

RESEARCH

Open Access



Failure in internationalization: motivation and self-efficacy after withdrawal from foreign markets

Sabaa Sayed¹ and Thouraya Gherissi Labben^{1*}

*Correspondence:
thouraya.labben@uaeu.ac.ae

¹ College of Business
and Economics, United Arab
University, P.O. Box 15551, Al Ain,
Abu Dhabi, UAE

Abstract

The existing literature on withdrawal from foreign markets leaves several questions unanswered. We propose alignment between cohesive learning from failure and the intrinsic motivation to reemerge after failure. The study contends that failure is not considered an ultimate demise but as a precursor to new birth. Interviews with eight firms that faced withdrawal from international markets demonstrate the importance of failure as rivaling that of success and as cultivating self-efficacy. We conclude that learning from failure enhances the perceived ability to reemerge in international markets, and entrepreneurs recommit themselves to businesses with new perspectives.

Keywords: Failure, Success, Withdrawal, Internationalization, Self-efficacy, Motivation, Learning, Re-emerge

Introduction

The general focus of the literature on internationalization is positive development and progression. However, although entrepreneurs evidently aim for success, a significant share of ventures end up in failure (Hartmann et al., 2022; Knott & Posen, 2005; Peng et al., 2010). Failure is a fundamental element in entrepreneurship (Lee et al., 2007, 2011; McGrath, 1999; Shane, 2001). However, withdrawal from foreign markets is a sensitive issue, which frequently reflects negatively on the reputation of a firm. Thus, many entrepreneurs and firms refrain from discussions about failure. Benito and Welch (1997) noted that withdrawal from foreign markets, which includes de-internationalization and re-internationalization, is less commonly observed in the literature than it is in reality. Studies that focused on international retrenchment tended to frame it in a binary manner as full or partial divestment of multinational corporations (Kafouros et al., 2022; Mandrinos & Lim, 2023) or total failure in joint venture relationships (Mandrinos et al., 2022; Mora, 2023; Yayla et al., 2018). The negative development may include withdrawal from foreign markets (Benito & Welch, 1997), downsizing international operations (Choquette, 2019), and switching from high to low international commitment modes (Jafari-Sadeghi et al., 2023). Author scholars (Soule et al., 2014; Sousa et al., 2021) do

not consider international withdrawal as a negative event mainly in the case of strategic withdrawal to align with new strategic priorities or to gain competitiveness (Pauwels & Matthyssens, 1999, 2002). Lim and Mandrinos, (2023) stated that the topic of negative international development, mainly de-internationalization, remains underexplored in the literature on international business (IB).

New works continue to emerge, in agreement with, as well as in contrast to, existing literature on withdrawal from foreign markets, with a select few come along that blaze a trail. Lattacher and Wodawiak (2020) conducted a systematic review of the role of failure in entrepreneurial learning and proposed that the literature and evidence on failure are fragmented and nascent. The authors report that more than half of all studies on the topic have been published since 2015. In a bibliographic note on failure, Lee et al. (2020) demonstrate that only a total of 24 articles have been published on the topic between 1994 and 2019 although failure in internationalization is more pervasive than success is. Lee et al. specifically call attention to a void in the literature on IB, because the majority of extant publications appear in the management discipline. In addition, Yamakawa et al. (2010) stress the need to focus on failure along with success, because failure can lead to re-emergence (Learned, 1999; McGrath, 1999). Furthermore, Yamakawa et al. (2013), among others, such as Cardon and McGrath (1999) and Shepherd (2003), note the need for additional research, specifically on the role of experience with failure in initiating subsequent projects and performance.

The limited literature that exists in this field tends to focus on learning from failure (Ariño & De la Torre, 1998; Chuang & Baum, 2003) or failure in learning (Politis & Gabrielsson, 2009) and to conduct a comparative analysis of learning from success and failure (Lee et al., 2020). The majority of the present literature addresses entrepreneurial learning from failure instead of failure per se and the effect of failure in post-exit firm behavior on re-entering foreign markets. This stream of research views failure as leading to opportunities for learning (Shepherd, 2003), learning mechanisms, (Musaji et al., 2020), and factors of learning from failure such as personality traits, emotions, or initial stock of knowledge. However, learning from failure is progressive (Shepherd et al., 2009). As noted by Yamakawa et al. (2015) previous failure stimulates future entrepreneurial growth under certain conditions.

Some other existing studies on failure mainly investigate factors that contribute to the failure of international operations, the reasons/causes and precursors of failure, and host market conditions that led to withdrawal from international markets (Singh et al., 2015). This literature tends to overlook several significant questions. For instance, is foreign-market withdrawal necessarily a negative event or does failure in foreign markets generally give rise to new and positive organizational learning? What organizational conditions or entrepreneurial characteristics make a firm reemerge stronger (conversely, weaker) after international failure? Yamakawa et al. (2013) also raise similar questions; however, the existing literature provides no satisfactory answers. Surdu and Narula (2021) is one of a few studies that straightforwardly focuses on this question and identifies that not all market-specific experiences are sources of firm-specific advantages. Their research suggests that when firms decide to re-internationalize, the value of experiential knowledge decreases if there are gaps between the initial and re-internationalization efforts. In the same direction, Aguzzoli et al. (2021), demonstrated that

learning acquired from failure does not guarantee success when re-entering a previously abandoned market. The authors add that the learnings from a past experience may cause international literacy myopia due to individuals' overconfidence in their knowledge. This insight challenges the conventional view that more experience necessarily leads to superior learning. The other aspect, which has been neglected, pertains to organizational expectations for successful re-entry performance after exit. Pertinent questions emerge regarding whether failure brings positive outcomes for the future growth of organizations after exit. Thus, the manner in which failure experiences may shape the performance of subsequent projects remains uncertain (Shepherd et al., 2009).

Therefore, failure in international business remains to be understood, and the current IB theory does not explain the failure behaviors of managers and how failure may lead to post-exit motivation instead of the ultimate retrenchment of international operations. IB theory needs to discuss failure per se; thus, a dire need emerges for theory building to view failure as the other side of success. Thus, studies exploring the construct of failure in IB and its positive aspects on post-failure expectation, behavior, and emotions that firms undergo are warranted. This exploratory study seeks to address these concerns; specifically, we aim to build on existing internationalization theory by adding the variable of failure and the failure behavior of managers and post-exit emotion and motivation, when firms are faced with failure in international ventures. Following Yamakawa et al. (2013) and McGrath (1999), the current study contributes to the literature by addressing the topic of anti-failure bias and intends to align aspects related to learning from failure with the intrinsic motivation to start over after failure in a cohesive manner. First, we propose that failure is similarly important as success. Second, we propose that entrepreneurs will only embark on a new journey to resume international resource commitment if they are motivated. One aspect of motivation that the study highlights is self-efficacy. This concept pertains to the belief in one's ability to muster and implement the necessary resources, skills, and competencies to attain a certain level of achievement on a given task (Bandura, 1997; Baron, 2004). Third, our proposition is that respite from international commitments provides a period for entrepreneurs on which to reflect and consolidate to eventually reemerge. In this study, therefore, learning from failure may be framed as a self-motivational aspect of the entrepreneurial process. This study follows earlier studies (e.g., Baron, 2004; McGrath, 1999; Minniti & Bygrave, 2001; Sitkin, 1992) that demonstrate that failure can be an essential source for the development of knowledge and skills (Martins et al., 2022), which, in turn, can be helpful in subsequent venturing activities. Moreover, we propose that learning from failure is only beneficial for entrepreneurs with motivation. Towards this end, we identified mainly two studies. First, Dweck (2017) highlighted the role of a growth mindset considering motivation as essential to learning and developing oneself. Second, Yamakawa et al. (2013), discussed motivation in starting up another business after failure.

Failure in international business theory

Success and learning have been the central topics of investigation in the management literature. However, the IB literature also views internationalization as a process of new learning (Qian et al., 2018; Sedzinauskiene et al., 2019). The link between learning in SME internationalization and learning from failure is based on two prior areas of focus.

First, the original and seminal Uppsala models (Johanson & Vahlne, 1977, 2009) emphasize knowledge and learning in the internationalization process. Learning is an aggregated concept of the acquisition of general knowledge or experience that leads toward subsequent internationalization. Second, as discussed by Lee et al. (2020) in a critical review of the Uppsala model, the focus of their research has been on success or successful experiences as the model emphasizes successive incremental commitment to foreign markets. Ali and Mathur (2022) highlight the lack of research on the process theory of internationalization regarding re-internationalization after failure.

Failure is a painful and damaging experience (Whyley, 1998) that exerts a severe and harmful impact on numerous aspects of the life of entrepreneurs (Cope, 2011). Coelho and McClure (2005) find that failure creates negative impacts on the confidence, self-efficacy, and risk-taking propensity of entrepreneurs. Moreover, failure tends to coincide with falls in revenues and increases in expenses, which indicates that ventures require capital injections to operate under the current ownership and management (Shepherd et al., 2009). The concept of failure as a bankruptcy or liquidation involves the loss of capital and the inability to *make a go of it* (Cochran, 1981). However, refraining from conflating failure with business closure is vital (Headd, 2003), because failure may involve the voluntary termination of a venture for various reasons, such as retirement, or the pursuit of other objectives, including more profitable and interesting entrepreneurial ventures (Stokes & Blackburn, 2002).

