

Narcissism, Entrepreneurial Learning and Entrepreneurial Failure

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Abstract

This study evidences that psychological construct in terms of narcissistic behavior through an excessive use of social media will not boost entrepreneurs to learn from past failure experiences in business. By considering excessive narcissism through social media as a personality disorder, this study examines it as a possible cause of entrepreneurial failure. The study uses data from two sets of questionnaire with one hundred and fifty failed entrepreneurs. Analysis is quantitatively undertaken with Structural Equation Modelling/SEM and is supported by the result of Narcissistic Personality Inventory-16/NPI-16 questionnaire which reflects the degree of respondents' narcissistic behavior. The study infers that the greater narcissistic behavior entrepreneurs has, even with the presence of entrepreneurial learning from the past failures, may lead entrepreneurs to experience subsequent failure. Stubbornness and hypocrisy are two reasons behind this. Therefore, entrepreneurs should be aware of their negative character-personality and psychological aspects when performing entrepreneurial processes.

Perilaku Narsis, Pembelajaran Kewirausahaan dan Kegagalan dalam Berwirausaha

Abstrak

Studi ini membuktikan bahwa konstruk psikologis dalam bentuk perilaku narsistik melalui sosial media tidak akan mendorong wirausahawan untuk belajar dari pengalaman kegagalan berbisnis. Memandang perilaku narsis lewat sosial media sebagai sebuah penyimpangan perilaku, studi ini berupaya untuk memperlihatkan hal tersebut sebagai hal yang dapat mengakibatkan kegagalan berwirausaha. Data dikumpulkan lewat dua kuesioner, dengan responden sebanyak 150 orang wirausahawan yang pernah gagal. Analisis kuantitatif dilakukan dengan Structural Equation Modelling/SEM dan didukung oleh Narcissistic Personality Inventory-16/NPI-16, yang merefleksikan tingkat perilaku narsis responden. Hasil studi membuktikan bahwa perilaku narsis wirausahawan dapat membawa wirausahawan kembali terjebak dalam kegagalan berwirausaha, walaupun telah melalui proses pembelajaran kewirausahaan. Sifat keras kepala dan kemunafikan individu adalah dua alasan terjadinya temuan tersebut. Untuk itu, wirausahawan perlu menyadari karakter-personality negatif & aspek psikologis yang dimiliki saat berwirausaha.

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INTRODUCTION

Failure is a crucial but traumatic event that should be faced by entrepreneurs during entrepreneurial development process and entrepreneurial journey. It is crucial because entrepreneurs can learn something beneficial from it (Cope, 2005; Politis, 2005; Rahman et al., 2020) and further, to use it as the major source for entrepreneurial learning. Failure is also viewed as an important source of knowledge to avoid subsequent failures which may be occurred during the next ventures (Lafontaine & Shaw, 2014). However, studies in entrepreneurial failure are still few, even though facts have proven that numbers of failed entrepreneurs are bigger rather than the successful one. The finding of study from Wadhwa et al. (2009) for example, has indicated that the population of entrepreneurs who experienced failure are almost 80% in various businesses.

Despite undeniable facts about failure, people however are prefer to talk, expose and discuss the fancy thing in entrepreneurship, i.e. success stories in entrepreneurship and the positive venture performance (Hogarth & Karelaia, 2012). At this point, this study can understand why studies and researches in failure may not bring interest for many people and scholars, even though it can provide various positive insights to boost entrepreneurial learning which can be used as the source of knowledge in undertaking entrepreneurial process.

Knowledge regarding reasons and sources of failure can be used as an important vivid conveyance by entrepreneurs to prepare, implement and manage their future businesses. By experiencing failure and learning from it, entrepreneurs could analyze causes and reasons on why they fail to undertake their business. Knowledge of failure can also positively be used by entrepreneurs reconsider types of failure and to positively re-motivate themselves to get back in business. Failure is viewed as an important part of learning and experience to get new knowledge which can further be used to reduce the possible subse-

quent failures in the next ventures (Lafontaine & Shaw, 2014).

It is viewed that entrepreneurial personality is a factor that will hugely impact business achievement and performance, either the positive performance or the negative one (in terms of entrepreneurial failure). Entrepreneurial failure is the situation in which psycho-economic phenomenon occurs to individuals, which further determines the performance of business (Khelil, 2016). Failures usually relate to entrepreneurs internal-external situation and condition. Internal situation refers to behavior and personality and entrepreneurial processes undertaken by entrepreneurs. Meanwhile, the external situation relates to business organization where entrepreneurs conduct entrepreneurial process and the social environment where they live in.

