote that the most resilient people start new businesses and that those who have suffered high costs of business failure (and cannot recover)

receive emergency support. With the exception of these cases, for other cases it may not be a good option to re-start immediately, because, for example, they may follow a loss-recovery biased behaviour (Hsu, Wiklund, et al., 2017; Kahneman & Tversky, 1979) and/or re-engage without having learned from the previous experience and be exposed to further failure (Nielsen & Sarasvathy, 2016; Williams et al., 2019).

Therefore, the clear implication of the above is that, ideally, re-entrepreneurs should be accompanied from the moment of the closure of their business until they have been able to recover from the different costs generated by their previous failure. The key actors for this accompaniment are several: public agencies promoting entrepreneurship, university entities promoting entrepreneurship, financial institutions, local associations and guilds of companies and entrepreneurs, among others.

This thesis also provides key information that should be taken into account by educational institutions, especially those that teach business creation and management. Although their focus is on competitiveness and business success, especially within business schools, content related to business failure should not be ignored in training curricula, which can be addressed from a perspective of dynamic learning, such as live cases for vicarious learning (Alvarado Valenzuela et al., 2020; Soria-Barreto et al., 2023). But we also think it is a good idea to consider content related to business failure, such as the field of crisis management (Bundy et al., 2017; Williams et al., 2017).

In line with the above, and also taking into account the adverse global context (pandemic and war), we believe that it is essential and urgent to foster the development of competences for resilience and management in adverse contexts (Ahmed et al., 2022). In that sense we believe that the application of multiple teaching methods, such as solving real problems in controlled environments, computer simulations and role-playing, and in general

playful experiences related to the confrontation of failure and the management of adverse personal and organisational contexts can contribute.

#### **5.4 Limitations and future research**

We want to highlight the fact that although we contribute with new knowledge on the heterogeneity of the re-entry profile in line with Guerrero & Espinoza-Benavides (2021b), in none of the chapters do we discuss the need to improve, taxonomically, the concepts and definitions associated with entrepreneurial failure and re-entry, as there are several definitions that need to be refined and integrated, at least at the conceptual level, such as: serial entrepreneurs (Westhead & Wright, 1998), regenerative entrepreneurship (Walsh & Cunningham, 2017), resilient entrepreneurs (Lafuente et al., 2019), and re-entrepreneurs (Espinoza-Benavides & Díaz, 2019); therefore, research work should be conducted along these lines.

Second, we acknowledge that we could have further disaggregated the analysis of environmental variables, especially from the doing business source (World Bank), to look in more detail at the role of formal institutions such as, for example, bankruptcy rules and labour market regulations, as studies have shown that these factors have effects on re-entry processes after business failure (Eberhart et al., 2017; Fu et al., 2018; Lee et al., 2011). Therefore, future research should address these factors in more detail, in addition to recent literature showing mixed results on the influence of bankruptcy laws (Lee, Cottle, et al., 2021; Lee, Wiklund, et al., 2021; Schmutzler et al., 2019).

Third, we must consider what Rocha & Audretsch (2022) have recently highlighted in relation to the perspective of entrepreneurial ecosystems, which indicates that they possess socio-cultural elements that may have different expressions between different territorial spaces, within which inter-organisational links effectively occur, which they call "institutional fields".

Therefore, we believe that future research that attempts to quantify the impact of institutional factors (formal and informal) on re-entrepreneurial activity, related to one or several entrepreneurship ecosystems, should better control for territorial differences within the same country to better specify the interdependence and causality of the variables to be analysed. This will undoubtedly involve the application of econometric models based on hierarchical/multilevel linear modelling, such as that carried out in the field of entrepreneurship by Stuetzer et al. (2014).

Finally, and with specific regard to the qualitative study carried out, we should mention that has several limitations that open a window for future lines of research. First, our study is set in a particular country (Chile). Therefore, a natural extension could be analysing the phenomenon in different contexts. Second, our study explores the relationship between re-entrepreneurship, entrepreneurial resilience, and challenging times. However, entrepreneurial resilience is a complex model that needs a multidisciplinary approach to understanding cognition, behaviours, emotions, actions, or reactions. In this view, the proposed model should be reinforced by including different methods before being tested considering the eight propositions that were suggested. The third is the lack of previous literature that integrates the concepts of crisis management and recovery from business failure (re-entry). For despite the recent contributions to an integrated conceptual model of entrepreneurship in adverse contexts (Ahmed, et al. 2022; Shepherd & Williams, 2022), it seems to us that further qualitative research is still key to illuminating the intricate relationship between re-entrepreneurship, learning, and the formation of entrepreneurial resilience. Also, in order to generalize our proposition about re-entrepreneurs (who come from overcoming previous entrepreneurial failures), it needs to be demonstrated with more generalisable methods (e.g., quantitative). Furthermore, we believe that the perspective of entrepreneurial ecosystems needs to be deepened both in adverse contexts, as well as in their contribution to re-entrepreneurship, the

formation of entrepreneurial resilience, and the individual and organisational lessons from those processes and contexts.

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## **ANNEXES: SUPPLEMENTARY INFORMATION**

**Appendix 2.1:** Summary of documents analysed in depth for the systematic content review and cross-learning analysis.

A: 48 documents analysed in depth for systematic content review and cross-learning analysis, with emphasis on the theme(s): entrepreneurial failure and re-entry.

| N° | Authors/year                            | The problem/purpose of the article                                                                                             | The underlying theories                 | Unit of analysis                   | Research methods used in the empirical part                | Results and contributions of the article                                                                                                                                                                                                                                              |
|----|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | McGrath, R.G. 1999. *                   | Anti-failure bias in management and business literature                                                                        | Real options                            | Mainly at the organisational level | Conceptual approach.                                       | The role of business failure in wealth creation is developed, with an emphasis on managing uncertainty, seeking high variance outcomes but investing only if conditions are favourable. This can increase profit potential while containing costs.                                    |
| 2. | Shepherd, Dean A. 2003. *               | Exploring the emotion of business failure                                                                                      | Psychological literature on bereavement | Entrepreneurial person             | Conceptual approach                                        | The loss of a business due to failure can cause self-employed people to experience grief - a negative emotional response that interferes with the ability to learn from the events surrounding that loss.                                                                             |
| 3. | Cope, J., Cave, F., & Eccles, S.2004. * | The article focuses on the attitudes of venture capitalists (VCs) towards entrepreneurs with a previous experience of failure. | Low risk investment                     | Individual-Person (risk investor)  | Qualitative method (interview with 6 venture capitalists). | The article demonstrates that venture capitalists often adopt a tolerant, flexible and open-minded attitude to failure and are interested in understanding the circumstances in which it occurred. venture capitalists do not automatically consider business failure a "black mark". |

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| 4. | Vaillant, Y., & Lafuente, E. 2007. *                | How do different institutional frameworks condition the influence of selected social features: the social stigma of entrepreneurial failure and the presence of entrepreneurial role models, on the levels of entrepreneurial activity in a rural area with a strong industrial and entrepreneurial history versus those not necessarily characterised by such a tradition? | Institutional theory, social costs and stigma.                   | Individual and by zones (rural and urban)                                                                 | Quantitative. Spanish GEM data 2003 with a sample of 4,877. A Logit model is applied. | The belief that there is a social stigma attached to business failure is a major constraint to entrepreneurial activity in Spain.                                                                                                                                                                                                                                |
| 5. | Stam, E., Audretsch, D., & Meijaard, J. 2008. *     | Why should people who have exited their business consider re-entry into entrepreneurship, i.e. become born-again entrepreneurs?                                                                                                                                                                                                                                             | Economic dynamics of enterprises and "nascent entrepreneurship". | Individual: sample of 240 entrepreneurs who closed their businesses between 1994-2000 in the Netherlands. | Logistic regression.                                                                  | This study shows that resurgent entrepreneurship is a widespread phenomenon. Next to passive learning, active learning plays an important role in explaining post-exit entrepreneurial preferences. This study provides new insights into the role of prior knowledge and firm exit in the entrepreneurial process.                                              |
| 6. | Van Auken, H., Kaufmann, J., & Herrmann, P. 2009. * | How the acquisition of start-up capital by new business owners relates to the activities they undertake to reduce risk and their familiarity with bankruptcy laws.                                                                                                                                                                                                          | Financial theory and bankruptcy.                                 | Small businesses.                                                                                         | Quantitative. Sample of 90 small businesses in Iowa USA.                              | It suggests that the costs of failure are influenced by entrepreneurs' capital acquisition decisions as well as by bankruptcy laws. They find that capital acquisition decisions are not influenced by owners' familiarity with bankruptcy regulations. It calls into question government objectives to encourage entrepreneurship by modifying bankruptcy laws. |

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| 7. | Shepherd, D.A., Wiklund, J., & Haynie, J. M. 2009. *                             | Why do owner-managers delay business failure when doing so is financially costly?                                                                                                                                                                                                                  | Economic model of persistence. Anticipatory Mourning Perspective.              | Individual (owner-manager).       | Conceptual approach.         | Emotions are more than simply a factor that predisposes owner-managers in such a way that they delay business failure at their peril. Emotions occur before and after the failure event and impact an owner-manager's emotional recovery. That is, a period of grieving in anticipation of business failure can decrease the level of grief triggered by failure and thereby enhance emotional recovery.                                                                  |
| 8. | Hayward, M. L. A., Forster, W. R., Sarasvathy, S. D., & Fredrickson, B. L. 2010. | Why are highly confident entrepreneurs of focal enterprises better positioned to start and succeed with another enterprise, and therefore why does overconfidence in one's own functional capabilities persist and prevail among entrepreneurs?                                                    | Cognitive perspectives on confidence in decision-making. Self-efficacy theory. | Individual-organisational.        | Conceptual approach.         | Larger and more public failures demonstrating the entrepreneurs' mismanagement should damage their reputation and, therefore, their social and financial capital will also be affected. Similarly, entrepreneurs with more successful foundational experience prior to their failed 'focal' ventures may have the reputation and other resources to protect themselves against losses from such ventures.                                                                 |
| 9. | Ucbasaran, D., Westhead, P., Wright, M., & Flores, M. 2010.                      | Are experienced entrepreneurs (i.e. repeat or regular entrepreneurs, including portfolio entrepreneurs) with previous experience of failure in business ownership more or less likely to display comparative optimism than novice entrepreneurs with no previous experience of business ownership? | Comparative optimism theory                                                    | Individual. 576 UK entrepreneurs. | Quantitative. Probit models. | Repeat entrepreneurs (i.e. sequential and portfolio entrepreneurs) who had not experienced business failure were significantly more likely to report comparative optimism than first-time entrepreneurs. Sequential entrepreneurs who had failed were just as likely to report comparative optimism as first-time entrepreneurs. In contrast, failed portfolio entrepreneurs were significantly less likely to report comparative optimism than first-time entrepreneurs. |

