

## Fear of Failure and Entrepreneurial Intention: Evidence from STIE Ganesha Students

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### **Abstract**

This study examines fear of failure as a psychological barrier to entrepreneurial intention among students at STIE Ganesha and identifies factors shaping their risk perception. A qualitative phenomenological approach was employed, involving 12 undergraduate students (semesters 4–8) selected through purposive sampling. Data were collected through semi-structured in-depth interviews and analyzed using Braun and Clarke's thematic analysis. The findings show that 100% of informants experienced fear of failure, primarily in the form of fear of financial loss (83%), fear of social stigma (75%), and self-doubt (67%). Risk perception is influenced by overprotective family communication, exposure to negative business narratives on social media, and limited practical training in risk management. These results indicate that fear of failure is shaped not only by individual psychological factors but also by social and educational contexts. The study implies the importance of integrating risk management training and psychological coping strategies into entrepreneurship education, along with mentoring programs involving experienced entrepreneurs to strengthen students' entrepreneurial readiness.

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## INTRODUCTION

The persistence of educated unemployment in Indonesia reflects a structural mismatch between higher education outcomes and labor market absorption. Data from the Central Bureau of Statistics (BPS, 2024) show that the open unemployment rate among university graduates reached 5.12%, indicating that formal employment opportunities are insufficient to accommodate the growing number of graduates. In response, entrepreneurship has been widely promoted as a strategic alternative to job creation. However, Indonesia's entrepreneurship ratio remains relatively low at 3.47%, lagging behind neighboring countries such as Singapore and Malaysia. This condition highlights a critical issue: despite policy encouragement and educational interventions, the transition from academic preparation to entrepreneurial action remains limited (Ministry of Cooperatives and SMEs, 2023).

The core problem addressed in this study lies not merely in the lack of entrepreneurial intention, but in the presence of persistent psychological barriers that inhibit students from transforming intention into action. Among these barriers, fear of failure emerges as one of the most significant constraints. Empirical evidence consistently demonstrates that fear of failure negatively affects entrepreneurial intention, as individuals tend to overestimate potential risks such as financial loss, social stigma, and uncertainty about future outcomes. This phenomenon suggests that students' risk perception is often distorted, shaped more by subjective fear than by objective evaluation of business opportunities. Consequently, even in environments with high entrepreneurial exposure, such as urban campuses, students remain hesitant to engage in entrepreneurial activities (Ansori, Rahmawati, & Suryani (2025; Saefullah et al., 2023; Ardi, Putra, & Yuliani, 2025).

In the context of STIE Ganesha, this issue becomes particularly relevant. Although students are situated within a dynamic economic environment with access to digital technology and growing MSME sectors, their entrepreneurial engagement remains low. This paradox indicates that structural opportunities alone are insufficient to foster entrepreneurship without addressing underlying psychological and communicative dimensions. The dominance of social expectations favoring stable employment further reinforces risk-averse behavior, while existing entrepreneurship education tends to emphasize cognitive knowledge rather than psychological readiness and risk management capability (Musyafia et al., 2024; Richard & Lestari, 2023).

From a theoretical perspective, prior studies on entrepreneurial intention have largely been grounded in frameworks such as the Theory of Planned Behavior (TPB), which emphasizes attitudes, subjective norms, and perceived behavioral control. While these models are effective in explaining intention formation, they often overlook the internal communication processes through which individuals interpret and respond to risk. At the same time, research on fear of failure has predominantly adopted quantitative approaches, focusing on identifying causal relationships rather than exploring the underlying meaning-making processes. As a result, the dynamic interaction between external narratives (e.g., family, social media, education) and internal psychological responses remains insufficiently understood (Stouraitis, Harun, & Kyritsis (2024), Ansori et al. (2025) (Al-Jubari, 2019) (Insana et al., 2022; Ardi et al. (2025).

Based on this review, three main gaps can be identified. First, existing studies primarily examine fear of failure as a measurable variable, but rarely explore how it is constructed through communication and narrative processes. Second, there is limited qualitative evidence explaining how students interpret and internalize risk messages from their social environment. Third, current research has not developed a contextual communication framework that can effectively reduce

fear of failure and support entrepreneurial readiness, particularly within specific institutional settings such as STIE Ganesha. These gaps indicate that the issue of entrepreneurial fear is not only psychological but also communicative and contextual in nature.