The development of ICT and its sub-sectors, including social media platforms for example, have shifted many things in people's life and how people are conducting activities (Coudry, 2015). The ways to communicate, to spread and to get information, to mobilize people and resources, to trade goods and services, to self-actualization, etc. are just some examples of it, (Khan et al., 2014), The use of social media is being considered as a "must to do" daily activity, and at the same time, culture of societies has also shifted to be more depending on it, (Drahošová & Balco, 2017) Behavioural pattern and the way people react to things have also shifted (Khan et al., 2014).

People do not mind and have no doubt to share their own privileges and very personal activities, which in many occasions, are mixed with the intention to trade them with the admiration and salutation from others. Some private things such as uploading selfie photos, videos of daily private activities, expression of the inner feeling, and even other's privileges are voluntarily and self-initiatively shared through social media platforms. Some people cannot even control themselves to use the social media - and as the consequence, there is a problem of excessiveness and the risk of the utilization of social

media platforms (Khan et al., 2014). This excessiveness in particular, has made some people to become more narcissist rather than people in the previous decades.

One personality construct that would be beneficial in entrepreneurship is the level of entrepreneurs' self-confidence. It is highly considered that an entrepreneur could be succeed if he/she has a sufficient level of self-confidence in running the business. In the concept of entrepreneurial personality and traits, this can be categorized as the individuals' characteristics that would lead to the intention to entrepreneurship, (Garaika & Margahana, 2019). However, the majority of studies could not determine in which level of self-confidence that would lead to success in entrepreneurship. If it is related to the narcissism, it becomes clear that it can be viewed as the too high level of self-confidence belongs to entrepreneurs (Liu et al., 2019), entrepreneurs would have bigger possibilities to get fail once they are trapped into the negative effects of narcissism.

So far, studies and concept in entrepreneurial failure considered several factors as the sources of failure. However, there is still no empirical evidence and examination whether the personality disorder in terms of narcissistic behaviour may also be the source of entrepreneurial failure. Therefore, this study examines an intense and excessive use of social media which potentially raises entrepreneurs' narcissistic behavior which may cause entrepreneurial failure. The study claims its novelty, values and originality in terms of an empirical evidence to explicate the relationship between narcissistic behavior and entrepreneurial failure. Using 150 failed young entrepreneurs in Padang, Indonesia as the context, this study provides an evidence that the narcissistic behavior should also be considered as a source of entrepreneurial failure.

Hypothesis Development

Relationship between Two or More Variables

In psychology, narcissism is viewed and categorized as the personality disorder when people have a grandiose view of their abilities

and are preoccupied with fantasies of great success (Kring et al., 2014). As stated by American Psychiatric Association (2013), narcissism is described as the psychological disorder which is characterized by a persuasive pattern of grandiosity (in fantasy or behavior), need for admiration, and lack of empathy. American Psychiatric Association (2013) have further identified that narcissism usually begins and occurs in early adulthood of individuals and can be presented in a variety of contexts, which can be seen in several characteristics, such as a grandiose sense of self-importance, fantasies of unlimited success, power, brilliance and beauty or ideal love, a belief that he or she is special and unique, wants to have excessive admiration and a sense of entitlement. A narcissist individual can also be identified by their habit to interpersonally exploit others to achieve own interests, having lacks of empathy, often envious of others and show arrogant and haughty behaviour.

Related to this and as a personality characteristic, then, narcissism has both cognitive and motivational elements (Chatterjee & Hambrick, 2007). The cognitive element consists of grandiose self-views and the believes of the superior abilities stuck inside narcissists such as creativity, competence and leadership (Judge et al., 2006). While in motivational element the person who has narcissistic personality feels an intense need to have their superiority continuously reaffirmed (Campbell et al., 2004). Narcissists craves for admiration which the admiration comes from others such as affirmation, applause, and adulation (Wallace & Baumeister, 2002).

As the both elements, narcissists believe for being endowed of superior abilities and motivate themselves to maintain the abilities which manifested the general tendencies. On the positive side, narcissists feel good about themselves, and so they seek sensation, take bold actions and respond positively to positive feedback (Wallace & Baumeister, 2002; Brunell et al., 2008). In the negative side, people with narcissistic personality will act to respond defensively and aggressively to ego-threats (Judge et al., 2006; O'Boyle

Jr et al., 2012) while try to protect and maintain their unrealistically high level of self-esteem (Vazire & Funder, 2006). Narcissism is viewed can influence leadership style and effectiveness (Brunell et al., 2008; Peterson et al., 2012; Grijalva et al., 2015) as well as an important individual possession to define organizational strategy and to achieve performances (Judge et al., 2006; Chatterjee & Hambrick, 2007; Resick et al., 2009; Chatterjee & Hambrick, 2011; Gerstner et al., 2013; Zhu & Chen, 2015).

