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## **Revitalizing serial entrepreneurship in sub-Saharan Africa: Insights from a newly emerging economy**

### **Abstract**

In light of the growing national priority to develop and revitalise entrepreneurship in emerging economies, our understanding of barriers to serial entrepreneurship (SE) in such a context warrants further scholarly attention. Using insights from Ghana, an integrated framework of endogenous and exogenous barriers to SE is advanced. The study identified factors such as stigmatisation of business failure, fear of failure, successive governments' suspicion of the private sector and lack of a clear national policy as barriers to the development of SE. By creating conditions for de-stigmatising of failure, countries would be able to create conditions for more serial entrepreneurs to emerge and flourish. The analysis also indicates that reinvigorating entrepreneurship by providing space and opportunity for failed entrepreneurs to re-emerge would enable such countries to enhance entrepreneurial activities and improve economic development. The implications for technology analysis and strategic entrepreneurship literature are identified and examined.

## **1 Introduction**

In the ever-changing world of the 21st century, entrepreneurship has risen to prominence as an effective vehicle for job creation, economic growth and development in the developing world (Acs et al. 2008; Stam et al. 2008). In light of growing global pressure to alleviate poverty and foster innovation, entrepreneurial development has increasingly been viewed as an effective mechanism for individuals to achieve prosperity and for nations to revitalise their economies (Barringer and Ireland 2016; Westhead et al. 2004). Indeed, cultivating entrepreneurial development has been found to help emerging economies to leap into a new era of indigenous innovation and industrialisation (see Dodgson et al. 2008). Nevertheless, entrepreneurial activities do not occur in a vacuum, but are rather fundamentally shaped by environmental factors such as quality of governance, and cultural and national environments (Acs et al. 2008; North 1990).

One of the promising areas for research and development is around serial entrepreneurs (Li et al. 2009). By serial entrepreneurs we are referring specifically to entrepreneurs who have started another business after the collapse or failure of the previous venture (Westhead and Wright 1998a, 1998b; Westhead et al. 2003). Although scholars have long emphasised the need to study such entrepreneurs (Westhead et al. 2004), our understanding of why so many entrepreneurs in emerging economies fail to rebound from business failure is severely limited (Yamakawa et al. 2015). Recent scholarly contributions have highlighted the need to examine why some failed entrepreneurs fail to re-enter entrepreneurship (Simmons et al. 2016). Past studies have recognised such entrepreneurial exit as one of the least understood aspects of entrepreneurship (DeTienne et al. 2015). This issue is also particularly important given that businesses started by serial entrepreneurs have a much faster growth rate and higher survival chances relative to those started by novice entrepreneurs (Stam et al. 2008; EC 2011). Thus, fostering the development of serial entrepreneurship (SE) is a quintessential ingredient in developing dynamic and sustainable economies (see Flores-Romero 2006; Schutjens and Stam 2008). With this in mind, the main

purpose of this paper is to examine why some entrepreneurs in emerging economies fail to rebound from business failure to start another venture. Specifically, we examine barriers to SE in Africa. The analysis is limited to Ghana, in particular, and Africa, in general. The urgency of our times demands revitalising entrepreneurial activities in Africa to help foster economic development (Kiggundu 2002).

In developing the arguments about SE, we make several contributions to strategy, technology, innovation and entrepreneurship literature. First, although scholars have long recognised business failure as a key pillar in entrepreneurship (Lee et al. 2007), to date there remains limited understanding about factors curtailing serial entrepreneurial activities. The study fills this void in our understanding by articulating how an array of endogenous and exogenous barriers, including stigmatisation of failure and lack of an entrepreneur-friendly failure environment, interact to stifle failed entrepreneurs' ability to bounce back. In addition, although scholars have suggested that there are values to be derived from learning from failure (Shepherd 2003), there remains lack of clarity about how prior founding experience can become a liability in the entrepreneurial process (Zhang 2011). This study contributes to literature by deepening our understanding of how experience of business failure can come to be stigmatised in some underdeveloped economies in the entrepreneurial process. Furthermore, by explicating the effects of entrepreneur-specific factors and external factors such as government policies, societal perception and attitude towards failure as factors hampering serial entrepreneurial development, the study offers a more comprehensive and robust approach to enhance our understanding of the subject.

