



From Setbacks to Success: The Role of Failure in Strengthening the Entrepreneurial Mindset

¹**Harmanpreet Kaur**, Student, Department of Psychology, Chandigarh University

preetkaurmann68@gmail.com

²**Dr. Raskirat Kaur**, Assistant Professor, Department of Psychology, Chandigarh University

raskiratkaur@gmail.com

Abstract: Each person perceives failure as a bad word. However, no one realizes the power this seven-letter word “FAILURE” possesses that even the seven-letter word “SUCCESS” does not. People tend to represent success with the sunny sky with a rainbow but failure as a dark sky with thunders. No one attempts to realize that failure not only possesses the power of making one more determined in thoughts towards his probable goal but also creates a solid base towards one's goal. As a child, when unable to complete a task while others could, they called him a failure. Ignoring this, he worked harder using different techniques to achieve the task. This attitude to establish himself prompted him to create a strong foundation and served him in accomplishing the job with greater delicacy, which he may not have been capable of in his initial try. To achieve success with an entrepreneurial mindset, one must understand that failure is a necessary part of the process. True success cannot exist without encountering failure. Entrepreneurial thinking requires viewing both success and failure from a broader perspective, rather than narrowing one's vision. Each failure spurs the different side of yourself, builds one's strength in thinking, and assists in achieving resilience. It also assists in opening the innovative and creative part of yourself like discovering the jewels from the puzzle box. As we individuals are like a mystery box that has so many treasures hidden that we even don't know until we try to tap into them by trial and error after facing any setbacks. This builds the resilience to face any future challenges with strength and a positive mindset to grab the desired position. This chapter points out the groundbreaking process

of the entrepreneurial mind from experiencing failure to enduring success in the long run. This encompasses real-life scenarios and the psychological context of failure as a driving force in entrepreneurial life that assists in breeding perseverance, flexibility, and problem-solving skills.

Keywords: *Failure, Success, Entrepreneurship, Entrepreneur mindset, Resilience*

1. Introduction

1.1 *From fallen seeds to flourishing trees: the art of rising through failure*

Everything depends on the person, that is, how he/she sees their setbacks, failures, and successes. When an individual faces a setback and has a strong mindset, a never-give-up attitude will lead them to dust off their clothes after their fall and they again start to walk towards their desired goal. This mindset will lead to the birth of innovation, creativity, and something bigger; fiction turns into reality as the birth of an entrepreneur happens. Many people give up after failures and setbacks, but some view them as challenges. They work hard with determination, building resilience and achieving remarkable things often seen as miracles or fortunate events. The effort and struggles behind their success are usually unnoticed. Like after day, night comes in the same way after every failure; success comes as one must be patient because sometimes a seed takes time to grow, but the seed beneath the soil taking time to grow doesn't mean it is nonviable. When an individual continues to nurture a seed with unwavering hope, aiming for it to become a thriving, fruitful tree, despite doubts surrounding its viability, their perseverance and consistent care will ultimately lead to the growth of a healthy and productive tree. It doesn't matter how much it takes to reach success; the strong mindset and confidence in oneself and one's own decisions will take you to the desired goal.

1.2 *Through the storm, the soul awakens: embracing failure to find greatness*

We humans go through numerous challenges and setbacks, which also lead to feelings like self-doubt, lower self-confidence, anxiousness, sadness, and being overwhelmed with the complex emotions and foggy mindset. Stressed entrepreneurs are no different from us; they also go through all kinds of these things. It's just that they see failure as a challenge that needs to be conquered and defeated. While they also see setbacks as new learning experiences as there is no real success until one fails. This strengthens their mindset as they welcome setbacks as a way to unlock other mystical things that are still hidden as they use their full potential to overcome that situation, which leads them to use their skills and abilities in a way they never knew even existed in them, which

is also the magical thing about us humans: until and unless we use our full potential, we never know what is hidden in the depths of us. In the same way, when someone gives up even before trying, that person links the failure to the blockage in their life rather than finding some other hidden way to get out of that, as this is the only thing from an entrepreneur. *“Those who dare to fail miserably can achieve greatly.”* - John F. Kennedy

1.3 The Entrepreneur's Loop: Learning, Failing, and Winning

Embracing the feeling of failure is even more magnificent than one thinks. Failure is inevitable in our lives, but acknowledging them, learning from them, and untangling the knots of setbacks with more grace rather than living with the knots tangled. Life always offers two paths in front of us: one is to live like a normal individual eloped in this world, like some other individuals, and the other one is to brush up skills, take decisions, and, with persistence, innovation, and creativity, become someone who is not normal, whom we call entrepreneurs who were not ready to elope themselves in this world. There is a famous quote that we usually underestimate “where there is a will, there is a way”. With a fixed mindset and strong will, one can overcome any obstacles life presents and emerge stronger from life's challenges. It only takes the words such as *“yes, I will, I can, and I will definitely do it to face any setback”*, which ultimately manifests to come out of a challenging situation. This is what the entrepreneur psyche kept on the loop. *“The difference between average people and achieving people is their perception of and response to failure.”* - John C. Maxwell