The anti-failure predisposition of the internationalization research dates back to the behavioral theory of the firm by Cyert and March (1963) and March (1981), which emphasizes organizational learning as a reservoir of positive and negative experiences of the firm. The interpretation of the experience of decision-makers generates a pool of organizational knowledge. Moreover, success adds value to the experience, whereas failure represents gaps in the existing knowledge and enables firms to identify which areas to fill in the gaps. Thus, although successful prior experience may foster learning, it may also likely discourage new experimentation due to the overconfidence of decision-makers.

Welch and Welch (2009) outline the reasons why firms choose to re-enter the market after exit. The decision-making process for re-internationalization is influenced by the interplay between positive resources, such as brand recognition (Martins et al., 2023) well-established networks, and useful experiences, and negative liabilities, such as unresolved issues, damaged reputation, or unaddressed obstacles. Moreover, the impact of global forces, such as changes in market circumstances, new opportunities, or shifts in geopolitical factors, necessitate enterprises to adapt to these rising elements and evaluate whether it is appropriate to resume operations in foreign markets given the modified global environment. Other studies have explored the concept of failure as a good outcome and propose that failure, as suggested by Lee et al. (2020), can lead to the adoption of new and diverse ideas due to the need to search for alternative solutions. Some latest studies also highlight the significance of failure as a source of new learning and strategic initiatives. Cefis et al., (2022) discuss the evolving understanding of firm exit in the context of research on business survival and international business. Their study emphasizes the need to view exit as a heterogeneous event rather than a homogenous one and explains that failure could have several meanings if seen in the context of the

exit of either fundamentally viable or underperforming firms. In this line Vissak et al. (2020) in a case study have also mentioned the importance of learning from failures. Their study confirms that past mistakes contributed to growth and success, while the positive attitude toward failure played a role in the firm's ability to adapt and improve its internationalization strategies. Madsen and Desai (2010) pose the question of whether improved organizational performance is a result of learning from success or failure or both. Advancing this notion, Deichmann and Van den Ende (2014) demonstrate that failure induces more initiative-taking than success does. Previously, Audia et al., (2000, p. 849) conducted a longitudinal study on the airline industry and concluded: "Every success that organizations strive to achieve plants the seeds of their future decline." In other words, success promotes a predisposition to strategic persistence, which instigates self-destruction when radical external changes demand new strategies and initiatives. Failure opens doors to search for such combinations of variables that have been previously unexplored. Of all the factors highlighted by Welch and Welch (2009) regarding re-entry post-exit, the primary determinant is the time period during which companies temporarily halt their international operations, commonly referred to as a time-out. As to Welch and Welch, the experiences gained during this interruption significantly influence the firm's readiness to recommence operations in worldwide marketplaces. These experiences may involve learning from past mistakes, analyzing market trends, or making internal organizational changes. Residual mindshare pertains to the enduring effect and sway of a brand or concept on an individual's cognition and perspectives. In this sense, psychological experiences refer to the mental and emotional reactions that individuals have toward a specific brand or idea. Residual mindshare refers to the lasting psychological impact or memory impressions that arise during a company's initial international expansion phase. Along the same lines, earlier studies such as Javalgi et al. (2011) and later Surdu and Narula (2021) have emphasized that the initial experiences of psychological challenges encountered when entering foreign markets have a lasting influence on subsequent decision-making. The firm's perception of difficulties, appraisal of risks, and strategy for pursuing international prospects are all encompassed within this framework. These decisions are influenced by the psychological imprints that result from past experiences. Ali and Mathur (2022), however, highlight that a prolonged duration of time-out limits the efficacy of early experiences. In line with our proposition that failure is similarly important as success and entrepreneurs will only embark on a new journey to resume international resource commitment if they are motivated, self-efficacy at the organizational level post-exit can be synonymous with organizational commitment. Previous research has established the significance of organizational commitment in expansion into international markets and the re-entry into regions that were previously exited (Ali et al., 2022). Ali and Mathur (2022) demonstrate that during post-failure re-entry, firm choose to employ more comprehensive strategies for accessing international markets, in contrast to the less comprehensive strategies they initially employed by using various extensive techniques appointing exclusive agents in the target regions. The primary objective of organizational commitment is to recoup all or a portion of the expenses that were incurred as a result of prior unsuccessful endeavors. Furthermore, Ali et al. (2022) believe that the commitment to exporting can be strengthened during the period of inactivity when a company foresees fresh prospects in global markets.

Firms can cultivate a robust dedication to international operations by a deliberate decision-making process that drives them to aggressively seek out re-internationalization chances. This allows them to swiftly adjust to the changing circumstances and growing obstacles in foreign markets. This resonates with our proposition of a growth mindset for re-internationalization post-exit. Consequently, these obligations are expected to improve the likelihood of achieving better results throughout the re-internationalization phase. Self-efficacy should not be confused with overconfidence (Nummela et al., 2016), which refers to the belief of inexperienced managers in their venture's potential and their capacity to handle growth obstacles. Self-efficacy here is a heightened level of confidence that enables managers to adopt a growth mindset post-exit in contrast to incompetence of market dynamics. Nevertheless, our study suggests that when examining the concept of a growth mindset, various constraints and potential avenues for further research become evident. Although the existing studies provide significant insights, a comprehensive approach may explore the relationship between re-internationalization and failure trajectories, particularly when examined from the perspective of a growth mindset that promotes ongoing learning and enhancement. This investigation has the potential to reveal noticeable patterns or factors associated with the adoption of a development mindset. Moreover, conducting a thorough analysis of the cognitive processes linked to failure and the subsequent actions of entrepreneurs has the potential to generate significant insights, especially when considering how a growth mindset influences their reactions to obstacles in the process of international expansion.

Method

Although the existing internationalization literature focused primarily on the growth strategies and survival of successful companies in foreign markets, the lack of research on firms that failed as a precursor to subsequent re-entry or success inspired the current study. We collected evidence from companies that witnessed failure in their internationalization histories. As the existing literature has provided broad evidence on firm growth and survival, the current study aims to examine phenomena related to failure and the post-failure behavior and expectations of managers. Based on an analysis of research publications (from 1996 to 2020) in the field of foreign market re-entry, Sousa et al. (2021), concluded that the majority of empirical studies employed a case study approach using interview techniques to explore the different facets of the topic. Qualitative approaches typically synthesize fragmented and conflicting research by combining, complementing, and linking concepts and themes from prior evidence. In so doing, it provides comprehensive knowledge on a topic or research statement. Therefore, this study synthesized the existing studies that provided rich evidence drawn from interviews conducted within the United Arab Emirates (UAE).

The study is exploratory in nature. Various causal factors can be attributed to the failure and emergence of firms. Exploratory research is, by definition, more open to expansive perspectives on a topic. Adopting the process approach is key to the study in examining the influence of certain factors on the cyclical process of internationalization. This confirmed the importance of the qualitative approach (Eisenhardt, 1989; Yin, 1994). Furthermore, data collection was conducted during the COVID-19 pandemic. Thus, the study recognized the opportunity to assess the success and failure of firms during

this exceptional period. We employed a qualitative research design with the narrative approach. Qualitative approaches enable the investigation of research phenomena from various perspectives, which enriches the existing theory, and present an opportunity for investigating micro-level mechanisms and processes (Richards, 2009). The qualitative approach also required a partially grounded theory approach, which provided a fresh understanding of the cyclical patterns of internationalization across the sample (Sud-daby, 2006).

Consistent with the partial grounded theory approach and to develop an a priori framework, we drew on the existing theory and aimed to generate an elaborated theory. This study used theoretical sampling (Eisenhardt, 1989). The sample was selected by keeping in mind the theoretical categories of successful and unsuccessful companies in terms of prior internationalization processes. Theoretical sampling was helpful because it resulted in the selection of extreme cases or polar types (success or failure), where cases provided information to extend the theory.

Data collection

This study utilized a semi-structured and multiple case study approach. Data consisted of eight companies located in the UAE. The sample was identified in collaboration with Khalifa Fund for Enterprise Development (KFED). Established in 2007, KFED (www.khalifafund.ae) is the main not-for-profit socio-economic development agency of the government of Abu Dhabi (UAE). It provides commercial lending and financial services along with consultancy and training services exclusively to Emirati start-ups and young enterprises in all sectors. It is worth mentioning that the UAE is a unitary federation of seven emirates. The Emirate of Abu Dhabi represents approximately 87% of the total country's area and where nearly 34% of the total population lives. Dubai Emirate, the largest in terms of population (36%) has a similar organization to KFED called "Dubai SME". In 2011, KFED expanded its scope to support entrepreneurs in three other emirates: Ajman, Fujairah, and Ras Al Khaimah. The official website of the Ministry of Economy (www.moec.gov) reports mainly the following two pieces of information about the KFED achievements: 1.32 billion AED as activated loans and more than 900 workshops provided as of 2019. Concurrent with this information, the "Impact Report" published by KFED (2021) covering the period from inception to 2019 adds that the organization contributed to the creation of 15,000 new jobs, among which 1800 for Emiratis. It activated 1168 loans including the development of 152 projects for international exportations, the establishment of 6% of Emirati SMEs, and a total return on investment of 15.5%.

The selection criteria for the firms included companies that (a) internationalized from a UAE base, (b) have undergone a period of international growth, and (c) halted or reduced the process of international growth. KFED provided a list of 20 young and developing companies with previous or current international operations. The research team screened the list and reduced it to 10 companies that meet the abovementioned criteria. We did not restrict the research to a particular industry to collect data on various firms across industry sectors.