The remainder of the paper proceeds in the following manner. The next section presents a review of the literature on SE and business failure. This is followed by an examination of the research context approaches and data collection. The endogenous and exogenous barriers to SE are then presented. The final section sets out the implications of the study.

## **2 Serial entrepreneurship and business failure: an organising framework**

For analytical clarity, we defined entrepreneurs or founders as individuals acting independently or in collaboration with others to create a new venture or develop an innovation to exploit opportunities in the marketplace (Hitt et al. 2015). Some of the key attributes of entrepreneurs include perseverance, willingness to take risk, highly motivated, and ability to sense market opportunities and design product/service to fulfil them (Barringer and Ireland 2016). By entrepreneurial development, we are referring to creating conditions and an environment to facilitate the formation and entry of new firms (Lee and Yamakawa 2012). Fostering entrepreneurial development entails recognising the importance of individual specific factors such as talent and motivation to starting a business (Yu and Tandon 2012). A pillar of a well-functioning “entrepreneurial ecosystem” is the ability to create conditions for exit and successive engagement after failure (Wennberg et al. 2009).

Serial entrepreneurs are broadly defined as “entrepreneurs who exit one venture before entering into a subsequent one” (Wright et al. 1997, p. 252). In this context, we use serial entrepreneur to refer to entrepreneurs who establish a business after the collapse of the previous business (Westhead et al. 2003). The first venture failure and then the successive engagement by establishing another business is an element of SE (see Westhead and Wright 1998a). The nature of the entrepreneurial business failure process can be either a sudden or an incremental decline of the business which culminates in exit (D’Aveni 1989). Within this context, some individuals become serial entrepreneurs by moving directly from a failed venture to new business formation, whereas others take an indirect path via employment by other firms before eventually starting another business (Taplin 2004). Some of the unique traits of serial entrepreneurs encompass perseverance and the ability to identify and exploit market opportunities (Taplin 2004; Westhead and Wright 1998a). For some entrepreneurs, perseverance can propel them to try again after business failure (Goleman 1986). It is worth noting that some failed entrepreneurs may opt to buy

an existing firm rather than establish a new firm (Westhead and Wright 1998a, 1998b). The linkages in this entrepreneurial process are depicted in Figure 1.

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**Insert Figure 1 about here**  
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Researchers studying serial entrepreneurs have emphasised that the sequential approach offers the individual an opportunity to reflect and learn relevant lessons before launching another business (Lafontaine and Shaw 2016; Westhead and Wright 1998a). Past studies rooted in human capital theory (Becker 1964) have demonstrated that prior venture experience can enlighten and enrich the knowledge base of entrepreneurs for future ventures (Hayward et al. 2010). A line of research indicates that the firm-founding experience leads to the development of superior networks and ties, and entrepreneurial skills relative to novice entrepreneurs (Hsu 2007; Li et al. 2009). One recent piece of research demonstrated that entrepreneurs with a prior track record of business formation are more likely to enjoy future success than novice entrepreneurs (Lafontaine and Shaw 2016). Prior business experience can equip and enhance the entrepreneur's human capital which then increases the longevity of the successive new venture (Lafontaine and Shaw 2016).

Besides viewing business failure as an opportunity to learn from the past and gain industry-specific knowledge (Lee and Yamakawa 2012), a growing body of research has highlighted that there are liabilities associated with prior business failure experience such as stigma and damaged reputation of individuals associated with previously unsuccessful ventures (Amankwah-Amoah 2016a; Amankwah-Amoah et al. 2016; Westhead et al. 2004). By stigma, we are referring to an "attribute or characteristic that conveys a social identity that is devalued in a particular context" (Crocker et al. 1998, p. 505). Although most start-ups fail, the ability to gain re-engagement by starting another business is often curtailed by the stigma of failure (Simmons et al. 2014). Previous research indicates that stigmatisation of business failure impacts on and influences entrepreneurial risk-taking behaviour (Shepherd and Haynie 2011). After amassing experiences after failure,

stigmatisation could deprive society or individuals of a potentially useful opportunity to apply the knowledge and expertise in another context (Amankwah-Amoah 2016a).