Since this study mainly concentrates on entrepreneurship field, previous studies regarding narcissism of individuals in entrepreneurship were used as the basis of understanding to view that every entrepreneur has his/her own narcissistic behavior which will further affect entrepreneurial process and activities that they undertake. The study also believes that the level/degree of narcissist behaviour varies between entrepreneurs, and this will then determine the level of entrepreneurial achievement that can be attained. Linking the concept of entrepreneurial failure, narcissism and the possible individual learning form as the result of failure, it has been recognized that the presence of failure will be an indication that something has gone wrong with the business and there are causes of it. Entrepreneurs can be motivated to understand these causes by experiencing failures (Sitkin, 1992), and such an understanding facilitates informing and motivating changes to the entrepreneur's mental and behavioural models (Minniti & Bygrave, 2001; Politis, 2005; Ucbasaran et al., 2009; Shepherd et al., 2011).

Despite Mathieu and St. Jean (2013) have previously argued that individuals may exert narcissistic personality to perform self-efficacy, locus of control, risk propensity and to improve entrepreneurial intentions, however there is also a contradictory argument about the presence of narcissism in entrepreneurs. Recently and according to Liu et al. (2019), narcissists entrepreneurs are different. Their cognitive and motivational predispositions can exert a negative influence on both scanning and interpretation of the learning process from

their previous experiences. Relate this to entrepreneurial learning, we view that the narciss entrepreneurs may negatively respond entrepreneurial learning process and benefit which are sourced from entrepreneurial failure. We further use the opinion from Liu et al. (2019) as the basis to develop the first hypotheses of the study, which is:

H1 : Narcissism has negative and significant influences on entrepreneurial learning from failure

Learning is always be an important part in the entrepreneurial process since entrepreneurship always requires an individual learning (Minniti & Bygrave, 2001). In the case of entrepreneurs, they learn primarily through learning by doing (Cope & Watts, 2000; Politis, 2005; Middleton et al., 2014), such as trial and error, explicit problem solving, and discovery (Rae, 2007). This kind of learning can be sourced from peers, feedback from customers and suppliers, copying, experiment, problem solving and opportunity taking, and from making mistakes (Middleton et al., 2014). Entrepreneurs will gain much benefits of entrepreneurial learning from critical events which can be can often be traumatic and stressful for the entrepreneur to endure, rather than the gradual accumulation of more routinized and habitual incremental learning (Cope, 2003). It means that the critical events such as failure will impact to the psychological aspect of entrepreneurs. From the failure, entrepreneurs could also do the reflection, which is viewed as a process that brings meaning to experience (Rae & Creswell, 2000).

Entrepreneurs who have experienced failure are more prepared for the trials and tribulations of entrepreneurship than those who have only enjoyed success (Cope, 2001). Lessons derived from failure can give entrepreneurs revitalised confidence in their abilities and a broader, more sophisticated awareness and knowledge base. It means that learning helps entrepreneurs to be more prepared to their consecutive businesses. Based on the opinion from Cope (2001)

above, we further derived the second hypotheses of the study, saying that:

H2 : Entrepreneurial learning from failure significantly influences on entrepreneurial failure

Related to failure experiences, there is a greater degree that the failed narcissist entrepreneurs are unwilling to admit that they have failed in their previous business and are also unwilling to learn from that failure experiences, even though there are opportunities to learn. The reason is clear; highly narcissistic individuals believe that they have superior qualities over others (Morf & Rhodewalt, 2001) and this belief will create an automatic psychological construction to deny every negative performance of activities as the result of their downside. Another point that should also need to consider is the fact that the narcissist individuals are usually absorbed by their inner world and by their own sense of correctness (Chatterjee & Hambrick, 2007). As the consequence, they will likely be inattentive to objective cues, including signals from current environment and their past experience. The opinions (Morf & Rhodewalt, 2001; Campbell et al., 2004; Chatterjee & Hambrick, 2007) are further used as the basis for our understanding in formulating the third hypotheses of the study, which says:

H3 : There is a significant influence of narcissism on entrepreneurial failure

In the social-psychology and organizational behaviour literatures, failure has been commonly claimed to be a major prerequisite for learning. Learning from failure can be viewed as a process that involves scanning for useful information and interpreting it to inform future action (Weick et al., 2005). Scanning relates to efforts to keep concentrate on and to collect the important information in the sense making process, while interpretation relates to the development of ways to comprehend the meaning of information by fitting it into structures which is suitable for understanding (Ucbasaran et al., 2013). People, who can learn to use feedback

from others or from their traumatic-stressful experiences, will have a greater degree to revise their belief systems (Chen & Koenig, 2006) and will further use this revision as the basis to readjust their behavior.