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| 10. | Amaral, A. M., Baptista, R., & Lima, F. 2011.        | How do the levels of general and specific human capital of former entrepreneurs influence their likelihood to re-enter entrepreneurship over time, in a different firm? | Human capital theory.                                   | Individual. 23,172 comments from employers in Portugal.       | Quantitative. Exponential risk econometric model. | The findings are consistent with human capital theory, as individuals whose human capital is more entrepreneurship-specific are less likely to delay re-entry into entrepreneurship. Another explanation is that ex-entrepreneurs endowed with higher entrepreneurship-specific human capital may also face higher opportunity costs in choosing a different occupation and, consequently, are more likely to accelerate the decision to re-enter entrepreneurship.                                            |
| 11. | Cardon, M. S., Stevens, C. E., & Potter, D. R. 2011. | This study examines cultural views of business failure through the lens of sense-making, which includes attributions of causality.                                      | Attribution theory.                                     | Individual cases of business failure. 389 stories of failure. | Documentary and discourse analysis.               | The data suggest that the explanation of failures and the attribution of blame vary according to the geographical area in which they occur, as do the repercussions of these failures. Geographical area in which failures occur, as well as the impact of these failures.                                                                                                                                                                                                                                     |
| 12. | Cope, J. 2011.                                       | What are the lessons learned from entrepreneurs who fail?                                                                                                               | Learning and critical event theory.                     | Individual (8 respondents).                                   | Case study.                                       | Failure represents one of the most difficult, complex and yet valuable learning experiences that entrepreneurs will be (un)fortunate enough to participate in. It is proposed that entrepreneurs who have experienced failure are arguably more prepared for the trials and tribulations of entrepreneurship.                                                                                                                                                                                                  |
| 13. | Shepherd, Dean A., & Haynie, J. M. 2011.             | How and to what end do entrepreneurs employ impression management strategies in response to the negative attributions associated with the stigma of failure?            | Psychological well-being, impression theory and stigma. | Individual.                                                   | Conceptual approach                               | The conceptual framework offers contradictory insights into why some entrepreneurs stigmatised by failure will use impression management strategies to align their conception of themselves with how others perceive them, even if it means adopting a negative view of themselves. The model highlights a possible paradox related to competing individual (the entrepreneur) and organisational goals with respect to actions positioned to improve the psychological well-being of the failed entrepreneur. |

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| 14. | Hessels, J., Grilo, I., Thurik, R., & van der Zwan, P. 2011.     | Is there a relationship and how is it between a recent entrepreneurial exit and a possible subsequent commitment to entrepreneurship? | Human capital and entrepreneurial intention.                                                     | Individual focus. More than 380,000 individuals from 24 different countries, between 2004-2006 (GEM Data).                                                                          | It is a quantitative-exploratory study using a multinomial logit regression method. | Exit increases the human capital stock of entrepreneurs and thus increases their entrepreneurship. Exit can stimulate entry and entrepreneurial potential, such as intentions and commitment to existing entrepreneurial activities.                                                                                                                                                                                               |
| 15. | Lee, S. H., Yamakawa, Y., Peng, M. W., & Barney, J. B. 2011.     | How do bankruptcy laws, as formal institutions, affect business development around the world?                                         | Institutions (corporate bankruptcy law) and entrepreneurship development.                        | Countries (n = 229). Data for 29 countries from 1990 to 2008 (inclusive) compiled from various archival sources.                                                                    | Quantitative. Time series analysis.                                                 | Lenient, entrepreneur-friendly bankruptcy laws are significantly correlated with the level of entrepreneurial development, as measured by the rate of new business entry.                                                                                                                                                                                                                                                          |
| 16. | Mantere, S., Aula, P., Schildt, H., & Vaara, E. 2013.            | How do an organisation's stakeholders use narratives in their psychological processing of a company's failure?                        | Attribution theory.                                                                              | Organisational.                                                                                                                                                                     | Qualitative. Multiple cases.                                                        | The results strongly suggest that attributions of business failure do not conform to attribution theory in the sense that they cannot be reduced to the generic tendency to avoid personal responsibility. These results illustrate how the social construction of business failure is driven by the cognitive and emotional needs of organisational stakeholders to maintain positive self-esteem and recover from business loss. |
| 17. | Parker, S.C. 2013.                                               | Does the performance of serial entrepreneurs follow an upward trajectory over successive venture periods?                             | Entrepreneurial learning theory.                                                                 | Individual-organisational. Data panel of 707 entrepreneurs.                                                                                                                         | Quantitative. Dynamic data panel.                                                   | The findings show that serial entrepreneurs derive temporary benefits from venture periods that eventually disappear. This implies that entrepreneurship generates benefits that spill over from one venture to subsequent ventures, and may provide a rationale for public policies that encourage the re-entry of entrepreneurs, even if those entrepreneurs performed poorly in their first ventures.                           |
| 18. | Ucbasaran, D., Shepherd, D. A., Lockett, A., & Lyon, S. J. 2013. | What happens to entrepreneurs when their businesses fail?                                                                             | Mainly: Attribution theory, Entrepreneurial learning theory, Institutional theory, among others. | Articles that address the issue of failure, focusing mostly on the individual effects of failure, although there are also some papers that study specific countries or territories. | Systematic review of the literature.                                                | It proposes an agenda for future research in an underexplored field, namely the process people go through after business failure.                                                                                                                                                                                                                                                                                                  |

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| 19. | Ravindran, B., & Baral, R. 2014. *              | The study aims to examine the effect of organisational factors such as political support, diversity climate, work-family culture and organisational justice on re-entrant women's attitudes such as career satisfaction, job satisfaction, organisational commitment and professional commitment. | Career choice and gender perspectives. | Individual-organisational. 152 women entrepreneurs who re-entered (from India). | Quantitative. ANOVA and multiple regression analysis. | The findings indicate that the career outcomes and attitudes of reintegrated Indian women are directly related to organisational factors. It is therefore suggested that organisations should provide the right kind of support to these women by revising their policies and making the workplace environment and culture more supportive and inclusive for returning women.                                                                                                                        |
| 20. | Simmons, S. A., Wiklund, J., & Levie, J. 2014.  | What is the probability of re-entry into entrepreneurship by failed entrepreneurs, according to the level of social stigma.                                                                                                                                                                       | Institutional and social stigma theory | Individual (2,607 cases) and country level (23).                                | Multilevel logistic regression models.                | It is found that in countries where levels of stigma and regulatory transmission of stigma marks were higher, entrepreneurs who exited failed businesses were less likely to re-enter entrepreneurship. On the other hand, stigma can function as a stimulus for entrepreneurs to challenge the illegitimacy of the failed business and actively seek out and engage in innovative behaviours that contribute to the overall diversity of entrepreneurial activities in their country.               |
| 21. | Singh, S., Corner, P. D., & Pavlovich, K. 2015. | How does stigma affect entrepreneurs, shape their actions and generate results for them and their businesses?                                                                                                                                                                                     | Psychological perspective and stigma.  | Individual. 12 entrepreneurs.                                                   | Qualitative. Multiple case method.                    | First, the findings suggest that stigmatisation is best viewed as a process that unfolds over time rather than as a label. Second, this process begins before, not after, failure and contributes to the demise of the enterprise. Third, the collective story has a positive ending in the sense that stigmatisation ultimately triggers epiphanies or deep personal insights that transform the entrepreneurs' view of failure from a very negative life experience to a positive life experience. |

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| 22. | Yamakawa, Y., Peng, M. W., & Deeds, D. L. 2015. | How does past business failure influence future entrepreneurship? More specifically, under what conditions do entrepreneurs who recover from failure perform better in the next round? | Cognitive theory of attribution and motivation.    | Individual level.       | Quantitative. They apply regression analysis to a sample of 203 re-entrepreneurs in Japan, drawn from a secondary database.                  | This study refutes the simple idea that failure is always beneficial, specifically that every entrepreneur learns from failure and that every second venture benefits from the lessons learned during an entrepreneur's previous failure. There is no relationship between the number of previous failures and the performance of the new venture. More importantly, however, the relationship between previous failure and future entrepreneurship is found to be much more nuanced and strongly influenced by the knowledge of the entrepreneur.                                             |
| 23. | Amankwah-Amoah, J. 2016.                        | The main objective of this study is to review and synthesise the literature on the antecedents and consequences of organisational failure.                                             | Multi theoretical.                                 | Organisational-Context. | Systematic review of the literature.                                                                                                         | The review and synthesis of literature in all academic fields led to the development of an integrative process model of causes, stages of deterioration leading to failure and consequences of organisational failure. The proposed integrated framework brings together a range of theoretical explanations of the causes of business failure. The study uncovered uncharted territory and unresolved issues that have the potential to further illuminate our understanding of the subject. The study offers a number of contributions to theory and practice.                               |
| 24. | Nielsen, K., & Sarasvathy, S. D. 2016.          | What is the role of the success or failure of the first start-up in the performance of the second and subsequent ventures?                                                             | Serial entrepreneurship, entrepreneurial learning. | Individual level.       | A quantitative, exploratory, longitudinal study, based on a sample of 39,841 first-time entrepreneurs and 1,418 re-entrepreneurs in Denmark. | Failed entrepreneurs are more likely to restart than successful entrepreneurs, although they are also more likely to fail again and consequently make strong Type II errors. In contrast, educated entrepreneurs or entrepreneurs with entrepreneurial parents, who are more likely to succeed in their restart, are no more likely to start a second venture and are therefore prone to weak Type I errors. While there are interesting nuances beyond these central findings in this study, the existence of this particular set of Type I and Type II errors is robust across all analyses. |