Another relevant stream of research has highlighted the importance of institutions in entrepreneurial development (Yamakawa et al. 2008). It has been suggested that institutions made up of formal constraints such as rules, laws, contracts and constitutions, and informal constraints including norms of behaviour and self-imposed codes of conduct, and their enforcement regulate economic activities (North 1990). Therefore, institutions establish the basis for firm economic activities such as production, exchange and distribution (North 1990), which facilitate or constrain firm performance (Khanna and Palepu 1999). Rooted in the institutional perspective (North 1990) is that expectation that entrepreneurs must adhere to institutional norms to gain access to resources, however, failure to do so could lead to sanctions by society and lost legitimacy (Simmons et al. 2014). A body of research has hinted that societal perception and attitude towards business failure can create a fertile or hostile environment for entrepreneurial development (Cacciotti et al. 2016; Shepherd 2003). It is widely acknowledged by scholars that countries with lenient bankruptcy laws create conditions for greater risk taking and increased entrepreneurial activities (Lee and Yamakawa 2012). As the EC (2003, p. 7) observed, “The financial and business communities do not attach as much stigma towards business failure as consumers and the general community do”.

Based on the foregoing review, it can be deduced that there is a combination of exogenous barriers (i.e. institution-based) and endogenous barriers (i.e. entrepreneur-specific and firm-specific factors) to SE, as illustrated in Figure 2. Owing to the potential value of learning from past failure to encourage entrepreneurship, some European countries have taken the initiative to stimulate a fresh restart of failed entrepreneurs and overcome the “stigma of failure” (Rocha et al. 2015; EC 2002, 2011). Nevertheless, some scholars have indicated that entrepreneurs possess different capacities and capabilities, and their environment is shaped by different institutional factors (Peng et al. 2010). Although the preceding discussion offers some valuable insights into SE, there has



been limited scholarly attention to the barriers in the emerging market context. Having set out the current state of knowledge with regard to SE and business failure, we now turn our attention to the research context.

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**Insert Figure 2 about here**  
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### **3 Revitalising entrepreneurship in Ghana**

In recent years, it has become increasingly evident that new business formation after failure and, for that matter, fostering entrepreneurship is a key element in revitalising many of Africa's lagging economies (see Amankwah-Amoah 2016b). In contemporary Africa, entrepreneurial activities have not only surged, but have had a meaningful impact on creating jobs and lifting millions out of poverty (Kiggundu 2002). Throughout Ghana's post-colonial history, entrepreneurial development and policy have over the years been at the forefront and rear at different stages. Ghana's historical decline of entrepreneurial activities can be traced to the post-colonial reforms in the late 1950s and 1960s after independence in 1957 (Takyi-Asiedu 1993).

Under Kwame Nkrumah's leadership (1957–1966), one defining characteristic of the immediate post-independence period was the shift from private ownership to state ownership through nationalisation (Appiah-Adu and Blankson 1998). Nkrumah's doctrine was based on the assumption that “the profit motive of private enterprise limits its activities to fields with high and quick returns; private enterprises reduce the hard-won foreign currency by repatriating their profits abroad” (Danso 1992, p. 341). Consequently, public investment and state-ownership were seen as a means to achieving quick industrialisation and modernisation of the economy. Under this doctrine, state-owned enterprises (SOEs) were seen as not only “instruments of modernization and political power”, but also a source of revenue for the state (Danso 1992, p. 341). It was widely

believed that state involvement and management of enterprises would provide the nation with the necessary expertise and resources to foster the development of indigenous firms and innovation. As a consequence of the large-scale nationalisation, many foreign and ethnic-minority business owners were discouraged from expansion, which hampered entrepreneurial activities. Some business owners also left entrepreneurship all together.

During this period, there was also greater emphasis on the development of large-scale industries and little or no attention in policy terms to the promotion and development of small businesses, which retarded entrepreneurial activities in the country (Robson et al. 2009). Although Nkrumah recognised that socialism should not preclude profit-making for such firms (Danso 1992), the unintended consequence was that entrepreneurial activities by some private investors were discouraged. The over-dependence on the state entrenched by the reforms dealt a blow to entrepreneurship activities in the country. Taken together, these factors create a hostile environment for entrepreneurial development. During the 1970s' rule of the National Redemption Council/Supreme Military Council under the late Colonel Acheampong, the ideological pendulum swung again in favour of SOEs with partial nationalisation of Ashanti Goldfields Corporation, the Diamond Mining Consolidated African Selection Trust and the Ghana Bauxite Company (Danso 1992).