KFED initially emailed the companies, cited the purpose of the research, and introduced the research investigators. This step was important in establishing the legitimacy of the research team due to the nature of the formal communication style in the UAE.

The research team then contacted the companies via email and inquired about their intention to contribute to the study through interviews. Of the 10 selected companies, eight agreed to the interview invitation. Thus, we conducted eight interviews in total. The respondents in all the companies were founders of the business, except for one case. They were selected because they possessed first-hand knowledge of the different phases of the internationalization process experienced by their firms. In addition, they were fully involved in the process and in major decision-making during internationalization. Table 1 provides an overview of the characteristics of the sample.

We prepared an interview guide with a list of open-ended questions. Toward this end, we scanned the literature and determined several important themes linked to success and failure in international operations. The first theme asked general questions related to internationalization, such as the initial purpose, triggers, and opportunity identification processes utilized, and the challenges observed during the process. This first group of themes set the tone of the interviews because the respondents were encouraged to discuss the details of the internationalization journey of their companies, which was fraught with opportunities and hurdles. The second theme focused on firm-specific advantages that the respondents brought to international operations. This part intended to explore the role and influence of firm-level resources in the various phases of internationalization. This theme focused on exploring three specific, intangible resources, namely, experience, knowledge, and innovation, throughout three phases: internationalization, de-internationalization, and re-internationalization. The third theme explored the perceived understanding of the founders about the construct of failure or withdrawal from international markets and subsequent performance. Especially, this theme focused on exploring the motivation of founders after failure and their perception of failure in the internationalization process. Other important questions in this theme are related to negative and positive learning experiences, motivation to re-internationalize, subsequent but different plans for re-internationalization, and the opinions of the founders about success or failure in re-internationalization.

The interviews were not limited to time duration; thus, the respondents were allowed to provide lengthy responses. Each interview lasted between 1 and 2 h. In total, the eight companies completed 12 h of interviews. Seven out of eight interviews were conducted in English, whereas one was conducted in Arabic as per the request of the interviewee, which was then translated into English. All authors, along with a research assistant, attended and participated in the interviews in English. One of the interviewers introduced the team and opened the interview with a question of the first theme. The other interviewers then moved on with further questions and vice versa. All interviews were recorded and transcribed with the consent of the respondents. Field notes were taken, however, as the interviews were conducted online using Zoom. These notes were mainly about the tone of voice of the interviewees. The anonymity of the names of the respondents and their companies was retained.

Data analysis

We examined data using within- and cross-case analyses, as suggested by Eisenhardt (1989). First, we analyzed within-case data followed by a cross-case analysis. To conduct within-case analysis, two researchers examined the write-up of each case to become

familiar with the patterns of information that fall under the pre-determined themes (existing literature) and identified unique patterns that emerged. In this process, an inductive thematic approach was adopted (Boyatzis, 1998; Braun & Clarke, 2006) following an interview-by-interview analysis. Based on the first interview we coded information related to the themes and sub-themes (pre-determined from the literature and emergent). Then, to cross-analyze information, coding was formatted into a tabular form as well as the frequency of occurrence of each theme throughout the entire interview. The following interviews were also analyzed as previously mentioned. However, after each conducted interview theme finetuning was operated mainly for the emergent ones. The saturation stage was reached from interview 6 as no additional theme relevant to our research topic emerged from the whole body of interviews.

In order to identify the most relevant and prominent themes across the 8 different experiences, the authors decided to retain those that were repeated in the narrative at least 3 times within each interview and that were common to all interviewees. Four themes were identified as summarized in Table 2. It is important to mention that several excluded themes appeared more than three times within the same interview and a few of them were discussed by a maximum of 3 different interviews. This selection allowed the authors to detect the prime themes and avoid those that are to a certain extent context-related to each entrepreneur. Finally, the findings were compared and complemented within the existing literature to assess the validity of the research, and conclusions were drawn. The identified themes were later used to develop implications for theory and practice.

Findings and analysis

This study aims to explore the failure, the failure behavior of managers, and the emotion and motivation to withdraw/reemerge in international operations that occur after exit. This section narrates perceptions about failure in various forms and the manner in which managers remained motivated to cope with failing ventures. In addition, we highlight the emotions of respondents after exit as they describe their experience with failure.

High-risk awareness and low-risk averseness behavior

Six out of the eight firms initiated the internationalization to the Kingdom of Saudi Arabia (KSA), which is a neighboring country, as a planned activity in response to spontaneous business requests from distributors or clients based in the KSA. The remaining two firms also began internationalization to KSA as a planned activity, but without having any formal business request. Because of the passive or active planned endeavors of internationalization, it is assumed that the capital raised took into consideration the potential future international expansion of the businesses, either through a capital provision or the investment from the business inception in the company operations allowing future internationalization. However, given the absence of direct and indirect evidence from the interviews, this assumption could not be extended to the consideration of potential failure, even if entrepreneurs expressed a high-risk awareness. The motivation of the UAE firms was to transform and innovate businesses. UAE has 10.01 million inhabitants, whereas KSA has 35.37 million (World

Population Review, 2021). Thus, KSA features a more complex domestic market compared with that of the UAE due to the larger population and different and less predictable business regulations. One respondent acknowledges this aspect as follows:

Saudi is starting to be a serious competitor to UAE at the international level; that's why it is not easy to do business in Saudi The rivalry is noticeable.
The others also considered KSA a very tough market to enter.
UAE is like diving in a swimming pool while Saudi is like diving in an ocean.
Saudi is a too aggressive market and the mentality is different.
There is no reciprocity in terms of businesspersons' treatment between the two countries.

The respondents noted the absence of a strong institutional environment in the UAE and downplayed the importance of formal institutions and governmental agencies and programs. In general, although nations in the Gulf Cooperation Council facilitate intra-regional trade, the interviews revealed that such trade was frequently hindered by complex and changing regulations. However, the respondents highlighted that the formal institutions of neighboring countries can support international expansion.

Given this context, UAE entrepreneurs displayed high levels of risk awareness and low levels of risk aversion behaviors when engaging in an international venture. In other words, the entrepreneurs found themselves obliged to rely on their resources and capabilities to gain the required knowledge and expertise to expand internationally. The only solution for the entrepreneurs was engaging in high-risk and unknown ventures even at the cost of failure, because doing so is the only means for learning the expertise of business at the international level.

The high-risk awareness associated with a relatively low-risk aversion among entrepreneurs can be explained by their belief that mistakes or failures provide valuable opportunities for learning and development and to become acquainted with challenges and practices related to internationalization. The following comments from the interviewees signaled the many risks they faced but embraced during the course of internationalization:

I have paid a penalty of 12 million (dirhams) for learning how to practice and do business in Saudi Arabia.
People see me as a "dollar man," so they think they can fool me in business. I did several mistakes, but I learned a lot, and this is what made me what I am today.
I was cheated by many relations in Saudi but many others have supported me and helped me also.
You need to test people to identify those that are trustworthy and reliable and that can maybe provide you with good raw materials, those that would help you with distribution, those that can give you advice on how to sell, those that can give your business secrets. These relations will short-cut the internationalization process.
Someone stole half a million from me. Therefore, now I learned that I have to do business with someone when I investigate the client/supplier and know about him.
Dealing with people that are not serious about doing business with us costs a lot of money.

Consequently, and despite being viewed as a tough and complex market, we assume that Emirati entrepreneurs responded to the spontaneous and generally informal requests from KSA businesses for cooperation and trade because learning, even from failure, was the only means for acquiring knowledge about IB. The reason for this notion is that the institutional environment does not support international ventures.

Self-motivation through nationalism

We found evidence of national pride inspiring internationalization, as indicated by our participants:

As I said going international was my aim objective, and I dreamed from the beginning to see made in UAE sold in foreign countries.

I wanted to open a factory to have made in UAE and to see my items with Made in UAE worldwide.

I would like the UAE production to be available in the world.

The UAE is perceived as a high-class destination, it helped me sell my products and services in the hospitality sector in foreign countries.

UAE is a model of success and is a hub for business.

My dream was to produce something made in UAE and to take it international.

I feel I am proud of my achievement, and I have to give back to my country.

Notably, these entrepreneurial motivations were present despite formal support from the government. Previous studies, such as Elnadi et al. (2020) and BÁCena-Martín et al. (2021), also demonstrated that government policies and regulations, access to finance, and governmental support cannot explain entrepreneurial intentions. Despite the absence of institutional support, entrepreneurship is highly regarded in the UAE as per the Global Entrepreneurship Report—Middle East and Africa (2017). This assumption aligns with Wyrwich et al. (2016) who stated that local entrepreneurial role models contribute to learning about the required capabilities and skills to become an entrepreneur. At the same time, they suggest that entrepreneurship is a potentially successful career path. National pride is shaped not only by country-level factors, but also by individual characteristics. Hope et al. (2011) in a study among the extremely rare ones related to national pride and IB demonstrated that national pride, which characterizes transactions, explains the higher bids of developing countries in mergers and acquisitions compared with those of advanced countries. Goby and Alhadhrami (2018) notably employed a close notion to national pride, that is, national citizenship, in the UAE context. They explained that the UAE's national citizenship provides leaders a sense of freedom to deviate from organizational schemes, which may enhance organizational innovation. To the best of our knowledge, no study directly discusses the link between national pride and self-efficacy in the IB context. Thus, this study emphasizes the need to understand the role of national pride in influencing the self-efficacy of Emirati entrepreneurs in undertaking international ventures despite the awareness that failure may occur.