METHOD

The study is quantitative and operates relational approach. Data is collected from respondents by using questionnaires, and the result is further analyzed to answer the research question. Based on its purposes, this study is categorized as a hypothesis-testing study.

Population is entrepreneurs in Padang City, West Sumatra Province, Indonesia. Based on the time horizon, this study is a cross-sectional study where the data are gathered just once in a period.

The purposive sampling technique is applied in order to provide better information and to specify respondents of the study. Due to the criteria that was set by the researchers, samples of this study are chosen based on the consideration: (a) the maximum age is 30 years old, and (b) should previously experience failure in business. In this study, the sample size is statistically determined by Lemeshow et al. (1990) using formula as follow:

$$n = \frac{NZ^2_{1-\alpha/2}pq}{d^2(N-1) + Z^2_{1-\alpha/2}pq}$$

Notes:

n : Sample
 Z : Normal value on table
 p : Outcome Prevalence
 q : 1-p
 a : 0.05
 d : Sig level

Following the chosen sampling technique, this study decides its sample size which is 150 respondents. This study uses entrepreneurs in Padang, Indonesia as unit of analysis, in which their data is collected through questionnaires. There are two questionnaires that are used in this study, which are:

The first questionnaire is NPI-16 from Raskin and Terry (1988), which is distributed to measure level of narcissism of respondents

The second questionnaire is the main questionnaire of the study, which draws items related to the variables of the study. This questionnaire was made up by using indicators of each variable of the study as the guidance.

Both the questionnaires are administered to respondents by either personally or through online platform (using the google form). Variables of the study are operated under the following operational definition, as the Table 1.

Narcissistic Personality Inventory-16 (NPI-16) is a measure of subclinical narcissism that shows meaningful face, internal, discrimi-

nant, and predictive validity (Ames et al., 2006). The NPI-16 draws items from Raskin and Terry (1988).

Data are descriptively recorded in MS-Excel and further processed by using SmartPLS 3.28 as the tool of analysis. Data of this study are analysed by using the Structural Equation Model (SEM), which has three major tests that were undertaken in this study: (a) instrumental test (Outer Model); (b) structural model (Inner Model); and (c) hypothesis testing.

Framework

Based on the three hypotheses of the study, we further develop the research framework that is further used as the conceptual understand-

Table 1. Operational Definition of Variables

Variables	Definition	Dimension	Indicator
Entrepreneurial Failure	Entrepreneurial failure is a psycho-economic phenomenon which leads entrepreneurs to undertake error actions to allocate resources & will result consequence, in terms of psychological situation and disappointment (Smida & Khelil, 2010).	Failure to allocate resources Failure in decision making Failure in actions (Rahman et al., 2018)	Ineffective to achieve goals Inefficient to allocate resources False information and data False decision making Irrelated action with planning Irrelated actions with goals
Narcissism	Narcissism is a psychological disorder characterized by pervasive pattern of grandiosity (in fantasy or behavior), need for admiration, and lack of empathy, beginning by early adulthood and present in a variety of contexts (Terry, 1988).	Superiority Exhibitionist Authority Entitlement Exploitative Self-sufficient (Emmons, 1987; Raskin & Terry, 1988).	Dominate others Actualization Preference in getting status Expectation to get special treatment Level of sensitivity to others' need and want Able to fulfill the needs
Entrepreneurial Learning from Failure	Learning from failure can be viewed as a process that involves scanning for useful information and interpreting it to inform future action (Weick et al., 2005).	Recognition of and reflection on causes of failure Self-assessed ability to perform better (Shepherd et al., 2011)	Able to collect and make sense of information Able to monitor progress of the current businesses Improve ability

ding regarding the topic of the study. The framework is shown in the following Figure 1.

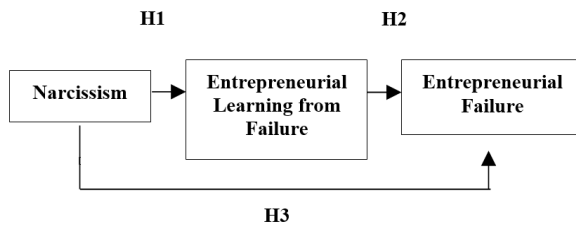


Figure 1. Study Framework

RESULT AND DISCUSSION

Recalling the methodology part of the study, the primary data was collected by using two questionnaires which were distributed during the period of 2 November 2019 to 29 December 2019. Respondents of this research were entrepreneurs in Padang City with maximum age of 30 years old and had previously experienced entrepreneurial failure. In Table 2, we can see the dispersion of the two questionnaires based on the number of distributed, returned and processed questionnaires.