1.4 Entrepreneurial resilience: adapting and thriving amidst setbacks

Entrepreneurial failure plays a crucial role in developing a resilient and positive entrepreneurial mindset. Research suggests that entrepreneurs can learn from failure through experiential learning, developing more favorable attitudes towards it with increased startup and business closure experience (Politis & Gabrielsson, 2007). The process of learning from failure involves concrete experience, reflective observation, abstract conceptualization, and active experimentation (Lattacher & Wdowiak, 2020). Entrepreneurial resilience, defined “as the ability to adapt, cope, and transcend adverse situations, is influenced by personal characteristics like self-efficacy and optimism, as well as situational factors such as social support and economic costs” (Xiling et al., 2020). This resilience can reduce fear of failure, enhance learning, and stimulate the intention to restart. Real options reasoning provides a balanced perspective on entrepreneurial

failure, emphasizing the management of uncertainty by pursuing high-variance outcomes while containing costs, potentially maximizing gains, and mitigating losses (McGrath, 1999).

1.5 Dream, Fail, Conquer: The Journey of Visionaries

“Failure is an option here. If things are not failing, you are not innovating enough.” - Elon Musk. Everyone, from Elon Musk to Narayana Murthy, experienced setbacks before achieving success. Once with dream in their eyes, passion in their heart, carving to do something that ignited their passion. Dedication, persistency, resilience, and hard work flowing through their veins along with a strong mindset using failure as a catalyst in reaching their potential goal, not as an inhibitor. Elon Musk has encountered several unsuccessful rocket launches prior to SpaceX being successful. Narayana Murthy borrowed cash from his spouse to launch Infosys. These were not failures but steppingstones. Steve Jobs was expelled from Apple, yet rather than treating it as failure, he founded NeXT, which ultimately saw him return victoriously to Apple.

1.6 Lessons from Ants: Keep Moving, Keep Winning

“Success is not final; failure is not fatal: It is the courage to continue that counts.” - Winston Churchill. Failure acts like a secret magic ingredient in making the dish perfect for one’s success. Everybody underestimates failure as being a loser, but unbeknownst to everyone, failure is the only way to get success. Taking the example of the ants, the ever-hardworking existing species on this planet. Have you ever watched ants carry objects heavier than themselves? It’s fascinating how they make it look effortless, something everyone has likely observed at some point. They show how resilient they are; no matter how much one tries to put some object in their path, they never stop and give up. As they face some setbacks, they just change their path and move even faster with their full strength. Qualities like these one must adapt to in order to reach their desired goal instead of giving up, after facing any setback. When challenges come at you, find several ways to come out of it, as not every setback is meant to just lean and sit back because this is where the beauty of life lies. If you don’t strengthen your mindset and come back stronger, others will do it and grab the opportunity even if it is lying in your hand.

2. Resilience: The Ultimate Survival Skill for Entrepreneurs

APA defines resilience “as the process and outcome of successfully adapting to difficult or challenging life experiences, especially through mental, emotional, and behavioral flexibility and adjustment to external and internal demands.”

Sometimes life gets cruel to everyone. No wonder not every day is like shining rainbows; sometimes it is also filled with dark, thunderous nights with heavy rain. However, it is all part of our lives. We individuals must go through it no matter what, by hook or by crook, but we can escape the adversity thrown at us by our lives, which we can also fit into the survival game. An individual who successfully returns to a state of normalcy after encountering setbacks or challenging circumstances effectively prevails in the survival race that every person participates in, whether they are aware of it or not.

Being a resilient individual is very important in entrepreneurship, as it will be their biggest strength and adds to strengthening their mindset. Building resilience is a gradual process. When faced with failure or setbacks, determination and a strong mindset help overcome them and keep moving forward. This cycle of falling, fighting, and progressing strengthens resilience, which is crucial for entrepreneurs. As there are several ways to build resilience, such as

- a) Emotional regulation is controlling one's emotions even in times of adversity or setback.
- b) Knowing where to focus means knowing which things need attention and which need to be ignored.
- c) Developing a wider perspective by looking at every possible scenario before acting upon it.
- d) Reframing the maladaptive thought patterns.
- e) Indulging oneself in relaxation exercises and mindfulness to get some sense of peace and clarity of thoughts and breaking the vicious loop of overthinking.

2.1 The tides of persistence: how setbacks shape the entrepreneur within

When one must really know something, nothing explains it better than a tale. Entrepreneurship is not merely about strategy and innovation—it's about grit, about standing up after every fall. The path of an entrepreneur is not lined with easy wins but with failures that challenge their will, their vision, and their capacity to get up again. This story shows how a young man faced repeated rejection but persevered, demonstrating that failures shape an entrepreneur.

The waves pounded the shore, whispering secrets they knew and only the sea. A young man sat on the beach, gazing vacantly at the horizon, fingers habitually rolling a crumpled proposal document. His heart was weighed down—ten rejections, ten doors slammed in his face. But quitting? No way.