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| 25. | Khelil, N. 2016.                                           | This article aims to broaden the understanding of business failure by examining the different configurations that can occur and the associated profiles of failed entrepreneurs.                                                                  | Multi theoretical.                                                   | Individual.                                                                                                                                                            | Exploratory qualitative and taxonomic analysis.                       | This article shows that business failure is a multiform phenomenon that is difficult to reduce to a restrictive approach that overlooks the varieties of business failure. The study of this variety led us to broaden the current understanding of business failure, which still focuses primarily on the causes and consequences of business failure. This study emphasises the need to consider multiple configurations of business failure when studying its causes and consequences. |
| 26. | Baù, M., Sieger, P., Eddleston, K. A., & Chirico, F. 2017. | How does age (in a career development perspective) affect the likelihood of re-entry after failure? What role do age and gender play in this context?                                                                                             | Career development theory or approach (early, mid and mature career) | Entrepreneurial individuals who have failed and then re-started. Sample of Swedish individuals, between 2000-2004. They have a database of 4,671 failed entrepreneurs. | Longitudinal analysis combining different public databases in Sweden. | They support the theoretical assumption that re-entry behaviour is cubic or has an inverted S-shape during the time of individuals' career development. They also contribute that failure with co-founders is more severe, especially after middle age.                                                                                                                                                                                                                                   |
| 27. | Corner, P.D., Singh, S., & Pavlovich, K. 2017.             | The aim of this article is to explore the emotional and psychological functioning of entrepreneurs after the failure of a company.                                                                                                                | Resilience theory.                                                   | Individual. 11 Failed entrepreneurs.                                                                                                                                   | Qualitative. Narrative analysis.                                      | Most entrepreneurs show resilience; that is, they exhibit stable levels of functioning. This stability is different from the disruptions in functioning that psychologists refer to as "recovery" from a severe event. The findings therefore challenge the assumption that recovery is required after business failure.                                                                                                                                                                  |
| 28. | Dias, A., & Teixeira, A. A. C. 2017. *                     | The purpose of this article is to analyse the consequences of business failure (BF) by addressing: how the individual progressed and developed new businesses, how individuals changed behaviours and business practices in the light of failure. | Entrepreneurial learning theory.                                     | Individual. 6 entrepreneurs.                                                                                                                                           | Qualitative. Interpretative phenomenological analysis.                | The authors found that previous failures strongly impacted individuals, and were determined by the individual's experience and age, and their perception of guilt for failure. A variety of moderating costs were identified, ranging from antecedents to institutions that were present in the individual's life.                                                                                                                                                                        |

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| 29. | Eberhart, R. N., Eesley, C. E., & Eisenhardt, K. M. 2017.        | Does institutional change that lowers the barriers to failure improve the growth of new businesses?                                                                                         | Institutional theory (institutional change)                                                | Individual level                                                                                                                                                            | Experimental method based on longitudinal data over a 10-year period in Japan.                                               | Overall, they contribute to research at the nexus of institutional theory and entrepreneurship by emphasising the connection of barriers to failure, firm growth and elite entrepreneurs. The authors also highlight how institutional change that facilitates bankruptcy change can foster a regenerative cycle of failure, founding and growth by attracting more capable entrepreneurs. Overall, they conclude that lowering the barriers to failure through lenient bankruptcy laws encourages the most capable entrepreneurs, not just the most entrepreneurial, to start businesses. |
| 30. | Hsu, D. K., Shinnar, R. S., Powell, B. C., & Coffey, B. S. 2017. | What are the factors that determine the re-entry of ex-entrepreneurs who are currently employed?                                                                                            | Theory: Schneider's <i>attraction-selection-attrition</i> and theory of planned behaviour. | People who owned a business, but are currently working as employees.                                                                                                        | They apply a survey through Amazon's Mturk platform. And they perform multiple regression analysis to test their hypotheses. | It is shown that the length of OEFEs' start-up experience is positively related to their serial entrepreneurial intentions and this relationship is negatively moderated by the organisational structure and entrepreneurial orientation of the organisation in which the OEFEs are employed.                                                                                                                                                                                                                                                                                              |
| 31. | Hsu, D. K., Wiklund, J., & Cotton, R. D. 2017.                   | Who is more likely to re-enter: successful entrepreneurs who have the skills and confidence to pursue another profitable venture or those who failed and re-entered to recoup their losses? | Prospective and self-efficacy theory.                                                      | For experiment 1, a sample of students from Northeastern University and for experiment 2, a sample of entrepreneurs from Northeastern University's Entrepreneurship Center. | Experimental method. Two studies are conducted using this method, one to test H1 and the other to test H2 and H3.            | They provide an explanation for the puzzling empirical finding that many failed entrepreneurs return to re-entry, even if failure has undermined their self-efficacy.                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 32. | Pardo, C., & Alfonso, W. 2017. *                                 | The purpose of this article is to use attribution theory to identify the factors that contribute to the failure of entrepreneurial ventures in Colombia.                                    | Attribution theory.                                                                        | Individual-organisational. 324 Colombian entrepreneurs.                                                                                                                     | Quantitative. Principal component analysis and multinomial distribution model.                                               | The results showed that the main attributions of failure for Colombian entrepreneurs were financial and organisational issues, the external environment and marketing. Specific sub-problems included insufficient income generated to sustain the business, lack of adequate financing, problems with business control, as well as legal and economic instability.                                                                                                                                                                                                                        |

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| 33. | Walsh, G. 2017.                                       | How re-entrepreneurs deal with the effects of stigma                                                                                                                                                            | Stigma theory and serial entrepreneurship                                                    | Individual.                                                   | Qualitative: analysis of 15 cases.                                                                    | This research explores how fifteen early-stage tech entrepreneurs avoid or overcome stigma and re-enter the entrepreneurial context. Three key approaches emerged from this study: detachment (from entrepreneurship); recognition (of failure); and deviation (from stigma).                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 34. | Walsh, G.S., & Cunningham, J. A. 2017.                | The aim of this article is to focus on the processes that occur between entrepreneurs' primary attribution of failure and the emergent learning dimensions of failure, in the context of regenerative failures. | Attribution theory. Entrepreneurial learning.                                                | Individual-organisational. 21 ICT entrepreneurs from Ireland. | Qualitative. Multi-case approach.                                                                     | Four types of failure attributions are found: internal individual level; external firm level; external market level; and hybrid attributions. Entrepreneurs' attributions impact their responses to failure; this in turn affects entrepreneurial learning. When failure is attributed primarily to internal factors, the entrepreneur's response is affective and leads to deep, personal learning about oneself. External attributions (both at the firm and market level) result in a primarily behavioural response, with learning focused on the firm, networks and relationships. Those who primarily attribute failure to hybrid factors have a largely cognitive response and learn about business management. |
| 35. | Amankwah-Amoah, J., Boso, N., & Antwi-Agyei, I. 2018. | What are the endogenous and exogenous barriers related to failure and serial entrepreneurship.                                                                                                                  | Institutional theory and serial entrepreneurship                                             | Country: Focus on Ghana's challenges                          | Theoretical and case study (Ghana)                                                                    | The study identified factors such as the stigmatisation of business failure, fear of failure, private sector distrust of successive governments and lack of clear national policy as barriers to the development of serial entrepreneurship. By destigmatising failure, countries could create conditions for more serial entrepreneurs to emerge and thrive. The analysis also indicates that revitalising entrepreneurship by providing space and opportunities for failed entrepreneurs to re-emerge would allow such countries to improve entrepreneurial activities and economic development.                                                                                                                     |
| 36. | Fu, K., Larsson, A. S., & Wennberg, K. 2018.          | How is the decision to re-enter entrepreneurship of a person with previous business start-up experience affected by the rigidity of labour market regulations at the country level?                             | Repeat entrepreneurs. Serial and portfolio entrepreneurs. Occupational decision perspective. | Individual level.                                             | Multilevel regression analysis is used on a sample of 15,709 observations from 29 European countries. | Labour market regulations have a positive influence on the decision to re-enter entrepreneurship. This positive impact is stronger among people who have salaried jobs at the time of re-entry compared to those who do not. The results indicate that novice and regular entrepreneurs may respond very differently to labour market rigidities.                                                                                                                                                                                                                                                                                                                                                                      |

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| 37. | Simmons, S. A., Wiklund, J., Levie, J., Bradley, S. W., & Sunny, S. A. 2018. | How stigma affects different groups in their re-entry decisions after failure                                                                     | Serial entrepreneurship, entrepreneurship ecosystems and social stigma theory.  | Individuals and countries.                                            | Multilevel logistic regression models.                                                                                                                                                                                                 | We find evidence of persistent gender gaps that vary according to the ecosystem framework conditions of public stigma of entrepreneurial failure and public fear of entrepreneurial failure. The findings shed new light on the ecosystem inefficiencies that arise from the multiple interactions between entrepreneurs and institutions.                                                                                                                                                                  |
| 38. | Boso, N., Adeleye, I., Donbesuur, F., & Gyensare, M. 2019.                   | This study examines under what conditions the experience of entrepreneurial failure influences subsequent entrepreneurial actions.                | Entrepreneurial engagement and entrepreneurial learning.                        | Individual-organisational. 240 entrepreneurs from an African country. | Mixed method: Qualitative-Quantitative. Confirmatory factor analysis, focus groups and interviews.                                                                                                                                     | The experience of business failure influences the performance of new enterprises when it is channelled through entrepreneurial learning under conditions of increasing levels of entrepreneurial learning and a higher degree of alertness to new business opportunities.                                                                                                                                                                                                                                   |
| 39. | Espinoza-Benavides, J., & Díaz, D. 2019.                                     | Determine the characteristics that differentiate entrepreneurs after failure (from the rest), in the context of a Latin American country (Chile). | Serial entrepreneurship                                                         | Individual at Latin American country level (Chile)                    | Quantitative: Logit model and decision trees on a sample of 2,024 individuals.                                                                                                                                                         | The results of this paper show that for Chilean entrepreneurs, there is a different profile between those who fail and drop out and those who decide to start a new business after failure. These differences show that post-failure entrepreneurs behave like angel investors, have better business skills and have more experience. They are also more likely to share ownership of their new business.                                                                                                   |
| 40. | Guerrero, M., & Peña-Legazkue, I. 2019.                                      | Why, when and how do entrepreneurs choose to re-engage quickly in business start-ups after business closures?                                     | Knowledge <i>spillover</i> theory of entrepreneurship, serial entrepreneurship. | Multilevel: Individual level in different geographical sectors.       | Quantitative, using logit regression analysis, for 599 observations for the years 2008 and 2011, retrieved from the GEM database. In addition, six countries are analysed. Three from the European Union and three from Latin America. | The likelihood of quickly re-engaging in a venture is positively influenced by entrepreneurs' experiential capital (i.e. skills developed from launching new businesses and innovative products in previous organisations). Moreover, this positive relationship is clearly accentuated by favourable business cycle conditions and spatial context. It is hoped that the results will shed some light on the circumstances in which repeat entrepreneurship occurs quickly before opportunities disappear. |
| 41. | Lin, S., & Wang, S. 2019.                                                    | How does the age of serial entrepreneurs influence the speed of re-entry after business failure?                                                  | Serial entrepreneurship, costs of failure.                                      | Individual level.                                                     | Quantitative, with a sample of 268 serial entrepreneurs in China.                                                                                                                                                                      | The results showed that the larger the serial entrepreneur, the longer it takes to start a business again. In addition, the higher the loss due to failure, the slower the speed of re-entry.                                                                                                                                                                                                                                                                                                               |