Reliance on self-efficacy

Without strong institutional support for internationalization and upfront high risk, entrepreneurs have become reliant on their resources and capabilities to gain the

required knowledge and expertise to grow internationally. Entrepreneurs engaged in international experiences with little prior knowledge are learning as they proceed while enduring the risks of internationalization. An interviewee describes self-efficacy by adopting an irreproachable business behavior and conduct to create trust in international relations, which is key to acquiring knowledge to succeed:

Establishing a name internationally is important for internationalization but to succeed in this you have to be respected by being trustful, professional, and committed to developing products equivalent to national standards.

Beyond the quality of the product and good pricing, being honest, trustworthy, and ethical are key to success.

My knowledge of how to make people trust me and how to convince them is important but honesty, honest, and honesty, I said it three times because it was key to be where I am today.

I have friends in different countries as a previous pilot in the Air Force. This helped in supporting my business. However, the most important thing is the trust relationship and work ethic I have with people ... this is key for my business development.

During this time, I developed a strong relationship with reputable German, Brazilian, and Dutch companies that helped in getting the knowledge and expertise because they trust me.

This finding corroborates our assumption about self-efficacy because entrepreneurs believed in their ability to mobilize and implement the necessary resources, behaviors, skills, and competencies and attained a certain level of achievement on a given task (as in Bandura, 1997; Baron, 2004). In addition, Yang et al., (2020, p. 1) found that “the personality trait of entrepreneurial self-efficacy contributes positively to the degree of internationalization via mobilizing opportunity-motivated entrepreneurship and that home-country formal institutions strengthen the above relationship of such young entrepreneurial firms.” This finding corroborates with Yang et al. (2020); the only difference is that our sample does not involve a strong institutional environment. This finding supports our assumption that self-efficacy is key to international success, as entrepreneurs would rely mainly on their capabilities to undertake international ventures. This finding is similar to that of Hsu et al. (2017), who used self-efficacy theory complemented with prospect theory (framing effect) to explain the re-entry of entrepreneurs to businesses after the post-exit experience(s). The findings demonstrated that entrepreneurs with high levels of self-efficacy in the post-exit phase explain business re-entry independently from the benefits and losses of the prior experience. However, the framing effect explains re-entry despite losses when the level of self-efficacy is low or moderate.

Furthermore, the respondents emphasized their motivation and personal belief in learning from the trial-and-error process in internationalization:

Clients do not respect their financial commitments. However, it is normal, I have to pay, and I have to lose money in order to learn from my mistakes.

I do not consider I had negative learnings even when I do mistakes, because the more you make mistakes the more you learn.

I made many mistakes, and this made me stronger at the international level.

*I dealt with many people that were not serious about doing business with us ..., but now I learned how to screen good opportunities and serious people.
Previous negative experiences helped me understand that I should not put all eggs in the same basket.*

These narratives demonstrated support for the first assumption that firms learn not only from success but from failure, and both support each other in subsequent internationalization activities. We assumed that the resultant value of learning was created from success and failure in international operations. In addition, both potentially contributed to post-exit performance. Learning from failure and success enables managers to envision subsequent plans in the next attempt at internationalization. When examining learning using the approach of multinational enterprises in emerging countries, Rui et al. (2016) found that the four components of learning by doing, which included trial and error, are key to enhancing the development of tacit and inimitable knowledge that reinforces the internal capabilities of a firm to create a sustainable advantage.

Failure behavior and emotions

One of our observations from the interviews was that none of the entrepreneurs seemed frustrated due to failure or a pause in their internationalization path; instead, they valued the learning and experience from failure and favored learning against perceived risks. According to Cope (2003), discontinuous events triggered high levels of relevant learning compared with learning from routinized activities, which the author identified as low-level learning. The author also found that learning from discontinuous events “proves to be fundamental in both personal and business terms” (Cope, 2003, p. 445). In our view, this statement was a true depiction of satisfaction from failure and demonstrated the contribution of failure to enhanced self-efficacy and to the eagerness of entrepreneurs to modify mistakes and adapt differently upon re-entry to foreign markets.

In this context, self-efficacy was a valuable personal characteristic of managerial personality that imparted life-long learning through the vicissitudes of failure and success. According to Geroski et al. (2010), the strategies, culture, and decisions of companies were influenced by inertial forces induced through the characteristics, preferences, values, and priorities of founders. In a similar vein, Mathias et al. (2015) concluded, “Certain sources of imprint might influence entrepreneurs before they launch their first venture and may persist throughout their entrepreneurial careers, likely impacting their decision-making and the trajectory of their ventures” (p. 12). Furthermore, Amankwah-Amoah et al. (2016) identified four stages of post-entrepreneurial failure and found that “while the grieving and transition phases entailed processes of reflecting and learning lessons from the business failure experiences, the formation and legacy phases involve processes of imprinting entrepreneurs’ experiential knowledge on their successive new start-up firms” (p. 648). This aspect was also evident in our analysis when one of the entrepreneurs responded as follows:

I will focus only on sections where I am strong and making the highest profit because I realize I cannot be good at everything.

Instead of buying materials (wood) from suppliers as I am doing currently, I am starting establishing joint ventures with them to control price, delivery time, and international disturbance.

De Cock et al. (2021) conducted a review of the existing literature and identified different sources of founder imprints: “Unique background and mission reflect self-efficacy and self-reliance as part of the entrepreneurs’ personality imprints when they pursue international growth strategy” (p. 3). According to Bandura (1997), self-efficacy is “the conviction that one can successfully execute the behavior required to produce the outcome” (p. 193). Despite facing repeated failure in a high-risk country, the respondents felt confident about future endeavors on the basis of their knowledge from prior failure: “I want my business to flourish and secure the business for the upcoming 5 years.” Another one indicated the following belief: “I should (will) not put my eggs in the same basket as I have to expand and diversify.”

Other scholars and authors linked self-efficacy and self-reliance to independence; frequently, these terms were used interchangeably. In connection to the motivational constructs of autonomy, self-efficacy is considered a determining factor in developing intrinsic motivation and enhancing cognitive self-regulation, which enables individuals to adapt and adjust behaviors (Ryan & Deci, 2000). This notion was supported by one interviewee as follows:

I will focus only on the sections where I am strong and making the highest profit because I realized I cannot be good at everything.

Discussion and conclusion

The findings pointed to four key themes related to the failure of firms in internationalization, namely, high-risk awareness and low-risk averseness; self-motivation; reliance on self-efficacy; and general failure behavior and emotions. In this section, we advance IB theory along these themes.

Based on the findings, we propose that high-risk awareness and low-risk aversion behavior among entrepreneurs are factors at the personal level that enable entrepreneurs to realize that high risk attracts failure. Therefore, the entrepreneurs already held a perception of failure despite proceeding with international operations. Several scholars have focused primarily on the conditions and circumstances of internal factors under which firms learn through failure (Khanna et al., 2016; Yamakawa et al., 2013). In addition, scholars fundamentally highlight trial-and-error learning and experimentation. This finding is in line with Suru and Narula (2021) who demonstrate that to succeed in re-internationalization, firms must make sense of their past negative experiences, unlearn old behaviors, and incorporate new, more relevant knowledge into their strategies. This underscores the dynamic nature of international business and the need for adaptability. However, studies that explored the perception of failure associated with high-risk operations in IB remained lacking. In this regard, Ali and Mathur (2022) identify that early withdrawal in the process model of internationalization is ascribed to a deficiency in emphasis on international activities, constrained resources, and the need to prioritize survival in home markets. The model accepts market variables, such as price

competitiveness and technical obsolescence. Nevertheless, the approach lacks recommendations for addressing or mitigating these issues during the re-internationalization process.

Furthermore, we noticed that the entrepreneurs displayed a readiness to face consequences and preparedness by counting on their resources and capabilities to gain the knowledge for incremental investment due to their ventures into high-risk countries/industries. Lafuente et al. (2019) revealed that practical experience is an essential prerequisite for entrepreneurial learning and that the flexibility of entrepreneurs with negative experience encourages generative entrepreneurial learning, which is especially suitable for subsequent internationally oriented ventures. Kafouros et al. (2022) identified that firms may de-internationalize after initial internationalization. The firm reconsiders its location, foreign entry, and temporal decisions during de-internationalization. This includes withdrawing from or entirely quitting previously entered places, reevaluating entry options, and time-related market exit and re-entry decisions. Importantly, de-internationalization does not halt the firm's international journey. Instead, it might lead to re-entering or exploring new markets. De- and re-internationalization can repeat, generating cycles with comparable management, organizational and environmental decision-making and repercussions. Shane et al. (2003) focused on the role of human agency and argued that "inadequate empirical work does not negate the importance of understanding the role of human motivation in the entrepreneurial process" (p. 258). Along similar lines, Stephan and Drencheva (2017) concluded that the perception of entrepreneurs of new situations is linked to distinct aspects of their personality, such as motivation, identity, features, skills, and prior experiential learning. In turn, these aspects are largely shaped by one's entrepreneurial history. This finding coincides with the present findings, which emphasized high levels of risk awareness but low levels of risk aversion, which are exemplified by the belief of the respondents that failure may provide valuable opportunities for learning and development with challenges related to IB. Our findings featured motivation as an intrinsic managerial condition that may be associated with the behavioral aspect of learning from failure. This motivation among the respondents emerged due to introspection and review after failure. In the case of the absence of action or response after failure, learning from failure may remain deposited in organizational knowledge but will not yield any benefit. The study found that managers self-motivate by associating themselves with nationalism. In other words, a sense of national pride envisioned their internationalization journey.