Table 2. Number of Distributed, Returned and Processed Questionnaires

No.	Questionnaires	Size
1.	Distributed	170
2.	Returned	162
3.	Processed	150
	Response rate	88.24%
	Total size of questionnaires returned and can be processed	150

As previously mentioned, the first questionnaire regarding narcissism is referred to the sixteen items questionnaire which is known as NPI (Narcissistic Personality Inventory)-16. As the construct of narcissism could be disgraceful to some of the respondents which will raise the possibility of bias of answers, we decided to prepare the reversing questions in the NPI-16 questionnaire-so that respondents do not realize that we actually measured the level of their narcissism.

From six dimensions of narcissism in NPI-16 and by reversing questions in NPI-16, it was found that self-sufficiency is the highest narcissistic characteristic of respondents, and is followed by self-entitlement, exploitativeness, exhibitionism, and authority. The finding above is sufficient to claim that respondents are narcissist enough in undertaking entrepreneurial activities.

The next task is to investigate and to reveal profiles of respondents, which are divided into personal profile, and profile of the business which is possessed Both are shown in one integrated table as in the Table 3.

We discuss more on the respondent profiles from the perspectives of age, level of education and the age when they are first starting a business because those profiles are more related to the exposition on why entrepreneurs fail in their business.

Based on Table 3, the majority of respondents are dominated by those who are males, in the age of 21-25 years, attended the senior high

Table 3. Sample Profile of the Study (Personal Profile)

Category	Characteristic	Sample Size	Percentage (%)	Valid Percent
Gender	Male	76	50.67	50.67
	Female	74	49.33	100.00
Level of Education	Elementary & Junior High School	8	5.33	5.33
	Senior High School	102	68.00	73.33
	Undergraduate	40	26.67	100.00
Age (years)	18-20	21	14.00	14.00
	21-25	116	77.33	91.33
	26-30	13	8.67	100.00
Age when first starting the business (years)	18-20	84	56.00	56.00
	21-23	64	42.67	98.67
	24-26	2	1.33	100.00

school education, and in the age of 21-20 years old when they first started the business. Considering the opinion from Talas et al. (2013), gender, age, education and the type of school attended by individuals are the important demographic factors that may influence entrepreneurship. Meanwhile, the profile of the respondents' businesses is shown in the Table 4.

Table 4 the majority of the current businesses are the second business, which means that the previous one has failed. The majority

(107 respondents) revealed that they have a once time business failure.

The second task of analysis in this study is the instrumental test/the validity test. Indicators are valid if the value of outer loading is at least 0.5 (Sekaran, 2016). Moreover, the indicator is still accepted if the value is higher than 0.5 and least 0.7 as long as the value of Average variance Extracted (AVE) is higher than 0.5. The outer loading model in this study is shown in the following Figure 2.

Table 4. Sample Profile of the Study (Business Profile)

Category	Characteristic	Sample size	Percentage (%)	Valid Percent
Current business is the ...	2 nd	102	68.00	68.00
	3 rd	31	20.66	88.66
	4 th	4	2.67	91.33
	5 th	9	6.00	97.33
	More than 5 th	4	2.67	100.00
Number of experiencing failure ...	1	107	71.34	71.34
	2	24	16.00	87.34
	3	8	5.33	92.67
	4	2	1.33	94.00
	5	3	2.00	96.00
	>5	6	4.00	100.00