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| 42. | Williams, T. A., Thorgren, S., & Lindh, I. 2019. * | Why do entrepreneurs who have failed in a previous business re-start?                                                                                          | Attribution theory.                            | Individual. 7 Swedish entrepreneurs, who recently closed their business, almost simultaneously. | They use a grounded theory method, through a two-year process of accompanying 7 entrepreneurs who had experienced a simultaneous business closure. They conducted interviews with the entrepreneurs at different points in time. | The main contribution of this study is the definition of a pathway by which the interactions of failure attributions and emotions lead to effective entrepreneurial re-entry after failure. Three re-entry trajectories are identified: disengagement (re-entry with minimal modifications), reinforcement (no re-entry) and metamorphosis (re-entry with substantial modifications).                                                                                                                                                                                                                                                                               |
| 43. | Franco, M., Haase, H., & António, D. 2020. *       | The objective of this study is to analyse the influence of failure factors on entrepreneurial resilience in micro, small and medium-sized enterprises (MSMEs). | Resilience theory.                             | Individual-organisational. 133 founders of MSMEs in Angola.                                     | Quantitative. Multiple linear regression.                                                                                                                                                                                        | Regarding the phenomenon of entrepreneurial resilience, this study used three main dimensions, namely hardiness, resourcefulness and optimism. Empirical evidence indicates that Angolan entrepreneurs are resilient, as they have sufficient capacity to remain in their operating market and have a strong sense of optimism. The most resilient entrepreneurs have high levels of self-esteem, feel in control and are not afraid to make mistakes. They are able to bounce back more quickly after periods of great stress and misfortune.                                                                                                                      |
| 44. | Lattacher, W., & Wdowiak, M. A. 2020.              | The aim of this article is to provide a systematic review of the literature on entrepreneurial learning related to entrepreneurial failure.                    | Entrepreneurial learning theory. Kolb's model. | Individual-organisational.                                                                      | Systematic review of the literature.                                                                                                                                                                                             | The literature provides information on all stages of the entrepreneurial learning process from failure. Particularly well elaborated are the nature of failure and its triggering effect on reflection, the factors influencing reflection, the contents of the resulting learning and its application in entrepreneurial resurgence. Other topics remain under-researched, including alternative modes of recovery, the impact of personal attributes on reflection, the cognitive processes underlying reflection, the transformation of failure-based observations into logically sound concepts, and the application of this learning in non-business contexts. |

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| 45. | Tipu, S. A. A. 2020. *                                                      | This article aims to review the academic literature on entrepreneurial re-entry after failure.                                                                                           | Multi theoretical.                                                | Individual-organisational.                                                 | Systematic review of the literature.                 | The concept of entrepreneurial re-entry after failure has recently attracted some attention from entrepreneurship scholars, but there are still significant gaps in the literature. A wide range of theories of entrepreneurship can potentially provide the necessary impetus to guide future research. The current literature remains largely inconclusive and presents inconsistent findings. This underlines the need to focus on this domain for further studies to develop knowledge. The available literature is largely focused on exploring the antecedents of entrepreneurial re-entry after failure. |
| 46. | Guerrero, M., & Espinoza-Benavides, J. 2021a. *                             | This article aims to analyse the causes and consequences of business failure and re-entry from the perspective of entrepreneurship ecosystems.                                           | Perspective on entrepreneurship ecosystems.                       | Individual, organisational and contextual.                                 | Conceptual approach.                                 | A conceptual model is proposed that highlights the specific conditions of the entrepreneurial ecosystem that positively influence re-entry into entrepreneurship after business failure.                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 47. | Guerrero, M., & Espinoza-Benavides, J. 2021b. *                             | This study aims to analyse the influence of environmental and individual conditions on the quality and speed of entrepreneurial re-entries in emerging economies after business failure. | Perspective of entrepreneurship ecosystems. Human capital theory. | Individual, organisational and contextual. 20 re-entrepreneurs from Chile. | Qualitative. Multiple cases, retrospective analysis. | The results show that entrepreneurial experience and type of entrepreneurship influence the accelerator effect of entrepreneurial re-entry, as well as how environmental conditions moderate the quality and speed of entrepreneurial re-entries. The interaction of these main variables allows us to determine 4 patterns of re-entrants.                                                                                                                                                                                                                                                                     |
| 48. | Lee, C. K., Wiklund, J., Amezcua, A., Bae, T. J., & Palubinskas, A. 2021. * | The purpose of this systematic review is to analyse the relationships between institutions (which govern the rules of business failure) and entrepreneurial decisions and behaviour.     | Institutional theory.                                             | Individual, organisational and contextual.                                 | Systematic review of the literature.                 | This review takes a close and coherent look at how the institutions that govern the rules of entrepreneurial failure influence the decisions and behaviours of entrepreneurs throughout the many stages of the entrepreneurial process. It also identifies research gaps in the existing literature, suggesting possible research questions to advance knowledge on this important topic.                                                                                                                                                                                                                       |

\*= Snowball sampling

Source: authors.

B: 37 documents analysed in depth for systematic content review and cross-learning analysis, with emphasis on theme(s): crisis management and small business.

| <b>N°</b> | <b>Authors/year</b>              | <b>The problem/purpose of the article</b>                                                                                                                                                                                                                 | <b>The underlying theories</b>     | <b>Unit of analysis</b>                          | <b>Research methods used in the empirical part</b> | <b>Results and contributions of the article</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <b>1.</b> | Pearson & Clair. 1998. *         | This article aims to integrate and build on current knowledge to create a multidisciplinary approach to crisis management research.                                                                                                                       | Multi theoretical.                 | Organisational.                                  | Conceptual approach.                               | Definitions of organisational crisis and crisis management are proposed, as well as a framework describing the crisis management process and researchable proposals for integrating these perspectives.                                                                                                                                                                                                                                                                              |
| <b>2.</b> | Spillan, J., & Hough, M. 2003. * | This article seeks to determine whether a company's experience of an actual crisis event generates concern about future crises, whether the concern is generated more by the occurrence of a crisis event or by the presence of a crisis management team. | Perspectives on crisis management. | Organisational. 162 small businesses in the USA. | Quantitative. ANOVA analysis.                      | The survey results indicate that crisis planning receives little attention in the small businesses surveyed and, for most small business managers, an actual crisis event must occur before crisis planning becomes a concern. Concern about crises is generated by experiencing crisis events, rather than by the presence of crisis management teams. It was found that even those companies that had previously experienced crises did not have crisis management teams in place. |

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| 3. | Runyan, R. C. 2006. *  | How do small businesses respond to and recover from a major disaster?                                                       | Perspectives on crisis management. | Organisational and context (5 communities). Small enterprises. | Qualitative. Application of 17 semi-structured interviews.             | Findings include lack of planning by small businesses; vulnerability to cash flow disruption; lack of access to capital for recovery; problems caused by federal assistance; and severe infrastructure problems that impede recovery.                                                                                                                                                                                                                          |
| 4. | Herbane, Brahim. 2010. | How do small business owners think and act in relation to crisis management efforts in the event of business interruptions? | Perspectives on crisis management. | Organisational and context. 4 Small enterprises.               | Qualitative. Interviews under an interpretative (indicative) approach. | The resulting analysis illuminates four themes; understanding risks, three-dimensional crises, learning from crises and repressed support systems. In addition, the data suggest that owner-managers may frame risks in two ways (a 'growth vulnerability paradox' and 'risk elasticity'), while their understanding of crisis is conceptualised using a chronological approach to identify three key areas: crisis threat, crisis response and crisis impact. |
| 5. | Ropega, J. 2011. *     | The aim of this article is to analyse the sources and processes of organisational crisis and failure.                       | Perspectives on crisis management. | Organisational.                                                | Conceptual approach.                                                   | The company management does not realise in time the critical situation which, due to delayed or incompetently carried out repairs, leads to the collapse of the company. Development thresholds occur in the process of growth and development of the company. The analysis and understanding of these symptoms by entrepreneurs can help to reduce the number of crises in SME companies and unintentional economic failures.                                 |

