

Resisting the fear to fail

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The fear of failure is commonly believed to be the biggest constrain holding back want-to-be entrepreneurs. Understandably, there is just so much to be afraid of. The fear of running into cash flow problems, of not cutting it as an entrepreneur, of failing to secure a major contract or marginalizing a the family name. Economic uncertainty and a fast changing political landscape might further add to the worries of potential business men and women. This fear is not unfounded, as academics predict that 70-95 percent of all businesses fail within the first five years.

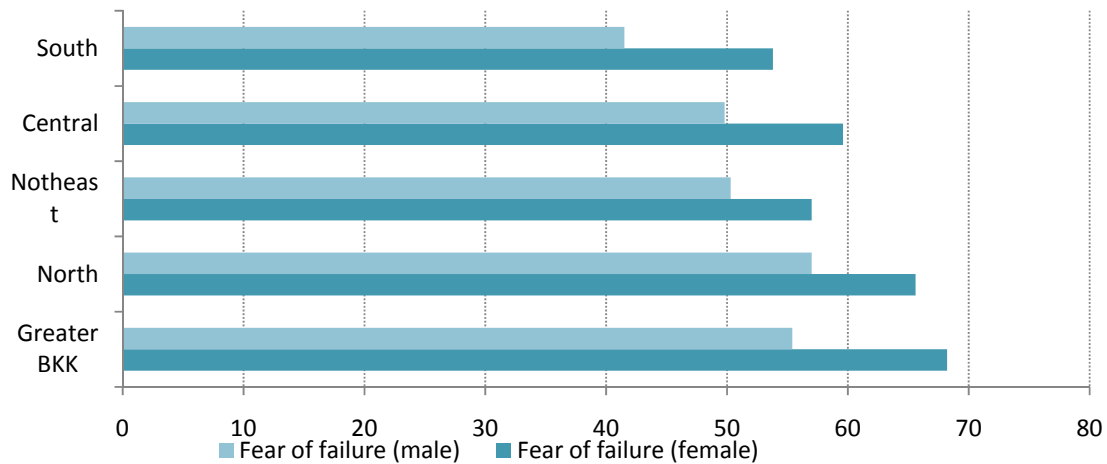
According to the Global Entrepreneurship Monitor (GEM), Thailand is facing particularly high rates of this risk perception. When asked if a fear of failure would prevent them from starting a business, 55% of Thailand's population agreed. This puts Thailand among countries such as Greece, Italy and Portugal, all of whom have been struggling with the aftermaths of the European Economic Crisis. The only non-European countries with similar elevations in their population's fear of failure include Vietnam (which continues to faces disputes with their big neighbored China) and Israel (which seems in a constant state of crisis).

	County	Fear of Failure
1	Greece	69,06 %
2	Vietnam	60,50 %
3	Poland	56,34 %
4	Italy	56,20 %
5	Thailand	54,85 %
6	Israel	53,33 %
7	Belgium	50,81 %
8	Luxembourg	49,58 %
9	Lithuania	49,36 %
10	Portugal	48,17 %

In Thailand specifically, Bangkok's citizens seem most frighten, followed by the North and Northeast. The GEM data also shows that women show a higher fear of failure than men, a finding that holds true across the globe. The gender gap in perceptions shows highest prevalence in Bangkok and the South.

So what does all this mean? Does this high level risk perception scare off potential entrepreneurs and slump economic development in Thailand? Should we be frightened by our fear to fail? Dr. Tripopsakul from Bangkok University thinks differently. In a report that will be presented at the Australian Centre for Entrepreneurship Research Exchange in Adelaide, Australia, early next year, he argues that despite the high rates of a fear to fail, Thailand also shows an exceptionally high level of entrepreneurial activity. 46% of the Thai adult population run an early-stage or established enterprise; i.e. Thailand has got three times as many entrepreneurs as Japan, four times as many as South Korea and ten times as many as Malaysia. In fact, even if we would add all Japanese, Malaysian and South Korean entrepreneurs together, Thai business man and women would still outnumber them 5/4.

Attitudes towards failure in Thailand (by gender)



His report goes on to state that “Thailand’s exceptionally high rate of risk perception does not seem to influence individual’s intent to start new ventures significantly. This is in direct contrast to Western countries which show a high correlation between fear of failure and a reluctance to engage in entrepreneurial activity.”

In other words, Thai entrepreneurs appear to be resistant to a fear of failure. Despite economic and political uncertainty, despite all the risks of starting a new venture and despite the common academic doctrine that a fear of failure is negatively related to entrepreneurial activity, Thai entrepreneurs continue to found new ventures, persisting the odds and taking on fear itself.

As of now, it is unknown if it is due to their sheer optimism, lower opportunity costs, high levels of necessity driven entrepreneurship or a complex mixture of cultural factors. What is clear is that a fear to fail should not, and in Thailand’s case does not, prevent potential entrepreneurs to give it a go.