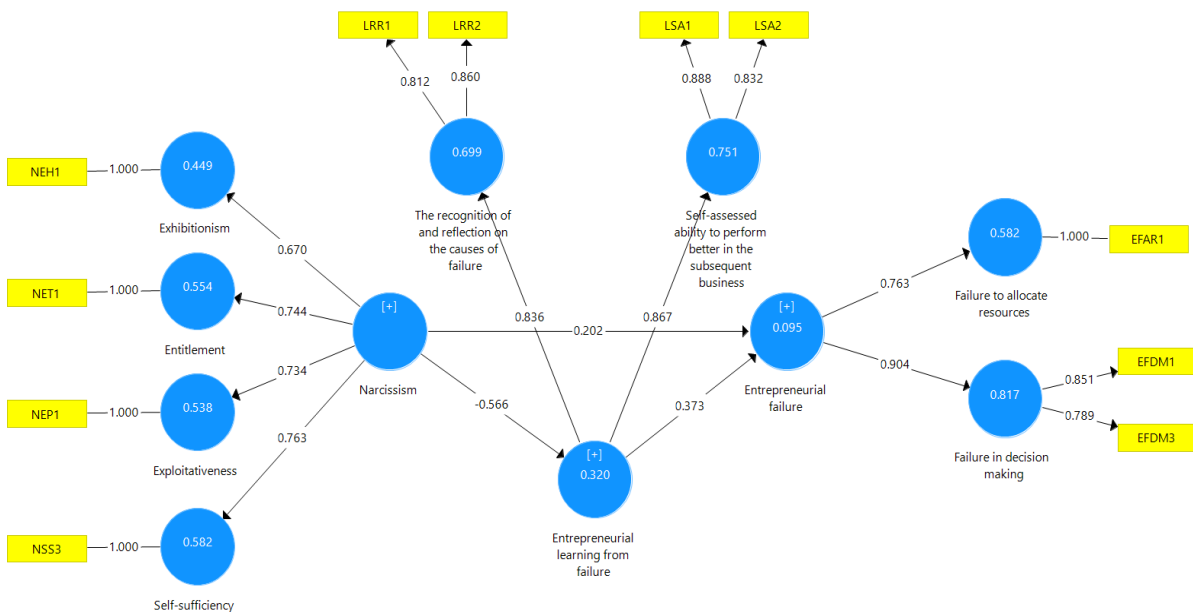


Figure 2. Outer Loading Model

Meanwhile, the Average Variance Extraction (AVE) is shown in the Table 5.

Table 5. Final Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
Entrepreneurial Failure	.560
Narcissism	.531
Entrepreneurial Learning from Failure	.522

In the discriminant validity, the validity of data can be seen in the value of cross loading measurement which compares the value of each indicator construct with each other. We found the value of the cross loading ranges from 0.650 to 0.811. Details of the cross loading measurement of this study can be seen in the Table 6.

Table 6. The Result of Cross Loading Measurement

	Entrepreneurial failure	Entrepreneurial learning from failure	Narcissism
EFAR1	.763		
EFDM1	.796		
EFDM3	.681		
NEH1			.670
NET1			.744
NEP1			.734
NSS3			.763
LRR1		.650	
LRR2		.745	
LSA1		.811	
LSA2		.672	

Looking at the results of convergent and discriminant validities as in the Table 5 and 6 above, we can summarize that all variables and indicators used in this study are valid.

Cronbach's alpha and composite reliability from each variable are further used in order to test the reliability of variables. The result of composite reliability is considered as a good reliability if it was higher than 0.7 and the coefficient of Cronbach's alpha was higher than 0.6,

(Sekaran 2016). Based on the measurement, the three variables of the study are considered as having good reliability since the values of the composite reliability are more than 0.7, and the values of Cronbach's alpha are more than 0.6. Details of the result is shown in Table 7.

Table 7. The Reliability Test

	Composite Reliability	Cronbach's Alpha
Entrepreneurial Failure	.792	.605
Narcissism	.819	.705
Entrepreneurial Learning from Failure	.812	.691

The next important statistical procedure in SEM is to measure the structural model of the study. In doing this, we first test the model by looking at the value of the R-Square of each dependent variable. R-Square indicates how the dependent variable can be explained by the independent variable. We have found the r-square of both variables entrepreneurial failure and entrepreneurial learning from failure, which indicate that narcissism can explain entrepreneurial learning from failure 31.5% while entrepreneurial failure can only be explained 8.2% by both narcissism and entrepreneurial learning from failure. The value of R-Square both variables is shown in the Table 8.

Table 8. The R-Square Results

Variable	R-Square Adjusted
Entrepreneurial Failure	.082
Entrepreneurial Learning from Failure	.315

The last task in data analysis is to test the hypotheses of the study. In doing this, we use the standardized coefficient estimations which is known as the path coefficient. The path coefficient can show the level of significance of the hypothesis, which can be found in the value of the inner model. We carefully consider the value of

the t-statistic, because it should be higher than 1.96 and with value of alpha of 0.05. Following this procedure, we found the path coefficients of the hypotheses in this study, as can be seen in the Table 9.

Narratively, based on the Table 9 we clearly found the relationship of narcissism and entrepreneurial failure, in which narcissism indeed inhibits entrepreneurial learning from failure (H1 is supported). This study also proves entrepreneurial learning from failure experienced by the narcissist entrepreneurs brings positive and

significant effect to the subsequent entrepreneurial failure (H2 is supported). An interesting finding of the study can be found in H3, in which it has been found that narcissism positively affects but insignificant to entrepreneurial failure (H3 is not supported). This means that the more narcissist an entrepreneur is, then the more possibility for them to experience entrepreneurial failure is. Based on the path coefficients found in the hypotheses testing, we can further arrange the bootstrapping test of the study which is shown in the Figure 3.