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| 6. | Smith, R., & McElwee, G. 2011.              | The purpose of this article is to investigate the role of shame in entrepreneurs facing crises.                                                                         | Shame theory. Tragedy and crisis perspective.        | Individual-organisational.                                                     | Conceptual, narrative-based approach...     | The world portrayed in the narrative is very much a "man's world" in which shame is a personal construct, a penance to be endured or completed, and in the process a narrative script is developed. Shame is a deeply personal cognitive emotion, easier to study in narrative form than in person. From the stories of imperfect heroes we build a holistic model of possible entrepreneurial trajectories that account for welfare issues and cover the unspoken events that occur after a fall from grace. But why should we expect the story to end with the failing entrepreneur staring into the abyss?                                                                                                                                                                                                                                 |
| 7. | Patil, R., Grantham, K., & Steele, D. 2012. | This article presents the Business Risk in Early Design (B-RED) method for preliminary risk assessments based on historical business failures.                          | Risk management.                                     | Organisational.                                                                | Qualitative. Case studies.                  | During the early stages of business development, there are many opportunities to avoid risks with minimal impact on the budget through changes to the business plan. It is critical for engineering managers to quickly identify these opportunities in order to effectively exploit their potential impact on the business. B-RED is an effective method that can be applied in the early stages of business development. Engineering managers can leverage the failures of other business entities to their advantage without having to experience similar failures themselves. Potential areas of risk for companies are determined using historical data of catalogued business failures, even before start-up. This allows the engineering manager to make economic decisions about their operations where the impact would be greatest. |
| 8. | Buchanan, D. A., & Denyer, D. 2013. *       | The aim of this article is to describe in general terms the crisis management literature exploring extreme events, structured around a sequence of "ideal-type" events. | Perspectives on crisis management. Process approach. | Organisational.                                                                | Literature review.                          | It describes a six-phase crisis management process: incubation period, incident, crisis management, research, organisational learning and implementation of "lessons learned". This approach serves to overcome problems associated with phenomena resistant to precise definition and maps the structure of a field characterised by fragmentation, insular traditions and epistemological pluralism, generating a model with which crises can be explored.                                                                                                                                                                                                                                                                                                                                                                                  |
| 9. | Bullough, A., & Renko, M. 2013. *           | How can business leaders and aspiring entrepreneurs recover from uncertainty and start businesses in difficult circumstances?                                           | Theories of self-efficacy and resilience.            | Individual, organisational, contextual. Nearly 500 entrepreneurs from the USA. | Quantitative. Multiple regression analysis. | To develop self-efficacy and resilience, entrepreneurs and aspiring entrepreneurs should (1) participate in business development training to develop their confidence in their entrepreneurial capacity (i.e. entrepreneurial self-efficacy); (2) seek out networking events, special conferences and mentoring opportunities to learn by modelling                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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|     |                                                 |                                                                                                                                                                  |                                                                      |                                                                        |                                                                              | others who have been resilient in difficult times; and (3) be active in their entrepreneurial activities, practice business acumen and seek feedback from those who can be objective, critical and encouraging.                                                                                                                                                                                                                                                                           |
| 10. | Foote, L. M. 2013.                              | How can leaders respond quickly to crisis situations when information is incomplete and the extent of the damage is rapidly increasing?                          | Leadership, social media and crisis management.                      | Individual, organisational. MBA students in the USA.                   | Qualitative. Case study with US MBA students in the context of role-playing. | Participating as members of crisis response teams, MBA students described action plans on wikis and delivered emergency messages to key stakeholders via online videos. Students' self-awareness increased through instructor feedback after the weekly crisis role-play. The teaching techniques and classroom activities described here illustrate how business educators can develop agile entrepreneurial leaders who can act and communicate effectively in the face of the unknown. |
| 11. | Kahn, W. A., Barton, M. A., & Fellows, S. 2013. | The aim of this article is to conceptualise organisational crises in terms of relational disturbances and crisis management as the repair of these disturbances. | Relationship and crisis management system.                           | Organisational and context (conceptual approach).                      | Literature review.                                                           | A framework for analysing the relational health of organisational systems is introduced, drawing on family systems theory to help define the dimensions of relational systems. It describes and illustrates the disruption of relational systems in the context of crises and proposes a framework for their repair and transformation.                                                                                                                                                   |
| 12. | Bullough, A., Renko, M., & Myatt, T. 2014. *    | What are the factors that drive business decisions during a war?                                                                                                 | Resilience, entrepreneurial self-efficacy and resilience.            | Individual, organisational, context. 228 entrepreneurs in Afghanistan. | Quantitative. Multiple hierarchical regression analysis.                     | The findings suggest that perceived danger is negatively related to an individual's entrepreneurial intentions, but marginally less so among highly resilient individuals. The findings also suggest that even under conditions of war, individuals develop entrepreneurial intentions if they are able to grow from adversity (resilience) and believe in their entrepreneurial capabilities (entrepreneurial self-efficacy).                                                            |
| 13. | Cater, J., & Beal, B. 2014.                     | The aim of this article is to examine the experiences of family business owners in an externally induced crisis from a resource-based perspective.               | Resource-based perspective, family businesses and crisis management. | Organisational context. 22 family businesses.                          | Qualitative. Multi-case study.                                               | The study validates the potential usefulness of a domino effect model in the study of family firms and externally induced crises. It has the potential to contribute to improved management response. While ripple effects can be powerful at the industry and industry subgroup levels, the paper provides evidence that family firms can overcome these external effects using one or more of five strategic initiatives: strong network relationships,                                 |

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|     |                                                                  |                                                                                                                                                                                                                                                                           |                                                            |                                                                                                  |                                                                | idiosyncratic local knowledge, flexibility, rapid response, and exercising trust with caution.                                                                                                                                                                                                                                                                                                                                              |
| 14. | Herbane, B. 2015.                                                | The aim of this article is to examine whether the experience, impact and likelihood of an acute business disruption, together with the perceived ability to intervene, influence the "threat orientation" of owner-managers in small and medium-sized enterprises (SMEs). | Threat orientation and crisis management.                  | Individual, organisational, context. 215 UK SMEs.                                                | Quantitative. Multiple regression analysis.                    | The results of this study provide empirical evidence to highlight the importance of firm age, rather than size, as a determinant of the propensity to formalise activities to deal with acute disruptions. Recent experience and ability to intervene were statistically significant predictors of threat orientation, but likelihood and concern about specific types of threat were not found to positively influence threat orientation. |
| 15. | Williams, T.A., & Shepherd, D. A. 2016. *                        | The purpose of this article is to explore victims creating new enterprises in the aftermath of a disaster, where widespread adversity threatens entire communities.                                                                                                       | Organisational emergence theory and resource conservation. | Individual, organisational, context. 89 people affected by forest fires.                         | Quantitative. Structural equation modelling.                   | It is found that enterprise creation mediates the positive relationship between human capital and functioning and that for those who do not create enterprises, human capital is negatively related to functioning, highlighting the important role of enterprise creation for the victim-actor after a disaster event.                                                                                                                     |
| 16. | Doern, Rachel. 2016.                                             | The purpose of this article is to examine the impact of a crisis on small businesses.                                                                                                                                                                                     | Crisis management and resilience.                          | Individual, organisational, context. 15 small business owners affected by the 2011 London riots. | Qualitative. Phenomenological approach, conducting interviews. | This study adds to the literature on crisis management by highlighting the different types of losses faced by small businesses after a crisis and the role of individual owner-managers, businesses and the wider community in ameliorating or minimising losses.                                                                                                                                                                           |
| 17. | Bundy, J., Pfarrer, M. D., Short, C. E., & Coombs, W. T. 2017. * | This article seeks to propose an integrative framework for crisis and crisis management that draws on research in strategy, organisational theory and organisational behaviour, as well as research in public relations and corporate communication.                      | Crisis management perspectives, multi-theoretical.         | Organisational, context.                                                                         | Systematic review of the literature.                           | Two main perspectives are identified in the literature, one focusing on the internal dynamics of a crisis and the other on the management of external stakeholders. The central concepts from each perspective are reviewed and the commonalities between them are highlighted.                                                                                                                                                             |

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| 18. | Monllor, J., & Murphy, P. J. 2017.                                                            | The purpose of this article is to contribute to a deeper understanding of how natural disasters influence entrepreneurial intentionality as an important antecedent of entrepreneurial intention. | Entrepreneurial intent, natural disasters and resilience.                      | Individual, context. Theoretical approach.                                                                      | Theoretical approach. Literature review. | The article's findings serve as a useful basis for future research on entrepreneurial behaviour after a disaster. The propositions highlight the relationship between opportunity, self-efficacy, viability, desirability, fear of failure and resilience that complement macro-level research with micro-level antecedents.                                                                                                                                                                                                                                                   |
| 19. | Thapa, D., Budhathoki, N. R., & Munkvold, B. E. 2017.                                         | The aim of this study is to propose theoretical guidelines for socio-technical analyses of the complexity involved in crisis response activities.                                                 | Crisis management, a complex socio-technical phenomenon. Actor-network theory. | Individual, organisational, external. Kathmandu Living Labs (KLL) case from Nepal (post-earthquake Nepal 2015). | Qualitative. Case study.                 | It was determined how a KLL social entrepreneur enrolled different technical and human actors and mobilised them in the crisis response. Actor-network theory allowed us to explore the temporal and interdependent role of digital volunteers, local communities and technologies in the crisis response. It demonstrates the usefulness of the actor-network theory translation process for understanding the complex socio-technical process of crisis response in disaster events.                                                                                         |
| 20. | Williams, Trenton A., Gruber, D. A., Sutcliffe, K. M., Shepherd, D. A., & Zhao, E. Y. 2017. * | The purpose of this article is to integrate the literature on crisis management and resilience from an organisational perspective.                                                                | Perspectives on crisis management and resilience.                              | Organisational, context. Conceptual approach.                                                                   | Literature review.                       | It proposes an integrative framework that focuses on key issues of both crisis and resilience, including capacities for durability, organisation and adjustment, response to major shocks, and a feedback loop from these experiences. It also provides a research agenda that focuses on understanding and explaining the interplay between crisis and resilience as they occur in a dynamic process. Research opportunities exploring the dynamic relationship between resilience and crisis in relation to leadership, time, complexity and mindfulness are also discussed. |

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| 21. | Korber, S., & McNaughton, R. B. 2018.                 | The aim of this article is to review the existing literature on the intersection of resilience and entrepreneurship.                                                               | Resilience and entrepreneurship.                    | Individual, organisational. Conceptual approach. | Systematic review of the literature.                       | This article identifies six conversations or streams of research at the intersection of entrepreneurship and resilience: resilience as traits or characteristics of entrepreneurial firms or individuals, resilience as a trigger for entrepreneurial intentions, entrepreneurial behaviour as an enhancement of organisational resilience, entrepreneurial firms fostering macro-level (regions, communities, economies) resilience, resilience in the context of business failure, and resilience as a process of recovery and transformation.                                                    |
| 22. | Doern, Rachel, Williams, N., & Vorley, T. 2019.       | The aim is to take a closer look at the relationship between business and crises.                                                                                                  | Multi theoretical                                   | Individual, organisational, context.             | Conceptual approach                                        | At the societal level, crises can have profound and unexpected effects on entrepreneurial behaviours; at the field level, some industries are likely to be more prone to crises that affect entrepreneurial activity; at the organisational level, the antecedents and consequences of crises can affect entrepreneurial ambition and orientation; and finally, at the individual level, as firms become an extension of entrepreneurs.                                                                                                                                                             |
| 23. | Herbane, B. 2019.                                     | How do small and medium-sized enterprises (SMEs) vary in formalising activities to achieve strategic growth and activities to improve resilience to acute operational disruptions? | Organisational resilience and strategic renewal     | Organisational, context. Sample of 265 UK SMEs.  | Quantitative. ANOVA and cluster analysis.                  | Variations in formalisation activities reflect differences in firm location, personal networks, the influence of external shocks and entrepreneurs' attitudes towards crisis prevention. The resulting typology identifies four groups: <i>attentive interventionists</i> , <i>light planners</i> , <i>entrenched strategists</i> and <i>dependent neighbours</i> . These findings contrast with previous theorisations of firms as resilient or vulnerable and further illuminate our understanding of SME resilience and how it is determined by historical, strategic and developmental factors. |
| 24. | Muñoz, P., Kimmitt, J., Kibler, E., & Farny, S. 2019. | How do entrepreneurs living in communities under continuous threat prepare to continue their business activities or start new ones after the expected crisis occurs?               | Crisis, entrepreneurship, disasters and resilience. | Territorial and organisational context.          | Qualitative. Inductive techniques and deductive reasoning. | It introduces the notion of entrepreneurial preparedness in a context of continuous threat and elaborates its four core attributes: anchored reflexivity, situated expertise, breaking through and reaching out. The paper then develops a refined understanding of entrepreneurship before and after a catastrophe and provides a novel basis for theorising about the relationship between entrepreneurial preparedness in contexts of continuous threat.                                                                                                                                         |