In tandem with this, SOEs including the Meat Marketing Board and the Ghana National Procurement Agency were established (Danso 1992). In 1979, the Armed Forces Revolutionary Council came to power and widened the network of SOEs by seizing the assets of several privately owned firms for "committing economic crimes against the state" (Danso 1992, p. 342). From the 1970s to the early 1980s, the SOEs performed so poorly that the serious financial positions began to affect the nation and represented a drain on its limited financial resources, leading to inflation and budget deficits (Christensen 1998; Danso 1992). By 1982, the deficit of SOEs accounted for over 3% of GDP and SOEs were responsible for around 25% of formal employment in the country

(Christensen 1998). Rather than helping to foster economic development within the wider economy, SOEs became the “dumping ground for party supporters” (Killick 1978, p. 245).

Taken together, the slow growth of entrepreneurial activities from the late 1950s to the 1980s was largely attributed to the surging role of the state at the time (Takyi-Asiedu 1993). By the early 1980s, these factors had created conditions and gathered momentum for the government to explore privatisation (see Kiggundu 1989, for review). Although in the immediate post-colonial era SOEs received an excellent press in some quarters and praise from the governments as instruments of economic development, by the 1980s this had fundamentally changed as they became scapegoats for governments’ poor policies and underperformance in many developing countries (Kiggundu 1989).

To arrest the declining economy and business activities, the country introduced the Economic Recovery Program, referred to as the Structural Adjustment Program in 1983 (Steel and Webster 1992). One of the solutions put forward by the International Monetary Fund and World Bank was privatisation (Danso 1990). The rationale was that the belt tightening of the national finances was needed to stem the squandering of national resources on unprofitable SOEs. Perhaps the first major attempt by the government to support small businesses followed the establishment of the National Board for Small-Scale Industries by the People’s National Defence Council Government in 1985 (Abor and Biekpe 2006; Obeng and Blundel 2015). Realising that this conventional approach had delivered little in terms of sustainable entrepreneurial development, the government in the last decade of the twentieth century redirected more attention towards promoting the purchase of locally made products. The government has sought to encourage the wider population to buy “Made in Ghana” goods. One of the motives was that this would create conditions to foster the development of local firms and industries, and ultimately foster entrepreneurship. Beginning in the early 2000s with a change in government, there were also renewed efforts to promote domestic

small-scale manufacturing and entrepreneurs. However, these offer little or nothing to failed entrepreneurs in terms of second chances.

Given the limited and scattered scholarly works on barriers to SE in emerging economies, we adopted a review of archival records (Welch 2000). The study relied on archival records, which included government publications, policy documents, and the Ghanaweb database and newspaper reports. This archival approach has been found to be “particularly suited to generating developmental explanations” (Welch 2000, p. 198). The secondary data search was conducted to gain further insights and inform the analysis.

#### **4 Endogenous and exogenous barriers to SE**

The analysis indicates that an array of exogenous and endogenous factors interacts to determine why many entrepreneurs are unable to bounce back after business failure.

##### **4.1 Exogenous factors**

The analysis indicates that serial entrepreneurial activities do not occur in a vacuum, but are shaped by environmental conditions such as societal attitude towards failure, successive governments’ policy and national culture. These factors create hostility for failed entrepreneurs preventing them from bouncing back and impeding entrepreneurial activities.

###### **4.1.1 Stigmatising of business failure**

In the decades following independence, one of the most serious handicaps facing potential serial entrepreneurs is stigmatisation of failure. By stigmatising failure, we are referring to situations where failed entrepreneurs are deterred from re-entry, thereby curtailing the level of entrepreneurial activities. Conventional wisdom in many societies in Ghana stigmatises prior business failure and individuals with a track record of running failed businesses are often denied

access to resources and networks (see also Amankwah-Amoah 2013). One factor that makes stigmatisation of failure more potent is the tendency of some individuals to dissociate themselves from failed entrepreneurs and in so doing denying them access to potential customers, financial credit and support. The access to finance which represents a dominant constraint facing many entrepreneurs in Ghana is further exacerbated by the past experience of business failure (Abor and Biekpe 2006; see also Amankwah-Amoah et al., 2016).