Table 9. Path Coefficients (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Hypothesis Result
Narcissism -> Entrepreneurial learning from failure	-.566	-.572	.074	7.595	.000	Supported
Entrepreneurial learning from failure -> Entrepreneurial failure	.373	.359	.115	3.237	.001	Supported
Narcissism -> Entrepreneurial failure	.202	.186	.122	1.654	.098	Not Supported

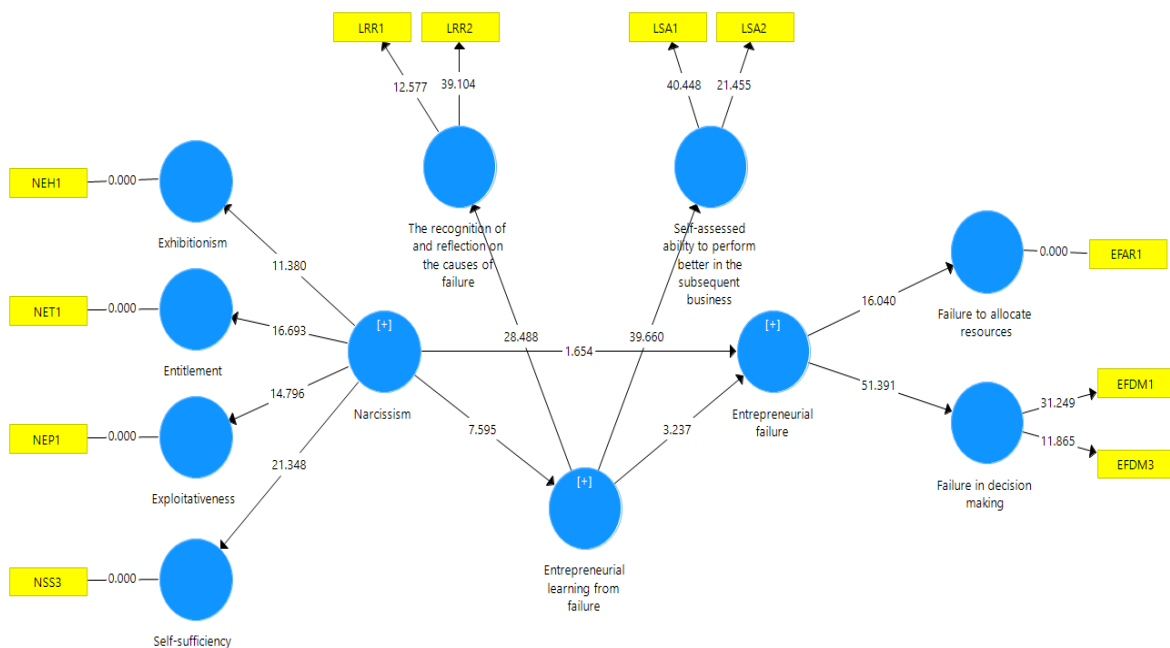


Figure 3. The Bootstrapping Model of the Study

RESULT AND DISCUSSION

The first finding of the study indicates that narcissism has negative influence but statistically significant on entrepreneurial learning from failure, which are proven by the values of original sample, t-statistics and p-value of the hypotheses. This finding infers that the greater the feeling/sense of narcissism that entrepreneurs have, then the lesser the willingness to learn from the past failure they have. This finding is similar to Liu et al. (2019) who have previously found that the feeling of narcissism may bring negative impact to entrepreneurs ability to learn from failure.

If we recalled and considered the characteristics of narcissistic personality that individuals have (especially the major characteristic which is related to the grandiose sense of self-importance), we can understand on why a narcissist individual tends to deny failure and reasons of failure that they have experienced with. Despite many studies and research have strongly concluded that failure experiences can be used as the source of valuable learning experience for entrepreneurs (Minniti & Bygrave 2001; Weick et al., 2005; Politis 2005; Ucbasaran et al., 2009; Shepherd et al., 2011), but the narcissistic entrepreneurs often deny and even reject, that they are actually the main source of failure. These denial and rejection will result one thing; entrepreneurs will have minimum willingness and initiative to learn from past failures that they have made. The reason is clear; the highly narcissistic individuals believe that they have superior qualities over others (Morf & Rhodewalt, 2001) and this belief has created an automatic psychological construction to deny every negative performance of activities as the result of their downside.

The profiles of respondent of the study which are dominated by those who are in the age of 21-25 years old but has started their business in the age of 18-20 years old and has only the senior higher education degree are also viewed to contribute to this psychological situation. We consider those demographic description as the reason in the creation of, what we call, stubbornness, to learn from failures. Regarding the stubbornness and as

the finding of study from Marx and Marx (1980), high school student's age range and graduates often repeat a particular error which is more likely often to recur prior to the successive one.