|     |                                                        |                                                                                                                                                                                                                               |                                                            |                                                                                         |                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 25. | Mzid, I., Khachloun, N., & Soparnot, R. 2019.          | How does being a family business contribute to resilience in a turbulent business environment?                                                                                                                                | Family business theory and resilience.                     | Organisational and context. 4 family businesses.                                        | Qualitative. Multiple cases.                          | We find that the social capital of family firms contributes more to the ability of firms to absorb shocks, reallocate existing resources and internalise practices that enable them to cope with future shocks. It is also found that financial capital is largely determined by the social capital and human capital of family firms. The research also contributes to the literature on family business resilience by showing how the development of resilience at the individual level fosters resilience at the organisational level. The interactions between the three dimensions of social capital are particularly interesting for theorists of sustainable family businesses. Financial capital is shown to mediate the impact of human and social capital in strengthening the resilience of enterprises. |
| 26. | Torres, A. P., Marshall, M. I., & Sydnor, S. 2019. *   | Is social capital worthwhile after a natural disaster, and if so, what type of social capital has the greatest impact on the resilience of small businesses?                                                                  | Social capital theory and resilience.                      | Individual, organisational and territorial context.                                     | Quantitative. Regression analysis with probit models. | The reward of bonding social capital (receiving community support) is what drives both objective and subjective resilience after Katrina. The results also show that bonding capital (support from institutions) can enhance economic resilience. The results provide evidence that social capital is a key asset for the long-term resilience of small businesses. Business owners with links to the community and institutions (with more social capital) will be better off when facing a natural disaster.                                                                                                                                                                                                                                                                                                      |
| 27. | Zwane, M., Kanyangale, M., & Ndoro, T. 2019.           | This study explores how planning, management and organisational activities shaped the organisational architecture of the nascent small restaurants that survived the first five years of operation in Durban, South Africa.   | SME survival, Mc Kinsey's 7-S model.                       | Individual, organisational and territorial context. 12 small business owners in Durban. | Qualitative. Multiple cases                           | The study reveals that the organisational architecture of the nascent restaurant was based on emergent and entrepreneurial planning in the creative use of staff and skills to exploit opportunities and contain service disruptions. Engaging employees to shape desired values but also using them as an instrument to achieve specific goals represented an ambidextrous leadership style. Staff versatility enhanced resilience to operational and customer changes, while employee empowerment was undermined by a deficit of trust in the restaurant's organisational architecture.                                                                                                                                                                                                                           |
| 28. | Faisal, A., Albrecht, J. N., & Coetzee, W. J. L. 2020. | This paper aims to respond to the strong calls for interdisciplinary solutions to address the many and varied challenges that major disasters create in urban (tourism) spaces and to provide a holistic conceptualisation of | Niche construction theory, crisis management perspectives. | Individual, organisational, context.                                                    | Qualitative. Systematic literature review.            | While the existing literature focuses on the importance of effective adaptability to survive and thrive in environmental uncertainties, some aspects of the relevant evolutionary processes are not addressed in the context of urban tourism. Indeed, a systematic approach that questions how urban tourism and hospitality businesses react to                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|     |                                                              |                                                                                                                                                                                                                                                                                                                                                                  |                                                                     |                                                    |                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                                              | organisational responses to disruptions in the external business environment.                                                                                                                                                                                                                                                                                    |                                                                     |                                                    |                                                                       | crises is long overdue. Therefore, this article presents niche construction theory (NCT) as an alternative and proposes an integrated framework for understanding urban tourism environmental conditions and organisational evolution during post-disaster turbulence.                                                                                                                                                                                                                                                            |
| 29. | Herbane, Brahim. 2020.                                       | This study examines whether relationships with neighbouring firms in a business park substitute for broader network relationships. It examines the relationships between locational attributes (location contiguity within a business park), entrepreneurs' social networks and the perceived resilience of small and medium-sized enterprises (SMEs) in the UK. | Resilience, location and social networks.                           | Organisational, context (location). 268 companies. | Quantitative. Linear regression analysis.                             | Place-based attributes are positively associated with organisational resilience (both aggregate and constitutive) while revealing an inverse relationship between social networks and perceived resilience. Importantly, the study contributes to a place-based view of resilience to explain why the impact of social networks differs from the positive associations found in previous theoretical and empirical work.                                                                                                          |
| 30. | König, A., Graf-Vlachy, L., Bundy, J., & Little, L. M. 2020. | How does the empathy trait of CEOs affect their management of organisational crises?                                                                                                                                                                                                                                                                             | Critical perspective on empathy and crisis management perspectives. | Individual and organisational.                     | Conceptual approach.                                                  | It is proposed that highly empathetic CEOs will recognise warning signs more quickly, have access to more crisis-related information, gain greater stakeholder appreciation through displays of compassion, and be more committed to healing the organisation's relational system. On the other hand, they may also be more prone to false alarms, more biased in processing crisis-related information, overly inclined to apologise, and less committed to repairing the organisation's operating system.                       |
| 31. | Mikušová, M., Friedrich, V., & Horváthová, P. 2020. *        | The aim of this article is to find out whether family businesses create better opportunities for economic sustainability compared to non-family businesses. That is, whether family businesses are more responsible in preparing for crises than non-family businesses.                                                                                          | Sustainability, family businesses and crisis management.            | Organisational. 2,300 family businesses.           | Quantitative. Descriptive statistics and hypothesis testing.          | From the statistically elaborated results, a minimum of significant differences in crisis preparedness were identified. Even the basic hypothesis of a more responsible attitude of family businesses in preparing for the crisis could not be accepted. It could not be established that family businesses are building better conditions for their economic sustainability. The implication for praxis is to encourage owners to involve the family more in crisis preparedness, including the development of formalised tools. |
| 32. | Omoredede, A. 2020.                                          | What happens after a business failure occurs and how do entrepreneurs manage the experiences of failure?                                                                                                                                                                                                                                                         | Perspectives on crisis management and business failure.             | Individual, organisational.                        | Literature review, using meta-ethnography and formal grounded theory. | The articles identified were analysed to develop three overarching concepts: the experience and cost of failure, the impact of failure and the outcome of failure. The findings of this qualitative research analysed offer insights into the ongoing discussions on business failure by identifying recurring themes and concepts, as well as presenting a conceptual model that describes                                                                                                                                       |

|     |                                                       |                                                                                                                                                                                                                                                                                                                  |                                                            |                                                                            |                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                                       |                                                                                                                                                                                                                                                                                                                  |                                                            |                                                                            |                                                        | the entrepreneur's experiences of failure and how they manage these business failures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 33. | Ratten, V. 2020a.                                     | The aim of this article is to further detail how entrepreneurs have been affected by the crisis (Covid-19), focusing on specific types of entrepreneurship in terms of cultural, lifestyle and social change.                                                                                                    | Crisis management and Covid-19.                            | Individual, organisational, external context.                              | Conceptual approach. Literature review.                | While entrepreneurs are resilient by nature, the Covid-19 crisis in terms of its magnitude and duration has generated specific challenges that entrepreneurs face in adapting to the new environment. These challenges may be related to how entrepreneurs respond to uncertainty by being flexible but also through the support of an entrepreneurial ecosystem environment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 34. | Shepherd, D.A., Saade, F. P., & Wincent, J. (2020). * | This article seeks to explain that in the face of substantial and persistent adversity, entrepreneurial action is likely to play a central role in resilience to such adversity.                                                                                                                                 | Adverse contexts, resilience and entrepreneurial activity. | Individual, organisational, territorial context (adverse). 110 interviews. | Qualitative. Multiple cases, longitudinal perspective. | The assumptions implicit in this research are that capacities matter and that adversity has a beginning and diminishes over time. This study focuses on resilience outcomes in the context of refugees facing substantial adversity over a substantial period and extends the resilience capacity argument in the following ways: (1) 'social' capacity for resilience, not as an endowment but created through activities that build a social basis for resilience outcomes, (2) social integration activities are initiated and facilitated through participation in entrepreneurial actions with other non-similar people, and (3) resilience outcomes help people to engage in integration activities and develop a social capacity resilience. Therefore, in the context of substantial and persistent adversity, refugee entrepreneurs must act to develop (rather than simply deploy) their social capacity to achieve resilience outcomes. |
| 35. | Shepherd, D., & Williams, T. A. 2020. *               | This research seeks to theorise by abstracting from highly contextualised articles on the role of entrepreneurship in responding to adversity and we propose that entrepreneurial action, such as new venture creation, plays a different role depending on whether adversity is an event or a persistent state. | Adverse events, entrepreneurship and resilience.           | Organisational, external context.                                          | Conceptual theoretical approach.                       | It was theorised that entrepreneurial action plays the role of a balancing mechanism when adversity is an event, such as an earthquake that kills thousands and injures many more, business failure and perhaps the Covid-19 pandemic, and plays the role of a disequilibrating mechanism when adversity is a persistent state, as in the case of poor farmers in rural India, women in patriarchal communities in Bangladesh and perhaps the Covid-19 pandemic. It then explored the possibilities of entrepreneurship to balance                                                                                                                                                                                                                                                                                                                                                                                                                 |

|     |                                       |                                                                                                                                                                   |                                               |                                                                                                                       |                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                       |                                                                                                                                                                   |                                               |                                                                                                                       |                                                                        | and disequilibrate adversity and offer some future research opportunities where important contributions can be made to organisational theory and the entrepreneurship literature.                                                                                                                                                                                                                                                                                                                                  |
| 36. | Thorgren, S., & Williams, T. A. 2020. | What measures are SMEs most likely to take to make ends meet in the face of a "black swan" type of external shock?                                                | Disasters, crisis management, SMEs, Covid 19. | Organisational, context. 456 Swedish SMEs.                                                                            | Quantitative. Descriptive statistics and analysis of mean differences. | The findings demonstrate how SMEs acted immediately by deferring investments, reducing labour costs, cutting expenses, and negotiating contracts and terms. In addition, the data highlight how SMEs in a developing crisis are reluctant to engage in any actions that increase their debt-to-equity ratio. The findings suggest new questions to be explored in relation to actions during a developing crisis, post-crisis enterprises, business failure and entrepreneur/entrepreneurial team characteristics. |
| 37. | Doern, Rachel. 2021. *                | This study explores in real time how small businesses adapt to a developing crisis in the initial impact period of the crisis and what kind of actions they take. | Crisis management perspectives.               | Individual, organisational, external context. 8 London entrepreneurs, during the occurrence of the Covid 19 pandemic. | Qualitative. Daily studies, as a longitudinal method.                  | The findings show that small businesses were increasing their chances of survival by 1) monitoring business performance and detecting risks, 2) initiating quick defensive moves to absorb damage and defend against additional risks, 3) taking more skilful action. moves to avoid further damage, and 4) planning the next move and managing expectations.                                                                                                                                                      |

\*= Snowball sampling

Source: authors.