Coupled with the above, individuals' willingness to invest in or collaborate with those with prior failure experience also diminishes, thereby imposing harsh punishment for failure. The treatment and stigmatisation of failed entrepreneurs have historically had a chilling effect of discouraging entrepreneurs from starting new businesses. The possibility that the failed entrepreneurs lack the peripheral vision to sense or identify high risk as well as potentially profitable market niches also stems from prior failure. One of the historical failures has been the inability of many to disentangle different types of failed entrepreneurs, i.e. those who fail through no fault of their own from those whose incompetence and carelessness precipitate the collapse. An unfortunate outcome is that often all failed entrepreneurs are stigmatised irrespective of the cause and thereby create hostile environments for serial entrepreneurs. Failure attributed to dishonest behaviour or action should not be allowed to escape sanctions to provide space for honest entrepreneurs to be able to operate. Given that serial entrepreneurs are generally more optimistic about their future prospects than novice entrepreneurs (no prior experience of starting a business) (Landier and Thesmar 2009), opportunities to learn from "no fault" dissolution are essential for entrepreneurial development.

#### 4.1.2 Lack of effective government policy

Since attaining independence in March 1957, policies and actions of successive governments have largely "suppressed" entrepreneurial activities (Arthur 2005). However, since the mid-1980s, there has been a major shift towards creating friendly regulatory conditions for small-scale enterprises

and the indigenous entrepreneurs to flourish (Arthur 2005; Obeng and Blundel 2015). It has been suggested that the prospect for creating an entrepreneurial class to spearhead the country's development and industrialisation has been hampered by a lack of governmental support, lack of finance and an unfavourable regulatory environment facing indigenous entrepreneurs (Abor and Biekpe 2006; Arthur 2005).

Over the years, there has been little support from successive governments to develop the managerial capabilities and entrepreneurial skills of business owners, who are often seen as "potential political threats" (Arthur 2005, p. 453). The lack of entrepreneur-friendly failure environments has created a situation where the punishment associated with failure makes it extremely difficult for entrepreneurs to rebound. However, the formation of EMPRETEC Ghana in 1990 and the subsequent new government in 2001 all helped to usher in a new era with increasing emphasis on entrepreneurs, allowing small-business owners to flourish (Arthur 2005). Historically, there has been a fixation with only attracting foreign investment and big companies, whilst concurrently neglecting small businesses and their development (Nunoo 2014; Versi 2006).

Over the decades, much of the country's resources and attention have been directed towards attracting foreign direct investment and Western multinationals to establish a presence in the country (Nunoo 2014; Opoku 2005). Whilst this is generally very good for generating jobs, the downside has been limited attention to the contributions of small and medium-sized enterprises as creators of employment (Opoku 2005). One consequence is that the overwhelming emphasis of attracting large multinationals at the expense of the promotion of small entrepreneurs has hindered the progress of the entrepreneurial development in the country. This problem is amplified by Africa's strong craving for goods and services offered by foreign firms (Nunoo 2014). One of the effects of this is a lack of confidence in local firms and denial of opportunity to earn potential customers' patronage and investors' support.

### 4.1.3 Government–business relationship

In addition, there has been historical government suspicion of the private sector. During the Nkrumah era, the private sector was viewed with suspicion largely due to the large number of “foreign owners”. In contemporary Ghana, a high degree of suspicion remains, thereby hampering entrepreneurial activities. Rather than emerging entrepreneurs being supported by government and institutions, they are often treated with suspicion and harassed which discourages entrepreneurship and hampers the development of small firms (Versi 2006). As Nunoo (2014, p. nd) observed, many branches of government are “highly suspicious of emerging entrepreneurs” and such denial them access to government supports and contracts. Whilst this might be an over-generalisation of the situation on the ground, it reflected the experiences of some of the failed entrepreneurs in Ghana. The analysis indicates that many failed entrepreneurs are viewed with greater suspicion and seen as “corrupt”, “fraudsters” and “cheaters”. Consequently, there is little societal support or opportunity for them to re-start. In sub-Saharan Africa, the majority of small businesses fail in their first year often attributed to factors such as lack of government and financial support (Abor and Biekpe 2006). In addition, public sector bureaucracy not only slows that formation of new businesses and “saps the creative energies and initiatives of the Ghanaian entrepreneur” (Nunoo 2014, p. nd). One outcome has been that the development of domestic firms has suffered and individuals have been discouraged from re-entering entrepreneurship. Taken together, the lack of an effective government support system and suspicion of the private sector, coupled with stigmatising of business failure have created a hostile external environment for more serial entrepreneurs to emerge.