With regard to failure as an element of motivation, Chen et al. (2009) and Frese (2009) demonstrated that self-efficacy is linked to motivational aspects. This finding is aligned with that of Yang et al. (2020) also who noted that entrepreneurial self-efficacy positively contributes to the degree of internationalization via mobilizing opportunity-motivated entrepreneurship. This aspect is especially evident in early-stage entrepreneurial ventures. Thus, the study concluded that failure generates motivation, risk-tolerant behaviors, and improved self-efficacy to aid in embarking toward subsequent opportunity-driven entrepreneurship. Furthermore, Wasowska (2019) emphasized that self-efficacy played a mediating role in the relationship between positive orientation and internationalization intention which is a good predictor of venture behavior. In summary, this study demonstrated that failure not only led to the emergence of new and

positive organizational learning but also stimulated entrepreneurial venture growth. Our finding is in line with According to Costa et al. (2023), comparative optimism is a key psychological trigger that motivates entrepreneurs to re-enter a market after failure. Comparative optimism, the belief that one is less likely to suffer unfavorable occurrences than others, might influence an entrepreneur's perspective and decision to take another entrepreneurial leap. Entrepreneurs have a psychological advantage: comparative optimism. When entrepreneurs believe they are less likely to fail than their counterparts, they gain confidence and determination. This optimism helps entrepreneurs stay upbeat after a company loss. The optimistic outlook is vital to motivation. Comparatively optimistic entrepreneurs see failure as a transitory setback rather than a final conclusion. They rapidly recover from failures, attributing them to external forces rather than personal flaws. This resiliency drives market re-entry. Entrepreneurs believe they can succeed despite past failures. Similar optimism offers entrepreneurs a sense of control over their fate. They believe their actions and decisions affect results more than external influences. This imagined control motivates. Entrepreneurs re-enter the market because they feel they can influence their business's success after a loss. Regarding self-efficacy, the belief in one's ability to muster and implement the necessary resources, skills, behaviors, and competencies to attain a certain level of achievement on a given task (Bandura, 1997; Baron, 2004). Our findings indicate that motivation is an aspect of self-efficacy related to one's personality. Following Shane et al. (2003), the current findings confirmed that the qualitative types of motivation, in which respondents independently utilized their judgments and summoned the drive and passion to move forward, were favorable in their journey to failure. This entrepreneurial behavior is similar to a self-commitment attitude as highlighted by Sleuwaegen and Onkelinx (2014) who demonstrate in their study that global start-ups possess a strong belief in their ability to enter and succeed in multiple foreign markets (self-efficacy). Their high commitment reflects a belief that they can effectively manage the complexities and challenges associated with international expansion with their higher initial commitment, and are more likely to continue exporting to foreign markets. They highlight that the failure rate of global start-ups is not significantly higher than that of geographically focused start-ups. This suggests that the complexity of entering multiple markets quickly, a characteristic of global start-ups, does not necessarily lead to a substantially higher failure risk. This outcome challenges the notion that a high-risk strategy equates to failure. It implies that global start-ups, driven by self-efficacy, may perceive the risks differently and believe in their ability to navigate these challenges successfully. In this regard, although considerably examined in the entrepreneurial context, we noted that the self-efficacy theory lacks an explanation of how personality influences the internationalization of entrepreneurial businesses (Yang et al., 2020). With regard to organizational expectations for successful re-entry to foreign markets after exit, the role of the experience with failure on performance in subsequent projects was considered uncertain from a theoretical standpoint (c.f. Shepherd et al., 2009). Our study demonstrated that failure can lead to positive outcomes by promoting self-efficacy, which plays a mediating role in the relationship between positive orientation and internationalization intention. Several studies linked self-efficacy with internationalization (e.g., Yang et al., 2020). Specifically, Baron (2004) found that self-efficacy is strongly positively associated with the tendency to start a new venture.

After failure, the respondents did not appear frustrated; instead, they were seemingly relatively motivated to move forward with new ventures. According to Bandura (1997), self-efficacy is “the conviction that one can successfully execute the behavior required to produce the outcome” (p. 193). Despite repeated failure in a high-risk country, the respondents felt confident about future endeavors on the basis of knowledge from their prior failures. In this regard, self-efficacy was a valuable personal characteristic of managerial personality that imparted life-long learning through the ups and downs of failure and success. Our finding also corresponds with Vissak (2022) who studied the nonlinear internationalization of three Estonian enterprises focusing on the internationalization dynamics and firm flexibility and confirmed that nonlinear internationalization is typical in stable and unstable times, according to the study. During uncertain times, firms faced problems and sought new business prospects. The corporations combined international experience with new strategies.

Theoretical and practical implications

Implications for IB theory and contribution

The implication of this research for IB theory coincides with those of Rugman et al. (2011) who stated that the unit of analysis of IB theory has shifted from country-specific advantages to firm-specific ones. The authors further suggested a configuration of both types of advantages to explore different levels of analysis for IB research. Our findings point our direction to expanding the international business theory and we suggest that international business theory should consider the dynamic interplay between risk perception, self-efficacy, motivation, and psychological factors like comparative optimism to provide a more comprehensive understanding of firms’ behavior in the internationalization process. At the firm-level analysis, the results of the current study suggest that entrepreneurial motivation and self-efficacy are two of the variables that can be examined to understand how and why small and resource-deficient firms utilize these factors in offsetting the liability of foreignness. However, these variables are not fundamental elements of any IB or entrepreneurship theory. Our findings confirm the Uppsala model of incremental internationalization; however, we propose certain advancements to this model. The Uppsala model presents one side of the coin by explaining the process that firms undergo during incremental internationalization but ignores the other side of the coin, that is, failure. As a concept, failure is the counterpart of success, and the notion of incremental expansion is a cumulative, path-dependent process, where the international expansion patterns of firms are a function of the previous international experience and knowledge base (Johanson & Vahlne, 1977, 1990). In this regard, failure, motivation, and self-efficacy could provide a rich explanation of this incremental process. Further, the findings of the study highlight the significance of entrepreneurs’ high-risk awareness and low-risk averseness in internationalization. It suggests that entrepreneurs who are aware of the risks but have confidence in their capabilities (self-efficacy) are more likely to venture into high-risk international markets. Thus, future international business theories should incorporate the interplay between risk perception and self-efficacy as essential factors influencing firms’ internationalization decisions. Understanding how entrepreneurs assess and manage risks while maintaining their confidence could offer insights into firms’ internationalization strategies.

This study explored the role of failure in relation to success in the internationalization process. It also investigated the managerial expectations related to success in re-entering foreign markets after exit. This exploratory study provides a different insight from the existing anti-failure bias in literature and encourages further research for revalidation. The study outcomes present a positive focus on failure and a demonstration of how entrepreneurs recommit themselves to businesses and adopt risks despite minimal formal support after their experience with failure. The respondents valued learning from failure and generally viewed it as an aspect that enhanced their perceived ability to reemerge in international markets after their retreat. Accrued knowledge enabled them to move forward in the internationalization process regardless of intermittent pauses. The study also found that failure reinforced the belief that learning from failure enabled them to use different approaches to subsequent projects to cultivate success. Thus, contrary to the belief that failure is a negative outcome, our analysis demonstrated that failure imparts positive outcomes and is a valuable experience in entrepreneurship. Failure increased entrepreneurial self-awareness, commitment, and eagerness to continue to internationalize even after multiple serial failures. Thus, the study concluded that success and failure in entrepreneurship can frequently coincide with failure that offers significant learning and relational opportunities. Entrepreneurs overlooked the cost of failure; instead, they emphasized a future outlook to gain after re-entering the market equipped with better learning.

Following the recent literature such as Lattacher and Wadawiak (2020), Lee et al. (2020), Yamakawa et al., (2013, 2015), Shepherd (2003), and Cardon and McGrath (1999) who suggest extended research on the role of failure experiences in IB, and specifically on the performance expectations in subsequent projects in foreign countries, our study succinctly demonstrated the role of failure in the internationalization process. Our specific contribution is reshaping the notion of failure as a self-motivational event. It engages with entrepreneurial characteristics to often enhance self-efficacy. This in turn imparts positive and long-lasting learning for reemerging into subsequent paths.

Practical implications

Based on the fact that our study emphasizes that failure should not be viewed solely as a negative outcome, but also as a potential catalyst for growth, motivation, and increased self-efficacy, this section provides practical implications for managers leading fundamentally viable or underperforming firms. By adopting these implications, businesses can more effectively navigate the challenges and uncertainties of international business.

First of all, we suggest that managers should recognize that risk consciousness and a propensity to take calculated risks are essential for international success. Rather than viewing high-risk situations solely as potential disasters, they must realize that they can lead to valuable opportunities for learning and development. Managers of underperforming companies should focus on failure as a source of valuable knowledge. After failure, they must be receptive to self-reflection and review and take proactive measures to apply the lessons learned to future endeavors. Second, Managers can utilize self-efficacy because failures can serve as a catalyst for self-improvement. Failures motivate individuals to mobilize resources, skills, and competencies to achieve future success. These managers should work to improve their self-efficacy, believing in their capacity to assemble

the necessary resources and skills for success. Self-efficacy can play a crucial role in overcoming setbacks and pursuing new opportunities. In this regard, we also recommend that companies provide their employees with self-improvement training. Third, entrepreneurs and managers should embrace comparative optimism. Believing that they are less likely to face unfavorable outcomes compared to others can boost their confidence and determination. This optimism can be instrumental in maintaining a positive outlook after setbacks and driving them to re-enter the market.