## Appendix 2.2: "Entrepreneurial Ecosystem" (EE) formal conditions

| Variable                    | Advanced economies |        |        |        | European emerging economies |        |        |        | Latin American economies |        |        |        | Asian emerging economies |        |        |        |
|-----------------------------|--------------------|--------|--------|--------|-----------------------------|--------|--------|--------|--------------------------|--------|--------|--------|--------------------------|--------|--------|--------|
|                             | Mean               | SD     | Min    | Max    | Mean                        | SD     | Min    | Max    | Mean                     | SD     | Min    | Max    | Mean                     | SD     | Min    | Max    |
| Financial support           | 2.9006             | 0.7342 | 1.6500 | 5.7352 | 2.4672                      | 0.5481 | 1.7645 | 4.7251 | 2.4108                   | 0.4712 | 1.5749 | 4.8602 | 2.7441                   | 0.7949 | 1.7041 | 5.7723 |
| Governmental policies       | 2.8458             | 0.7561 | 1.5900 | 6.4802 | 2.4443                      | 0.5685 | 1.8090 | 4.5997 | 2.5242                   | 0.6536 | 1.6800 | 5.7823 | 2.7852                   | 0.7084 | 1.7171 | 5.5011 |
| Regulations                 | 2.6844             | 0.8188 | 1.4678 | 5.8150 | 2.1817                      | 0.5967 | 1.5500 | 4.6110 | 2.3058                   | 0.7041 | 1.3258 | 5.5298 | 2.3994                   | 0.6302 | 1.5650 | 5.1754 |
| Programs                    | 3.0033             | 0.7473 | 1.7200 | 5.9628 | 2.4975                      | 0.5789 | 1.7781 | 4.6042 | 2.6514                   | 0.6539 | 1.6300 | 5.4100 | 2.5049                   | 0.6644 | 1.5422 | 5.6203 |
| Primary education           | 2.3010             | 0.6202 | 1.3694 | 5.5993 | 2.1569                      | 0.4028 | 1.6400 | 3.9073 | 1.9341                   | 0.3553 | 1.3703 | 3.7362 | 2.2573                   | 0.6319 | 1.3690 | 4.9870 |
| Post-education R&D          | 3.0180             | 0.6577 | 2.0573 | 6.1782 | 2.8104                      | 0.5166 | 2.3500 | 4.8508 | 3.1288                   | 0.6633 | 2.0418 | 6.2300 | 3.0244                   | 0.7469 | 2.1171 | 6.2997 |
| transference                | 2.7783             | 0.6467 | 1.8705 | 6.2240 | 2.3032                      | 0.4696 | 1.7220 | 4.0927 | 2.3307                   | 0.4965 | 1.6355 | 4.1755 | 2.3661                   | 0.6702 | 1.6440 | 4.9324 |
| Professional infrastructure | 3.4561             | 0.7560 | 2.0795 | 6.2976 | 3.0889                      | 0.6716 | 2.5944 | 5.9583 | 3.0185                   | 0.5516 | 2.3208 | 5.0644 | 3.1424                   | 0.6570 | 2.1097 | 5.6315 |
| Physical infrastructure     | 4.2149             | 0.9367 | 2.7626 | 7.8789 | 3.6827                      | 0.8752 | 2.8456 | 6.8154 | 3.8946                   | 0.9154 | 2.9326 | 7.5885 | 3.6552                   | 0.9939 | 2.2794 | 7.1734 |
| Internal market dynamics    | 3.0891             | 0.7892 | 1.8400 | 7.3143 | 3.6149                      | 0.7548 | 2.9328 | 6.3649 | 2.9324                   | 0.7743 | 1.9063 | 7.2361 | 3.4858                   | 0.8781 | 2.0625 | 6.3824 |

Source: Authors

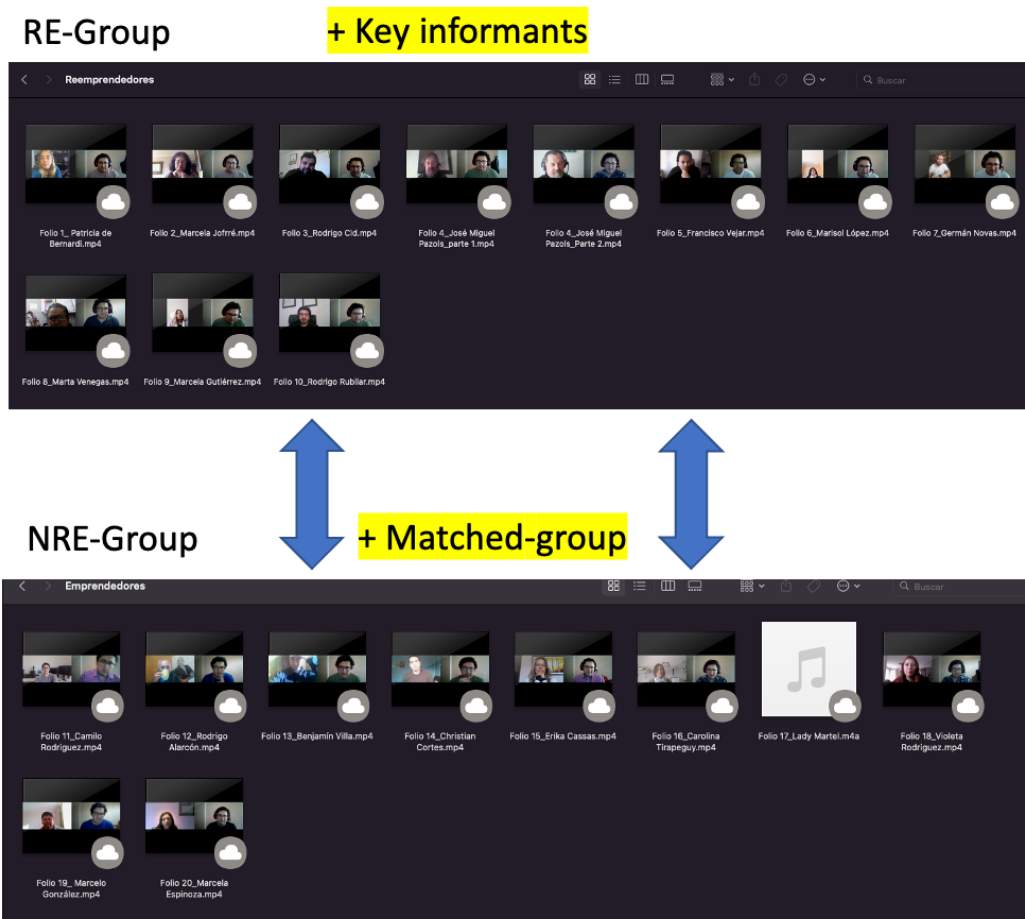
## Appendix 2.3: Fieldwork questions script.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;"><b>Section 1</b></p> <p>1.1- How have you lived through the 2007-2010 crisis, the 2010 earthquake, the social movement, and the pandemic (among others)?</p> <p>1.2- How have you navigated these external crises to manage the internal ones?</p> <p>1.3- Have you had other internal crises that you believe have helped you to deal with the external crises mentioned above? How did they help you?</p> <p>1.4- What lessons have you learned from re-entry in dealing with external crises (question for re-entrepreneurs only)?</p> <p>1.5- Mention the number of previous ventures you have undertaken, in what sector/field they were developed and between which years they worked.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p style="text-align: center;"><b>Section 2</b></p> <p>2.1- What have been the main negative impacts of the social crisis on your business/enterprise?</p> <p>2.2- What have been the main positive impacts of the social crisis on your business/enterprise?</p> <p>2.3- What have been the main negative impacts of the COVID 19 pandemic on your business/enterprise?</p> <p>2.4- What have been the main positive impacts of the COVID 19 Pandemic on your venture/business?</p> <p>2.5- How have you responded in terms of managing your business in the face of these two external crises?</p> <p>A- Social:</p> <p>B- COVID 19:</p>                                                                        |
| <p style="text-align: center;"><b>Section 3</b></p> <p>3.1- As an entrepreneur, have these crises affected you emotionally or generated problems that you have not been able to solve normally?</p> <p>Yes___ (Explain) No___ (Go to question 4.3)</p> <p>3.2- As a result of these crises, have you required time to recover in order to return to normal functioning in your role as an entrepreneur?</p> <p>Yes___ (Explain) No___ (Go to question 4.3)</p> <p>3.3- How have you dealt with these crises, from an emotional point of view and from a problem-solving perspective (personal, business, and family), compared to your pre-crisis situation?</p> <p>A- Emotional:</p> <p>B- Problem solving:</p> <p>3.4- How have these crises affected you in other areas of life, compared to your situation prior to these external crises?</p> <p>3.5- What have been the main personal lessons (as an entrepreneur) that you have had as a result of the crises?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p style="text-align: center;"><b>Section 4</b></p> <p>4.1- How would you assess, respectively, the role of the following agents of the entrepreneurial ecosystem? 1 little involvement 10 very involved. Explain the assessment in each case.</p> <ul style="list-style-type: none"> <li>- Legal-regulatory framework and government policies.</li> <li>- Financial system.</li> <li>- Support infrastructure and mentors.</li> <li>- Education, training, and university system.</li> <li>- Supportive culture.</li> <li>- Other (name it)</li> </ul> <p>4.2- In the current context of the social crisis and Covid 19 What would you expect to receive from these agents of the entrepreneurial ecosystem?</p> |
| <p style="text-align: center;"><b>Section 5 (for re-entrepreneurs only)</b></p> <p>5.1- Tell us about your experience as a re-entrepreneur: How many re-entrepreneurships have you carried out? What were the main reasons for the closure of your previous business(es)? And what were the main motivations for re-entry into business?</p> <p>5.2- About the process you experienced between the closure of your last business and the start-up of your current business, what were the main costs of the closure/failure of your business (financial, social, psychological, interrelationships)?</p> <p>5.3- From the costs generated by the business failure, did you have to go through a recovery stage before starting up again?</p> <p>Yes___ No___ (go to 4.5)</p> <p>5.4- If your answer to question 4.3 was yes, please explain in as much detail as possible what that stage was like? How long did it last approximately? What did you learn? What made sense to you?</p> <p>5.5- What did you do after suffering the costs of failure (or going through the recovery period)? Did you change your entrepreneurial mindset? How did it change? Did you start the process of starting a new business? How long did it take? Or did you decide to be employed as a shop assistant, and what was that experience like? Or did you decide to do another activity (explain)?</p> <p>5.6- Was your last venture, with respect to the previous failed venture, in the same sector or industry? Did you make changes in your business model? What were those changes? Why did you make those changes? (If the first question of 4.6 is negative, go to 4.7).</p> <p>5.7- Was your last venture, with respect to the previous failed venture, in another sector or industry? Why did you change sector? What aspects did you consider key in your new business model? Why?</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p style="text-align: center;"><b>Section 6</b></p> <p>Finally, we leave you these last few minutes to freely express your feelings or something that motivates you to say at the end of this interview.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