## 4.2 Endogenous (entrepreneur-specific) factors

Having shed light on the external factors in the preceding section, we now turn our attention to the individual-level factors.

#### 4.2.1 Fear of failure

One of the main barriers to successive entrepreneurial engagements after business failure is fear of failure. By fear of failure, we are referring to “the perceived risk of experiencing failure and its consequences when engaging in entrepreneurship” (Wyrwich, Stuetzer and Sternberg 2016, p. 3). In Ghana, “fear of failure” for new enterprises was around 24.6% in 2013 compared with 10.4% in 2010 (Amorós and Bosma 2014; Nunoo 2014). The fear of failure appears to have a strong negative effect on the formation of new businesses. One possible explanation is that prior failure can downgrade an individual’s business credibility and ability to gain access to finance from financial institutions.

The analysis indicates that prior experiences of entrepreneurial failure have a tendency to encourage some individuals to steer clear of successive entrepreneurial engagement. Beside stigmatisation, some failed entrepreneurs also lose personal wealth by entering bankruptcy, which discourages subsequent risk-taking behaviour in the country (Opoku 2004). Failed business owners often face diminished value of their human capital and expertise knowledge in the eyes of many stakeholders. This is important in Ghana given that family members are a source of finance and information to many business owners who rely on their support to manage and run the business (Robson et al. 2009). This creates difficulties and hampers their ability to obtain finance from banks or family members to re-engage by starting another venture. The analysis also indicates that business failure may also signal that the individual lacks the required know-how and expertise required to establish and run another business, thereby deterring potential backers and successive engagement. This can dampen the spirit of even the highly motivated individuals to self-select out of entrepreneurship. Because historically failure has been stigmatised in the Ghanaian context, there have been limited opportunities for potential SE and aspiring entrepreneurs have been dissuaded by fear of failure. Given that exploration often deviates from the status quo, there is a greater chance of failure and the “fear of failure in a punitive climate can dampen exploration”



(Danneels 2008, p. 523). Providing the opportunity for failed entrepreneurs to re-enter would help to foster innovation and pursuit of potentially risky but rewarding new ventures.

#### 4.2.2 Human capital

Historically, the education system in the country has lacked some key elements such as experiential learning, problem solving and skill formation (GNA 2016b). An unfortunate upshot is that the mind-set of many graduates gravitates towards seeking government jobs (Adufutse 2013). The tendency to seek government jobs has surged at an accelerated pace at the expense of igniting individuals' talent to start new ventures. This has dampened the entrepreneurial edge of individuals, bringing to the fore the lack of entrepreneurial skills (GNA 2016b). Adufutse (2013, p. nd) puts it this way:

*“Everyone wants the government to do everything for every Ghanaian. University graduates want the government to create jobs for them; they want to be employed by the government.”*

The education system has often failed to provide students with the necessary skills and knowledge to inspire and prepare them for work outside government agencies. Therefore, there is a need to cultivate a culture that tolerates and encourages risk taking which is essential for entrepreneurial development. By amassing superior entrepreneurial knowledge, founders can become the main driving force for job growth and reduce of over-reliance on the government for jobs. One of the problems hampering entrepreneurship in Ghana is lack of quality human capital (Nunoo 2014). The ability to engage in entrepreneurial activities depends partly of the possession of financial and human capital to identify and exploit market opportunities (Covin and Slevin 1991). Ghana has historically lacked highly skilled individuals across an array of sectors including mining, construction and education (Debrah 2007). As a consequence, quality entrepreneurial knowledge

has suffered, leading to a situation where many individuals lack the level of expertise required to form new firms.