Our fourth recommendation is that fundamentally viable firms should cultivate resilience, viewing failure as a temporary setback rather than a permanent defeat. Even after suffering losses, they should maintain a sense of control over their actions and decisions, believing that they can still influence their success. Recognize that failure can result in beneficial organizational growth. Managers should consider how failure experiences can enhance future internationalization efforts' decision-making, resource allocation, and strategic planning. Lastly, promoting a sense of national pride can serve as a source of inspiration for administrators of underperforming companies. Associating their internationalization journey with a greater purpose can assist them in remaining committed and motivated.

With respect to implications on the government's efforts in supporting firms on the path of internationalization, we suggest that while developing policies for export enhancement, engaging with entrepreneurs in the early stages may be worthwhile for government entities to develop authentic and practical arrangements. This support should be established at the early stages of formal education, which creates practical knowledge for later deployment and forms a group of knowledgeable graduates who are willing to engage in entrepreneurial and international efforts. Government support was generally viewed as appropriate in the nascent stages of the study, although we find that it was less successful during mid-stage international activities that emerged during the maturity phase, that is, 3–5 years after entry to the market. Therefore, we suggest that governments should specifically provide support to entrepreneurial ventures during this typically uncertain and challenging period.

Limitations and future research

Limitations

This study adopted a cross-sectional approach. To further validate the results, we suggest that future studies should conduct a follow-up using longitudinal and quantitative study designs to elaborate on the dynamic changes that may occur and to confirm a few of the patterns observed in the present study using appropriate methods and larger samples. A longitudinal study may focus on monitoring the direct and indirect effects of prior failure on the subsequent internationalization activities of firms when re-entering new markets after a pause. Currently, we asked the respondents to reflect in retrospect, although their observations may be influenced by the success or failure of previous decisions. Further studies may extend prior studies by investigating the impact of failure on motivation to start a new business in a different area. Moreover, the current sample excluded new international ventures, because all case companies were operating in international markets for a relatively long time before facing failure. Nevertheless, we suggest extending the analysis into new international ventures to observe the occurrence of failure and the manner in which managers address failure during the process of internationalization.

It is worth noting that this study did not directly investigate factors such as the amount of capital raised and accessibility to funding opportunities as they may weaken or strengthen the fear of failure. According to the study, the interviewees expressed dissatisfaction with UAE-based institutions, including financial institutions, given the difficulty in getting financial support, but this context did not influence their level of fear of failure as shown in the findings. At the same time, the study did not explore aspects related to the accessibility to, and the availability of, informal funding from family and acquaintances and how it may put the entrepreneurs in a more comfort zone that could lower their fear of failure.

Another limitation of the study is the small number of interviewees. Speaking of failure, specifically in a masculine culture is a shame. Notably, however, data in the UAE are not necessarily available, and when available, data are not necessarily accessible. The team initially approached the Chamber of Commerce of the two most important Emirates of the country (Abu Dhabi and Dubai). The latter institutions however do not record data related to the changes and evolution of the statuses and businesses of various companies. In addition, allowing the team to contact the firms in the database for screening purposes was impossible for the two organizations. As such, KFED was the only organization that agreed to collaborate given its mission of promoting the entrepreneurship projects of Emiratis.

The last limitation of the study is related to the temporal scope and COVID-19 during the data collection time period. During this time frame, the sample firms had chosen to discontinue their operations in the market as a consequence of the economic implications stemming from the pandemic. However, these companies have also experienced previous withdrawals from international markets. Accordingly, the primary objective of our study was to investigate the impact of managerial characteristics, particularly self-efficacy, on the motivation post-exit entry. Therefore, we advocate prudence in the interpretation of our research findings, as they do not purport to establish a direct causal relationship between the pandemic and corporate failure, which was not within the scope of this study's research question.

Future research

Future research may focus on understanding the levels of self-efficacy in nascent entrepreneurs and their relationship with opportunity identification in foreign markets. Previous studies, such as Brändle et al. (2018), associated the social identity of entrepreneurs with varying levels of self-efficacy. Douglas et al. (2020), which is based on Bandura (1997), considered low levels of self-efficacy to likely adversely influence the evaluation of potential investors of the ability of individuals to address major obstacles (given that individuals with high levels of self-esteem are more likely to persist in the face of obstacles and achieve success). However, the need to understand self-efficacy and its propensity for international opportunity identification also emerges. The current study suggests that varying levels of self-efficacy influence the interpretation of failure and success, especially in relation to re-entry into foreign markets, by the same or a new venture by an entrepreneur. In addition, we suggest that studies may develop or extend measures of entrepreneurial self-efficacy specifically linked to internationalization tasks.

Furthermore, there is limited literature exploring the relationship between the accessibility or availability of capital and fear of failure. Aligned with the work of Evans and Jovanovic (1989), Elston and Audretsch (2011) confirmed that wealth positively impacts the likelihood of starting a new business even when considering the attitude towards risk. More recently, Chapman and Phillips (2022), concluded that in countries qualified as having high perceived capabilities, the entrepreneurs’ fear of failure is very low and that, amongst other variables, access to funding, does not have a significant impact on the level of fear of failure. Future research should focus on examining to what extent the availability of capital, ease of access to funding, or the amount of the initial capital raised may influence the level of fear of failure.

Appendix

See Tables 1, 2

Table 1 Overview of the respondent profile

Nr	Respondent function	Number of interviews	Business description	Raised capital (AED)	Age of the company	International locations	Types of international entrepreneurs
1	Founder and president of the company	1	Selling of shoes	100,000	3	Kingdom of Saudi Arabia	Import and export
2	Founder and president of the company	1	Manufacture of civilian and military shoes	150,000	10	Kingdom of Saudi Arabia Egypt/Jordan/ Lebanon	Industrial license for the manufacture of military and civil shoes
3	Founder and president of the company	1	Manufacture of Uniforms	2,000,000	16	Yemen/ Ethiopia	Import and export
4	Founder and president of the company	1	Manufacture of Pallets	500,000	21	GCC countries	Import and export
5	Founder and president of the company	1	Selling of equestrian equipment	100,000	5	Kingdom of Saudi Arabia/ Russia Egypt/Kuwait/ Oman/Congo Libya/Australia	Import and export
6	Founder, President and CEO	1	FMCG industry	3,000,000	18	GCC countries/ UK/ Yemen/ Libya	Import and Export
7	Founder, President and CEO	1	Interior design and manufacture	2,000,000	15	GCC countries/ Morocco/Sig- nal/Congo/ Libya/Sudan/ Iraq/Turk- menistan	Manufacture, assembly, import and export
8	Director of Sales and Marketing	1	Food industry	500,000	28	Middle East countries/ Germany/ Australia Hog Kong/Indo- nesia	Import and export Franchising

Table 2 Frequency of common themes occurrence

	Theme 1 <i>High-risk awareness and low-risk averseness behavior</i>	Theme 2 <i>Self-motivation through nationalism</i>	Theme 3 <i>Reliance on self-efficacy</i>	Theme 4 <i>Failure behavior and emotions</i>
Interview 1	7	5	11	8
Interview 2	6	7	15	9
Interview 3	7	8	10	11
Interview 4	8	7	16	12
Interview 5	10	3	17	9
Interview 6	6	9	18	7
Interview 7	13	6	14	13
Interview 8	6	4	10	9
Total	63	49	111	78

Abbreviations

IB	International business(es)
KFED	Khalifa Fund for Enterprise Development
SME	Small and medium sized enterprise(s)
UAE	United Arab Emirates

Acknowledgements

We acknowledge Khalifa Fund for Enterprise Development (KFED) in providing support to access and interview the companies. Also, we extend acknowledgement to our Research Assistant Mrs. Suhair Haroun for her continuous support in this research.

Author contributions

SS: she is the research principal investigator, and contributed to the conception and design of the work. She participated in leading the interviews and drafted the article. SK approved the submitted version (and any substantially modified version that involves the author's contribution to the study). SK agreed both to be personally accountable for the author's own contributions and to ensure that questions related to the accuracy or integrity of any part of the work, even ones in which the author was not personally involved, are appropriately investigated, resolved, and the resolution documented in the literature. TGL: significantly participated in the design of the work and provided the connection with KEFD. She participated in leading the interviews and finalized the qualitative data analysis and findings. She revised and enriched the drafted article. TGL approved the submitted version (and any substantially modified version that involves the author's contribution to the study). TGL agreed both to be personally accountable for the author's own contributions and to ensure that questions related to the accuracy or integrity of any part of the work, even ones in which the author was not personally involved, are appropriately investigated, resolved, and the resolution documented in the literature.

Funding

Not applicable.

Availability of data and materials

The research is based on a qualitative approach using interviews. Transcribed interviews are available and can be shared upon request. Data if required will be provided anonymously.

Declarations**Competing interests**

The authors declare that they have no competing interests.