Source: Authors

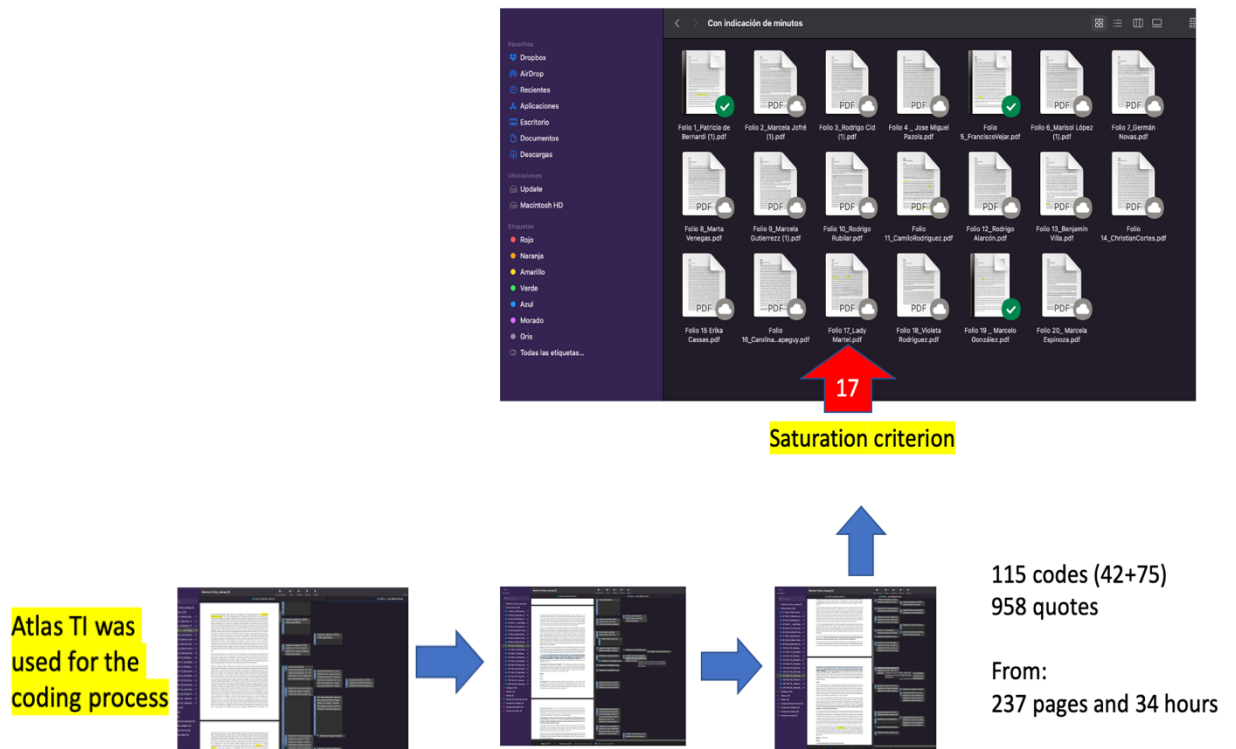
## Appendix 2.4: Example evidence of the process of interview, transcribed and coding data -In Atlas TI-

A: Figure with back-up images of the conduct of the interviews (groups and process).



Source: Authors

B: Back-up figure, with the documents with the transcripts of the 20 interviews (groups, process, and use of Atlas TI).



Source: Authors

## Appendix 2.5: List of 115 codes

### Reporte de ATLAS.ti

#### Reentry-Crisis\_manag (2)

##### Codes

Report created by Jorge Espinoza-Benavides

- 1) Support from other entrepreneurs/mentors
- 2) Government support: Other public institutions
- 3) Government support: Funding programmes
- 4) Support/motivation by family
- 5) Lessons learned from previous crises
- 6) Personal learning from crises
- 7) Self-knowledge-self-motivation-philosophy of life
- 8) Social capital-confidence
- 9) Causes of failure
- 10) Customer loyalty test, in crises
- 11) Professional knowledge
- 12) COVID as a foreseeable event
- 13) Social crisis as an unforeseen event
- 14) Culture of society
- 15) Delegation of management
- 16) Detection of new opportunities
- 17) Determination to engage in entrepreneurship
- 18) Gender difference in the face of crises
- 19) Diversification/Portfolio Entrepreneur
- 20) Entrepreneurship Ecosystem: Crisis Support
- 21) Entrepreneur-employee-freelance at a time
- 22) Social/solidarity entrepreneurship
- 23) Environment: Uncertainty
- 24) Balance-family/individual/business coherence
- 25) Emotional state: Frustration/questioning/anxiety/agobiosity
- 26) Emotional state: Satisfaction/joy
- 27) Emotional state: Suffering/grief/fear
- 28) Event-external-crisis-unique
- 29) Experience with partners
- 30) Experience in a sector/industry
- 31) General experience with external crises
- 32) General experience with internal/organisational crisis
- 33) General experience with personal crises
- 34) Lack of family/close support
- 35) Lack of support - government inefficiencies
- 36) Faith in something higher-transcendent
- 37) Crisis management: Adjustments in the business team
- 38) Crisis management: Vicarious learning

- 39) Crisis management: Organisational learning
- 40) Crisis management: Emotional self-management
- 41) Crisis management: Bricolage
- 42) Crisis management: Change of business mindset
- 43) Crisis management: Change of business priorities
- 44) Crisis management: Change - product-services development
- 45) Crisis management: Entrepreneur-leader training
- 46) Crisis management: How to investigate
- 47) Crisis management: Engaging human capital
- 48) Crisis management: Communication to persuade - building trust
- 49) Crisis management: Decision-closing process
- 50) Crisis management: Development of new customer-segments
- 51) Crisis management: Digitalisation as a commercial-organisational support
- 52) Crisis management: Loss readiness in a crisis context
- 53) Crisis management: Avoiding loss of resources
- 54) Crisis management: Generating staff learning in crisis situations
- 55) Crisis management: Identifying external gaps
- 56) Crisis management: Identifying internal gaps
- 57) Crisis management: Implementation of lessons learned
- 58) Crisis management: Liquidation of personal and company assets
- 59) Crisis management: Business achievements during crises
- 60) Crisis management: Contract maintenance
- 61) Crisis management: Preparation of tactics
- 62) Crisis management: What to investigate
- 63) Crisis management: Reconfiguration of business portfolio
- 64) Crisis management: Use of financial resourcing
- 65) Crisis management: Use of resource endowment, customer networks
- 66) Crisis management: Use of social networks (FB, LinkedIn, etc.)
- 67) Crisis management: Use of resourcing, entrepreneurial skills, knowledge (team) skills
- 68) Crisis management: Frugal use of resources
- 69) Impacts of crises on other personal areas
- 70) Negative impacts COVID
- 71) Negative impacts Social Crisis
- 72) Positive impacts COVID
- 73) Positive impacts Social Crisis
- 74) Importance of children
- 75) Influence of youth
- 76) Start of entrepreneurship during the crisis
- 77) Crisis interaction: External/organisational
- 78) Crisis interaction: External/personal
- 79) Crisis interaction: Organisational/personal
- 80) Motivation for entrepreneurship: Increasing income
- 81) Motivation for entrepreneurship: Social and economic impact
- 82) Motivation for entrepreneurship: Independence
- 83) Motivation for entrepreneurship: Out of necessity as a result of the crisis
- 84) Motivation for entrepreneurship: Vocational/personal taste
- 85) Need for financing
- 86) New public regulations that generate new impacts within a crisis

- 87) Customer/sales orientation
- 88) Other support networks
- 89) Re-entrepreneurship during crises
- 90) Re-entrepreneurship: lessons learned
- 91) Re-entrepreneurship: Emotional cost of failure
- 92) Re-entrepreneurship: Financial cost of failure
- 93) Re-entrepreneurship: Social cost of failure
- 94) Re-entrepreneurship: Experience in dealing with crises
- 95) Re-entrepreneurship: Experience re-entering into entrepreneurship
- 96) Networking: Creation
- 97) Networking: Weakening
- 98) Networking: Strengthening
- 99) Crisis reinvention
- 100) Location relevance: Family
- 101) Location relevance: Work
- 102) Relevance planning/foresight/organisation
- 103) Resilience: Rapid learning during crises
- 104) Resilience: Cognitive-behavioral impact coping
- 105) Resilience: Confronting emotional impact
- 106) Resilience: Cognitive-behavioural stability
- 107) Resilience: Emotional stability
- 108) Resilience: Cognitive-Behavioural Impact
- 109) Resilience: Emotional Impact
- 110) Resilience: Bereavement/Recovery
- 111) Positive outcomes during crises
- 112) Moving forward with my dreams
- 113) Vision in the face of crisis
- 114) Overview
- 115) Institutional/ecosystemic vision/role