Much of the nation's education at primary and secondary levels remains limited in developing key competencies such as creativity and problem-solving elements which are required by organisations and individuals to compete in the changing global environment (GNA 2016a). Indeed, among the very few education programmes on entrepreneurship geared towards nurturing and developing the youth to become entrepreneurs, most programmes have relegated the need for the skills and attitudes development and rather focus on "paper certification" (Nunoo 2014). This is important given such qualities provide the bases for individual actions and serve as either "facilitators or deterrents of entrepreneurial behaviour, and influence the specific form of entrepreneurship in which the firm engages" (Covin and Slevin 1991, p. 15).

## **5 Discussion and conclusions**

This article examined the barriers to SE in Africa. The study employed the case of Ghana to illustrate the analysis. The foregoing analysis demonstrated that a complex interaction of internal and external factors such as stigmatisation of business failure, fear of failure, over-reliance on foreign investors, risk-averse national culture and lack of clear nation policy have contributed to low serial entrepreneurial activity. The analysis revealed that stigmatisation of failure has contributed to creating a less entrepreneur-friendly failure environment. The analysis emphasised that creating an entrepreneur-friendly failure environment is essential in revitalising SE, in particular, and entrepreneurial development, in general. Fostering entrepreneurial developments is partly rooted in countries' ability to tackle the barriers which prevent individuals with prior experience of business failure from launching new ventures.

Regarding theoretical contributions, among the growing body of research on entrepreneurship in developing countries (Kiggundu 2002), limited attention has been paid to barriers which curtail

entrepreneurs' ability to leap from one failed venture to another. Thus, this study adds to the growing body of research by emphasising de-stigmatisation of business failure as a key step in revitalising entrepreneurial development. The study also adds to the burgeoning stream of research on business failure (Liao 2004) which has demonstrated that successive entrepreneurial engagements could be curtailed by stigmatisation of business failure (Stam et al. 2008). Indeed, the ability to create conditions to learn from failures is the starting point for future entrepreneurial successes (Cope 2011; Shepherd 2003).

In recent years, fostering and developing SE has attracted the attention of scholars and policymakers, yet our understanding of the underlying conditions remains limited (Rocha et al. 2015). The study also lends support to the argument that quality human capital development is the quintessential pillar in facilitating entrepreneurial development (Davidsson and Honig 2003) and SE (Westhead and Wright 1998a). This research deepens our understanding of SE (Westhead and Wright 1998a) by developing a framework of internal and external barriers to successive entrepreneurial engagement.

From a public policy standpoint, the study indicates that government policies should be geared towards fostering an entrepreneur-friendly failure environment. Such an approach would help to create conditions for the development of SE. In addition, there is a need to promote and support fresh starts for failed entrepreneurs whose failure can be attributed to uncontrollable external factors rather than lack of skills, ability or fraudulent behaviour. Indeed, "a second chance policy that enables formerly bankrupt entrepreneurs re-start may represent one of the most promising and under exploited policy options for company creation and job growth" (EC 2011, p. 3).

Another implication that can be drawn is that providing opportunities for failed entrepreneurs to bounce back has the potential of not only enhancing entrepreneurial development but also encouraging aspiring entrepreneurs to believe that failure would not be a "career death sentence".

Another impetus would be for governments to create awareness among wider society of the damaging effects of stigmatisation of business failure. It would be very useful for government to develop education programmes geared towards de-stigmatising business failure as a means of encouraging SE. This can also create an environment where failed entrepreneurs can discuss their failures and strategies for the next venture. By creating conditions for risk taking, countries would be able to create conditions for more serial entrepreneurs to emerge and flourish (Simmons et al. 2014). To reiterate, to de-stigmatise business failure is to encourage serial entrepreneurial development.

Furthermore, it is well established that the success of the private sector in the United States and elsewhere in the developed world was buttressed by public investments in areas such as research, education and infrastructure (Moseley 2015). Therefore, African governments could learn from this by deploying resources for human capital development, good governance and infrastructural development to create the platform for innovation, technological breakthroughs and entrepreneurial activities to thrive. The need for human capital development and skills upgrading is further re-enforced by past studies which have demonstrated a positive relationship between the human capital accrued from prior business experiences and SE intentions (Fitzsimmons and Douglas 2011). This is also more likely to reduce the failure rate for many start-ups. Regarding future research, an avenue would be to examine the extent to which the existence of SOEs can stifle the development of SE. Another potentially interesting line of inquiry would be to explicate how serial entrepreneurs learn lessons from the past failed business and apply this learning in the new venture. Such analysis would shed light on how they erase the negative experiences of being associated with failure. We hope that this study helps to foster a better discourse of entrepreneurial development as a catalyst for economic development.