Received: 25 May 2023 Accepted: 10 July 2024

Published online: 23 August 2024

References

- Aguzzoli, R., Lengler, J., Sousa, C. M., & Benito, G. R. (2021). Here we go again: A case study on re-entering a foreign market. *British Journal of Management*, 32(2), 416–434.
- Alhadhrami, A., Goby, V. P., & Al-Ansaari, Y. (2018). Women's enactment of leadership in a heavily gender-marked Islamic context: An exploration within the United Arab Emirates. *International Journal of Organizational Analysis*. <https://doi.org/10.1108/IJOA-08-2017-1206>
- Ali, S., & Mathur, A. N. (2022). When failure is neither fatal nor final: Understanding re-internationalization processes. *American Business Review*, 25(1), 5.

- Ali, S., Mathur, A. N., & Jaiswal, A. K. (2022). Antecedents to firm performance during re-internationalization. *Australian Journal of Management*, 47(3), 423–453.
- Ariño, A., & De la Torre, J. (1998). Learning from failure: Towards an evolutionary model of collaborative ventures. *Organization Science*, 9(3), 306–325.
- Audia, P. G., Locke, E. A., & Smith, K. G. (2000). The paradox of success: An archival and a laboratory study of strategic persistence following radical environmental change. *Academy of Management Journal*, 43(5), 837–853.
- Bárcena-Martín, E., Medina-Carlos, S., & Pérez-Moreno, S. (2021). Economic regulation, opportunity-driven entrepreneurship and gender gap: Emerging versus high-income economies. *International Journal of Entrepreneurial Behavior & Research*, 27(5), 1311–1328. <https://doi.org/10.1108/IJEBR-05-2020-0321>
- Bandura, A. (1997). The anatomy of stages of change. *American Journal of Health Promotion: AJHP*, 12(1), 8–10.
- Baron, R. A. (2004). The cognitive perspective: A valuable tool for answering entrepreneurship's basic "why" questions. *Journal of Business Venturing*, 19, 221–239.
- Benito, G. R., & Welch, L. S. (1997). De-internationalization. *MIR: Management International Review*, 37, 7–25.
- Boyatzis, R. E. (1998). *Transforming qualitative information: Thematic analysis and code development*. Sage.
- Brändle, L., Berger, E. S., Golla, S., & Kuckertz, A. (2018). I am what I am—How nascent entrepreneurs' social identity affects their entrepreneurial self-efficacy. *Journal of Business Venturing Insights*, 9, 17–23.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101.
- Cardon, M. S., & McGrath, R. G. (1999). When the going gets tough... Toward a psychology of entrepreneurial failure and re-motivation. *Frontiers of Entrepreneurship Research*, 29(4), 58–72.
- Cefis, E., Bettinelli, C., Coad, A., & Marsili, O. (2022). Understanding firm exit: A systematic literature review. *Small Business Economics*, 59(2), 423–446.
- Chapman, P., & Phillips, R. A. (2022). Entrepreneurial fear of failure: An international comparison of antecedents and impact on venture creation. *Journal of the International Council for Small Business*, 3(4), 281–291.
- Chen, L. H., Wu, C. H., Kee, Y. H., Lin, M. S., & Shui, S. H. (2009). Fear of failure, 2 × 2 achievement goal and self-handicapping: An examination of the hierarchical model of achievement motivation in physical education. *Contemporary Educational Psychology*, 34(4), 298–305.
- Choquette, E. (2019). Import-based market experience and firms' exit from export markets. *Journal of International Business Studies*, 50, 423–449.
- Chuang, Y.-T., & Baum, J. A. C. (2003). It's all in the name: Failure-induced learning by multiunit chains. *Administrative Science Quarterly*, 48(1), 33–59.
- Cochran, A. B. (1981). Small business mortality rates: A review of the literature. *Journal of Small Business Management*, 19(4), 50–59.
- Coelho, P. R. P., & McClure, J. E. (2005). Learning from failure. *Mid-American Journal of Business*, 20(1), 13–20.
- Cope, J. (2003). Entrepreneurial learning and critical reflection: Discontinuous events as triggers for 'higher-level' learning. *Management Learning*, 34(4), 429–450.
- Cope, J. (2011). Entrepreneurial learning from failure: An interpretative phenomenological analysis. *Journal of Business Venturing*, 26(6), 604–623.
- Costa, P. L., Ferreira, J. J., & de Oliveira, R. T. (2023). From entrepreneurial failure to re-entry. *Journal of Business Research*, 158, 113699.
- Cyert, R. M., & March, J. G. (1963). A behavioral theory of the firm. *Organizational Behavior*, 2(4), 169–187.
- De Cock, R., Andries, P., & Clarysse, B. (2021). How founder characteristics imprint ventures' internationalization processes: The role of international experience and cognitive beliefs. *Journal of World Business*, 56(3), 101163.
- Deichmann, D., & Ende, J. V. D. (2014). Rising from failure and learning from success: The role of past experience in radical initiative taking. *Organization Science*, 25(3), 670–690.
- Douglas, E. J., Shepherd, D. A., & Prentice, C. (2020). Using fuzzy-set qualitative comparative analysis for a finer-grained understanding of entrepreneurship. *Journal of Business Venturing*, 35(1), 105970.
- Dweck, C. (2017). *Mindset-updated edition: Changing the way you think to fulfil your potential*. Hachette UK.
- Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, 14, 532–550.
- Elnadi, M., Gheith, M. H., & Farag, T. (2020). How does the perception of entrepreneurial ecosystem affect entrepreneurial intention among university students in Saudi Arabia? *International Journal of Entrepreneurship*, 24(3), 1–15.
- Elston, J. A., & Audretsch, D. B. (2011). Financing the entrepreneurial decision: An empirical approach using experimental data on risk attitudes. *Small Business Economics*, 36, 209–222.
- Evans, D. S., & Jovanovic, B. (1989). An estimated model of entrepreneurial choice under liquidity constraints. *Journal of Political Economy*, 97(4), 808–827.
- Frese, M. (2009). *Toward a psychology of entrepreneurship: An action theory perspective*. Now Publishers Inc.
- Geroski, P. A., Mata, J., & Portugal, P. (2010). Founding conditions and the survival of new firms. *Strategic Management Journal*, 31(5), 510–529.
- Hartmann, S., Backmann, J., Newman, A., Brykman, K. M., & Pidduck, R. J. (2022). Psychological resilience of entrepreneurs: A review and agenda for future research. *Journal of Small Business Management*. <https://doi.org/10.1080/00472778.2021.2024216>
- Headd, B. (2003). Redefining business success: Distinguishing between closure and failure. *Small Business Economics*, 21(1), 51–61.
- Hope, J. B., & Mackin, P. C. (2011). *Factors affecting entrepreneurship among veterans*. SAG Corporation.
- Hsu, D. K., Wiklund, J., & Cotton, R. D. (2017). Success, failure, and entrepreneurial reentry: An assessment of the veracity of self-efficacy and prospect theory. *Entrepreneurship Theory and Practice*. <https://doi.org/10.1111/etap.12166>
- Jafari-Sadeghi, V., Amoozad Mahdiraji, H., Budhwar, P., & Vrontis, D. (2023). Understanding the De-internationalization of entrepreneurial SMEs in a volatile context: A reconnoitre on the unique compositions of internal and external factors. *British Journal of Management*. <https://doi.org/10.1111/1467-8551.12688>
- Javalgi, R. R. G., Deligonul, S., Dixit, A., & Cavusgil, S. T. (2011). International market reentry: A review and research framework. *International Business Review*, 20(4), 377–393.