The respondents' age range in this study also contributes in shaping the feeling and sense of narcissism—which may also be stronger and even have greater degree with the facilitation and excessive use of social media platforms. If we look at to the major population of social media users, it is dominated by the young people in that age range. So, in this circumstance, we consider, and further believe that demographic characteristics of individuals, excessive use of social media, and much easier access to use social media platforms by entrepreneurs have positively contributed to the creation of a greater feeling and sense of narcissism inside individual entrepreneurs which have further impacted to the denial and rejection to learn from the past failure. The feeling of narcissism may impact to a negative influence on both scanning and interpretation of the learning process from previous experiences (Liu et al., 2019). This finding is strengthened and confirmed by findings of the descriptive statistics with the respondents of this study which show a mid to a greater degree of exhibitionism, disapproval to follow an authority, demanding on more entitlement, exploitative to others and self-sufficiency (thinking that they can do everything by their own). All of these descriptive statistic results indicate the characteristics of narcissistic personality behaviour possessed by individuals.

In case that entrepreneurs acknowledge and learn from previous failures that they have made, the second finding of the study proves an interesting explanation. Even though there are acknowledgement of failure and possibility to learn from previous failure experiences, however they are found to sink narcissistic entrepreneurs into another subsequent venture failure. This study tried to reconstruct why this fact occurs. It is viewed and believed that the genuine feeling and sincerity to acknowledge failure and learn from that failure are the main and critical philosophy for entrepreneurs to learn and to gain wisdom of something. Unfortunately, this

condition cannot be fulfilled by the narcissistic entrepreneurs (referring to the typical characteristics of narcissistic individuals) – so that, we cannot rely on that the acknowledgement of failure and learning process are based and sourced from a genuine and sincere heart and feeling.

It is viewed that recognizing/acknowledging failure is only a manipulated behaviour from narcissistic entrepreneurs which at the end, brings negative consequence to the subsequent activities that they undertake. In other words, this study tends to believe that the narcissistic personality has a close connection with *hypocrisy* and the possibility of individuals to become as a *hypocrite*. The reason mainly relates to the human nature and personality characteristics of the narcissistic individuals and is used as our major standing point and argument.

The assured overview above is related to the third finding of the study which says that the highly narcissistic entrepreneurs will lead their business to another failure, even when it is mediated by entrepreneurial learning. Following the discussion above, it is viewed that entrepreneurs who are having narcissistic personality and tend to become a hypocrite will pretend that they enjoy to learn something from failure, although in fact, they do not. This situation has made advantages of learning from failure cannot be generated and entrepreneurs cannot gain something beneficial from failure experiences if they wanted to restart their business in the future. This argument is also founded on the previous studies, (Campbell et al., 2004; Chatterjee & Hambrick, 2007) who argued that narcissist individuals are usually absorbed by their inner world and by their own sense of correctness. So, as the consequence, they will likely be inattentive to objective cues, including from their past experience, and those situations may directly or indirectly bring another fail result to their business in the future.

CONCLUSION AND RECOMMENDATION

The study found that narcissism negatively effects entrepreneurial failure, even with the mediation effect of entrepreneurial learning

from failure by the failed entrepreneurs. This indicates that the greater narcissistic behaviour entrepreneurs has, the more possibility for them to learn less from the failure experiences is. Demographic characteristics of respondents might be the reason in the creation of stubbornness to learn from failure. Apart from that reason, we also argue that the excessive use and the easy access to use social media platforms have positively contributed to the creation of greater feeling and sense of narcissism inside individuals. All of these will negatively impact to the learning process that should be possessed by entrepreneurs.

In case that there is an acknowledgement of failures from narcissist entrepreneurs, we cannot believe as it is. In one hand, we argue that the acknowledgement of failures needs a genuine and sincere feeling from the heart of entrepreneurs and this is a difficult condition that should be fulfilled by the narcissistic entrepreneurs considering their characteristics. In another hand, we believe that the acknowledgement of failures from narcissistic entrepreneurs might be a manipulated behaviour, which at the end, brings negative consequence to the subsequent activities that they undertake. In other words, we tend to believe that the narcissistic personality is having close connectivity with the possibility of individuals to become as a hypocrite. This will, at the end, lead them to experience subsequent entrepreneurial failure during the re-started ventures.

The study mainly implies that entrepreneurs should carefully consider and be aware of their good and bad character-personality and psychological aspects when performing entrepreneurial processes, which could bring further impacts toward entrepreneurial performance. It will be necessary for entrepreneurs to reconsider or even reduce their negative personal behaviours during entrepreneurial journey and process, in order to achieve a more productive and positive entrepreneurial performance. Despite it might be very difficult to do, entrepreneurs should better use social media platforms responsibly. It is strongly suggested that entrepreneurs use social media platforms for rational business/entrepreneurial purposes only – without mix them with

the intention to look more personally superior, to get admiration from others, or to show grandiose sense of self-importance over others.

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