Then, just then, a voice cut through his thoughts.

An old man in his 60s asked him, *hey young man, if you have no problem, can I sit here?*
He replied, *yeah.*

The old man replied, *Sometimes, sharing your problems with strangers lightens them. May I ask you what happened to you? You don't look fine.*

He replied, *it's just that I am a failure as of now. But I am not going to give up.*

The old man replied laughing, *you are really something, young man. You can share with me what makes you fail, but I am not allowing you to give up on it.*

He replied with a low voice, *it's my dream proposal, which was rejected by 10 companies till now, but I have full faith in this.*

The old man replied, *I may not understand what your proposal is all about, but you can explain it to me; maybe I can help you with something.*

His eyes lit with the same passion, unbeknownst to him, whom he is going to explain his proposal to.

He started explaining to him, *Fine, I tell you, I try my best to explain to you, my idea; you will tell me at the end where I lack that those companies didn't understand me.*

He explained it to him with full enthusiasm, passion, and determination.

Finally, after carefully listening to his ideas.

The old man said to him, *True to it, it's just that it was all destined; if those companies won't reject you, that's how I will be able to meet the young entrepreneur in the making. Congratulations.*

He said, *I didn't get you.*

The old man said, *"Now let me give you my complete introduction: I am Mr. Ranjeev Raichand, CEO of RR companies. I really liked your idea, but then you said, 'I like your mindset, your passion, not-giving-up attitude, and your resilience, as after getting 10 times rejection, you still explain to me as if you're doing it for the first time. My young boy, or I would say our young entrepreneur. Here, take my card and visit me.*

He was shocked that this is really happening to him.

He asked, *I am glad you gave me this opportunity.*

The old man replied, *Entrepreneurs are not ones who have unique ideas; they are ones like waves of water who never stop flowing no matter what blockage they face. Every time they will find a new path with even more strength. Never lose that daring passion of yours.*

He finally replied, *Thank you, sir. I am daring because my setbacks made me like that, which is only possible as my inner self didn't give me permission to give up.*

The old man replied, *well said, young man. Remember, "It is impossible to live without failing at something, unless you live so cautiously that you might as well not have lived at all—in which case, you fail by default." That's J.K. Rowling. Looking forward to meeting you soon.*

As those 10 rejections were not the end of the chapter but rather the beginning of the new.

3. CONCLUSION

Throughout history, all the pioneer entrepreneurs have endured rejection, but their determination transformed failures into steppingstones. Walt Disney was rejected for not being imaginative enough, but he constructed a creative kingdom. Steve Jobs was fired from his own start-up, yet he came back to redefine technology. J.K. Rowling got rejected several times before Harry Potter became a phenomenon. These tales attest that failure is not the antonym of success—it's part of it. Successful entrepreneurs do not view failures as conclusions but as learnings, perfecting their vision and fortifying their determination. Rejection is not failure; it's a deflection towards something better. No one is born with a strong mindset or knows how to deal with setbacks as friends, not as enemies. It is the process or the beautiful journey that everyone goes through in their life, and entrepreneurs are not different from it. As they are some special individuals with some special magical powers who just reached higher position in their life that everyone dreams of. As this is not a fairytale going on, it is a reality where seeing both setbacks and success are the laws of nature. It's just that entrepreneurs decided to fight with failure like a true warrior who does not dare to give up and does not want to live in the shell that society always tries to confine everybody into. It depends on oneself which battle they want to pick up: living in the shell or doing something impossible, which seems magical to the world.

REFERENCES

- Hashim, S. B. Examining the Antecedents of Entrepreneurial Learning from Failure: A Study of Developing Country Context.
- Hossain, M. S., & Valliere, D. (2024). Emotional Transformation Of Failure: Passion, Resilience And Entrepreneurial Self-Efficacy. *Journal of Developmental Entrepreneurship*, 29(04), 2450022.
- Hurmerinta, L., Nummela, N., & Paavilainen-Mäntymäki, E. (2024). Boosted by failure? Entrepreneurial internationalisation as a cyclical learning process. *European Journal of International Management*, 22(3), 337-353.
- Lattacher, W., & Wdowiak, M. A. (2020). Entrepreneurial learning from failure. A systematic review. *International Journal of Entrepreneurial Behavior & Research*, 26(5), 1093-1131.
- McGrath, R. G. (1999). Falling forward: Real options reasoning and entrepreneurial failure. *Academy of Management review*, 24(1), 13-30.
- Politis, D., & Gabrielsson, J. (2009). Entrepreneurs' attitudes towards failure: An experiential learning approach. *International Journal of Entrepreneurial Behavior & Research*, 15(4), 364-383.
- Singh, S., Corner, P., & Pavlovich, K. (2007). Coping with entrepreneurial failure. *Journal of Management & Organization*, 13(4), 331-344.
- Xiling, H., Yuqi, T., Yiran, L., & Wei, T. (2020). A theoretical framework for entrepreneurial resilience in the context of entrepreneurial failure. *Foreign Economics & Management*, 42(01), 30-41.