- Johanson, J., & Vahlne, J.-E. (1977). The internationalization process of the firm: A model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies*, 8(1), 23–32.
- Johanson, J., & Vahlne, J.-E. (1990). The mechanism of internationalization. *International Marketing Review*, 7(4), 11–24.
- Johanson, J., & Vahlne, J.-E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies*, 40(9), 1411–1431.
- Joseph Amankwah-Amoah, J., Boso, N., & Issek Antwi-Agyei, I. (2016). The effects of business failure experience on successive entrepreneurial engagements: An evolutionary phase model. *Group & Organization Management*, 43(4), 648–682.
- Kafourous, M., Cavusgil, S. T., Devinney, T. M., Ganotakis, P., & Fainshmidt, S. (2022). Cycles of de-internationalization and re-internationalization: Towards an integrative framework. *Journal of World Business*, 57(1), 101257.
- Khalifa Fund for Enterprise Development. (2021). *Impact report: 2007–2019* (p. 54).
- Khanna, R., Guler, I., & Nerkar, A. (2016). Fail often, fail big, and fail fast? Learning from small failures and R&D performance in the pharmaceutical industry. *Academy of Management Journal*, 59(2), 436–459.
- Knott, A. M., & Posen, H. E. (2005). Is failure good? *Strategic Management Journal*, 26, 617–664.
- Lafuente, E., Vaillant, Y., Vendrell-Herrero, F., & Gomes, E. (2019). Bouncing back from failure: Entrepreneurial resilience and the internationalisation of subsequent ventures created by serial entrepreneurs. *Applied Psychology*, 68(4), 658–694.
- Lattacher, W., & Wdowiak, M. A. (2020). Entrepreneurial learning from failure: A systematic review. *International Journal of Entrepreneurial Behaviour & Research*, 26, 1093–1131.
- Learned, K. E. (1999). What happened before the organization? A mode of organizational formation. *Entrepreneurship Theory and Practice*, 17(1), 39–48.
- Lee, J. Y., Jiménez, A., & Devinney, T. M. (2020). Learning in SME internationalization: A new perspective on learning from success versus failure. *Management International Review*, 60(4), 485–513.
- Lee, S.-H., Peng, M. W., & Barney, J. B. (2007). Bankruptcy law and entrepreneurship development: A real options perspective. *Academy of Management Review*, 32(1), 257–272.
- Lee, L., Wong, P. K., Der Foo, M., & Leung, A. (2011). Entrepreneurial intentions: The influence of organizational and individual factors. *Journal of Business Venturing*, 26(1), 124–136.
- Lim, W. M., & Mandrinos, S. (2023). A general theory of de-internationalization. *Global Business and Organizational Excellence*, 42(2), 9–15.
- Madsen, P. M., & Desai, V. (2010). Failing to learn? The effects of failure and success on organizational learning in the global orbital launch vehicle industry. *Academy of Management Journal*, 53(3), 451–476.
- Mandrinos, S., & Lim, W. M. (2023). De-internationalization: An organizational institutionalism perspective. *Global Business and Organizational Excellence*, 42(3), 58–73.
- Mandrinos, S., Lim, W. M., & Liew, C. S. L. (2022). De-internationalization through the lens of intellectual property rights. *Thunderbird International Business Review*, 64(1), 13–24.
- March, J. G. (1981). Footnotes to organizational change. *Administrative Science Quarterly*, 26, 563–577.
- Martins, R., Farinha, L., & Ferreira, J. J. (2022). Analysing stimuli and barriers, failure and resilience in companies' internationalization: A systematic and bibliometric review. *Review of International Business and Strategy*, 32(4), 581–601.
- Martins, R., Farinha, L., & Ferreira, J. J. (2023). SMEs internationalisation process: From success to insolvency, from rebirth to re-internationalisation. *Management Research: Journal of the Iberoamerican Academy of Management*, 21(4), 419–439.
- Mathias, B. D., Williams, D. W., & Smith, A. R. (2015). Entrepreneurial inception: The role of imprinting in entrepreneurial action. *Journal of Business Venturing*, 30(1), 11–28.
- McGrath, R. G. (1999). Falling forward: Real options reasoning and entrepreneurial failure. *Academy of Management Review*, 24(1), 13–30.
- Minniti, M., & Bygrave, W. (2001). A dynamic model of entrepreneurial learning. *Entrepreneurship Theory and Practice*, 25(3), 5–16.
- Mora, J. (2023). Export failure and its consequences: Evidence from Colombian exporters. *Review of World Economics*, 159(3), 697–755.
- Musaji, S., Schulze, W. S., & De Castro, J. O. (2020). How long does it take to get to the learning curve? *Academy of Management Journal*, 63(1), 205–223.
- Nummela, N., Saarenketo, S., & Loane, S. (2016). The dynamics of failure in international new ventures: A case study of Finnish and Irish software companies. *International Small Business Journal*, 34(1), 51–69.
- Pauwels, P., & Matthyssens, P. (1999). A strategy process perspective on export withdrawal. *Journal of International Marketing*, 7(3), 10–37.
- Pauwels, P., & Matthyssens, P. (2002). *The dynamics of international market withdrawal*. METEOR, Maastricht Research School of Economics of Technology and Organizations.
- Peng, M. W., Yamakawa, Y., & Lee, S.-H. (2010). Bankruptcy laws and entrepreneur-friendliness. *Entrepreneurship Theory and Practice*, 34, 517–530.
- Politis, D., & Gabrielsson, J. (2009). Entrepreneurs' attitudes towards failure: An experiential learning approach. *International Journal of Entrepreneurial Behavior & Research*. <https://doi.org/10.1108/13552550910967921>
- Qian, G., Li, L., & Qian, Z. (2018). Interactions among factors driving and inhibiting the early internationalization of small, young technology enterprises. *Management International Review*, 58(4), 251–280.
- Richards, K. (2009). Trends in qualitative research in language teaching since 2000. *Language Teaching*, 42(2), 147–180.
- Rugman, A. M., Verbeke, A., & Nguyen, Q. T. (2011). Fifty years of international business theory and beyond. *Management International Review*, 51(6), 755–786.
- Rui, H., Cuervo-Cazurra, A., & Un, A. C. (2016). Learning-by-doing in emerging market multinationals: Integration, trial and error, repetition, and extension. *Journal of World Business*, 51, 686–699.
- Ryan, R. M., & Deci, E. L. (2000). Intrinsic and extrinsic motivations: Classic definitions and new directions. *Contemporary Educational Psychology*, 25(1), 54–67.

- Sedziauskiene, R., Sekliuckiene, J., & Zucchella, A. (2019). Networks' impact on the entrepreneurial internationalization: A literature review and research agenda. *Management International Review*, 59(5), 779–823.
- Shane, S. (2001). Organizational incentives and organizational mortality. *Organization Science*, 12(2), 136–160.
- Shane, S., Locke, E. A., & Collins, C. J. (2003). Entrepreneurial motivation. *Human Resource Management Review*, 13(2), 257–279.
- Shepherd, D. A. (2003). Learning from business failure: Propositions of grief recovery for the self-employed. *Academy of Management Review*, 28(2), 318–328.
- Shepherd, D. A., Covin, J. G., & Kuratko, D. F. (2009). Project failure from corporate entrepreneurship: Managing the grief process. *Journal of Business Venturing*, 24(6), 588–600.
- Singh, S., Corner, P. D., & Pavlovich, K. (2015). Failed, not finished: A narrative approach to understanding venture failure stigmatization. *Journal of Business Venturing*, 30(1), 150–166.
- Sitkin, S. B. (1992). Learning through failure: The strategy of small losses. *Research in Organization Behavior*, 14, 231–266.
- Sleuwaegen, L., & Onkelinx, J. (2014). International commitment, post-entry growth and survival of international new ventures. *Journal of Business Venturing*, 29(1), 106–120.
- Soule, S. A., Swaminathan, A., & Tihanyi, L. (2014). The diffusion of foreign divestment from Burma. *Strategic Management Journal*, 35(7), 1032–1052.
- Sousa, C. M., He, X., Lengler, J., & Tang, L. (2021). Foreign market re-entry: A review and future research directions. *Journal of International Management*, 27(2), 100848.
- Stephan, U., & Drencheva, A. (2017). The person in social entrepreneurship: A systematic review of research on the social entrepreneurial personality. In G. Ahmetoglu, T. Chamorro-Premuzic, B. Klingler, & T. Karcisky (Eds.), *The Wiley handbook of entrepreneurship* (pp. 205–229). Wiley.
- Stokes, D., & Blackburn, R. (2002). Learning the hard way: the lessons of owner-managers who have closed their businesses. *Journal of Small Business and Enterprise Development*. <https://doi.org/10.1108/14626000210419455>
- Suddaby, R. (2006). From the editors: What grounded theory is not. *Academy of Management Journal*, 49(4), 633–642.
- Surdu, I., & Narula, R. (2021). Organizational learning, unlearning and re-internationalization timing: Differences between emerging-versus developed-market MNEs. *Journal of International Management*, 27(3), 100784.
- Vissak, T. (2022). Serial nonlinear internationalization before and during the COVID-19 pandemic: case study evidence from Estonia. In R. van Tulder, A. Verbeke, L. Piscitello, & J. Puck (Eds.), *International business in times of crisis: tribute volume to Geoffrey Jones* (pp. 273–288). Emerald Publishing Limited.
- Vissak, T., Francioni, B., & Freeman, S. (2020). Foreign market entries, exits and re-entries: The role of knowledge, network relationships and decision-making logic. *International Business Review*, 29(1), 101592.
- Wasowska, A. (2019). Social-cognitive antecedents of new venture internationalization: the role of entrepreneur intention, self-efficacy, and positive orientation. *Baltic Journal of Management*. <https://doi.org/10.1108/BJM-09-2018-0325>
- Welch, C. L., & Welch, L. S. (2009). Re-internationalisation: Exploration and conceptualisation. *International Business Review*, 18(6), 567–577.
- Whyley, C. (1998). *Risky business*. Policy Studies Institute.
- Wyrwich, M., Stuetzer, M., & Sternberg, R. (2016). Entrepreneurial role models, fear of failure, and institutional approval of entrepreneurship: A tale of two regions. *Small Business Economics*, 46(3), 467–492.
- Yamakawa, Y., Khavul, S., Peng, M. W., & Deeds, D. L. (2013). Venturing from emerging economies. *Strategic Entrepreneurship Journal*, 7(3), 181–196.
- Yamakawa, Y., Peng, M. W., & Deeds, D. L. (2010). How does experience of previous entrepreneurial failure impact Future entrepreneurship? *Academy of Management Proceedings*, 2010(1), 1–5.
- Yamakawa, Y., Peng, M. W., & Deeds, D. L. (2015). Rising from the ashes: cognitive determinants of venture growth after entrepreneurial failure. *Entrepreneurship Theory and Practice*, 39(2), 209–236.
- Yang, M. M., Li, T., & Wang, Y. (2020). What explains the degree of internationalization of early-stage entrepreneurial firms? A multilevel study on the joint effects of entrepreneurial self-efficacy, opportunity-motivated entrepreneurship, and home-country institutions. *Journal of World Business*, 55(6), 101114.
- Yayla, S., Yeniurt, S., Uslay, C., & Cavusgil, E. (2018). The role of market orientation, relational capital, and internationalization speed in foreign market exit and re-entry decisions under turbulent conditions. *International Business Review*, 27(6), 1105–1115.
- Yin, R. K. (1994). Discovering the future of the case study: Method in evaluation research. *Evaluation Practice*, 15(3), 283–290.

Publisher's Note

Springer Nature remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.