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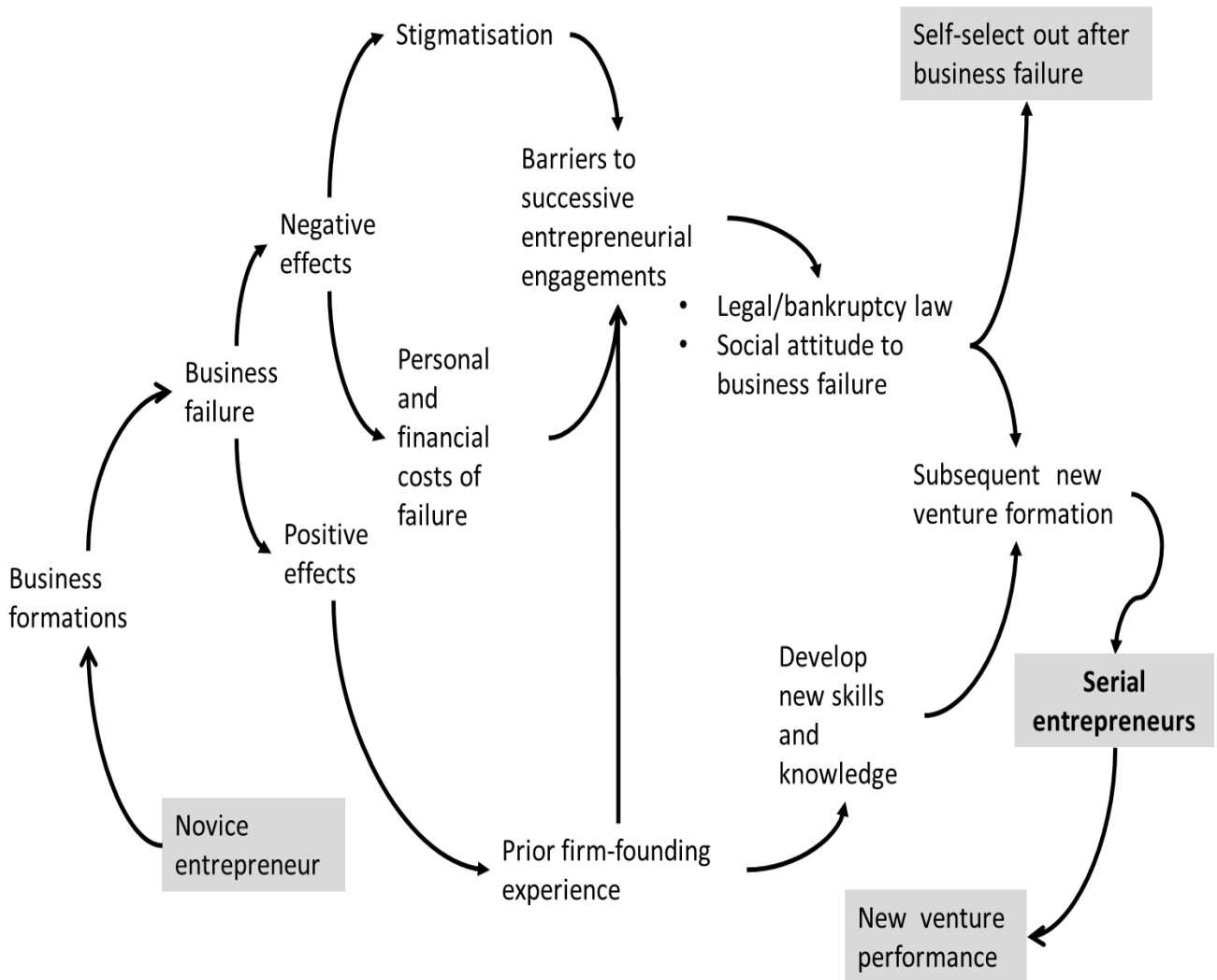


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**Figure 1: The integrated serial entrepreneurial development loop**



**Figure 2: A conceptual model of fostering serial entrepreneurial development**