To address these gaps, this study adopts a qualitative phenomenological approach to explore how fear of failure is experienced, interpreted, and communicated among students. Unlike prior research that focuses on “what” influences entrepreneurial intention, this study emphasizes “how” fear is constructed and sustained through everyday interactions and narratives. By integrating perspectives from entrepreneurial psychology, risk perception theory, and communication studies, this research seeks to provide a more comprehensive understanding of the mechanisms underlying students’ reluctance to engage in entrepreneurship.

The novelty of this study lies in three contributions. First, it examines the “language of fear” by identifying dominant forms of perceived risk, including financial, social, and psychological dimensions. Second, it analyzes the role of communication sources—such as family, social media, and educational environments—in shaping risk perception. Third, it proposes a contextual risk communication framework designed to reduce psychological barriers and enhance entrepreneurial readiness among students.

Ultimately, this study aims to generate both theoretical and practical contributions. Theoretically, it extends existing models of entrepreneurial intention by incorporating communication and narrative dimensions into the analysis of fear of failure. Practically, it provides insights for designing entrepreneurship education programs that integrate risk management training and psychological coping strategies, thereby enabling students to move beyond fear toward proactive entrepreneurial engagement

## **METHOD**

This study employs a qualitative approach with a phenomenological design. This approach was chosen because it aims to deeply understand students' subjective experiences regarding fear of failure and how they perceive risk in entrepreneurship. Creswell & Poth (2018) assert that a phenomenological design is highly appropriate for exploring the essence of individuals' lived experiences concerning a particular phenomenon. In the context of this study, phenomenology allows researchers to explore the psychological structures, emotions, and risk perceptions that are personal yet exhibit collective patterns among STIE Ganesha students (Riyanto & Hatmawan, 2020; Moustakas, 1994).

The research was conducted from May to July 2025 (over three months) at the STIE Ganesha campus in South Tangerang, Banten. This location was selected based on the consideration that STIE Ganesha is situated in an urban area with a dynamic digital business ecosystem, making it relevant for examining students' psychological dynamics in facing entrepreneurial opportunities and risks.

The informants in this study were active STIE Ganesha students who have an interest in entrepreneurship but have never started a business, or have tried but stopped due to psychological obstacles. The number of informants was set at 12–15 individuals, consistent with the principle of data saturation in qualitative research. The purposive sampling technique was used with the following criteria: (1) students in semesters 4 to 8; (2) have completed entrepreneurship courses; (3) express an interest in entrepreneurship but have not yet realized it; and (4) are willing to participate voluntarily (Guest, Bunce, & Johnson, 2006).

Data collection was conducted through semi-structured in-depth interviews. Each interview lasted 45–60 minutes per informant and was conducted face-to-face on campus. The interview guidelines covered five main aspects: (1) students' perceptions of entrepreneurial risks; (2) sources and forms of fear of failure; (3) personal experiences or observations of failure; (4) communication of support from family, lecturers, and friends; and (5) coping strategies used to manage anxiety. All interviews were recorded with the informants' consent and transcribed verbatim.

In addition to interviews, this study also employed documentation studies in the form of students' reflective notes from entrepreneurship course assignments (if available) to enrich the understanding of their mindsets toward business risk (Flick, 2022).

Data analysis followed the thematic analysis framework proposed by Braun & Clarke (2006), which consists of six phases: (1) data familiarization through repeated reading of transcripts; (2) initial coding to identify units of meaning; (3) searching for themes by grouping similar codes; (4) reviewing themes to ensure internal consistency; (5) defining and naming themes; and (6) report writing. The analysis process was assisted by NVivo 14 software to facilitate the organization of codes and themes.

To ensure the credibility of the findings, this study employed source triangulation (comparing data across informants) and member checking (confirming interpretations with informants). Additionally, peer debriefing was conducted with fellow researchers to avoid interpretation bias. Lincoln & Guba (1985) state that the combination of these techniques enhances the trustworthiness of qualitative research findings.

This study received ethical approval from the relevant institutional committee. All informants signed an informed consent form explaining the research objectives, confidentiality of identity, and the right to withdraw at any time without consequences (Creswell & Poth, 2018). Informants' identities were anonymized using codes (M1, M2, ... M15). Data were used solely for academic purposes and stored securely.

## **RESULT AND DISCUSSION**

Based on in-depth interviews with 12 student informants from STIE Ganesha, fear of failure emerged as a universal experience, with all informants (100%) acknowledging it as the primary barrier to entrepreneurial intention. However, the intensity and manifestation of this fear varied, forming three dominant dimensions.

First, fear of financial loss (83%).

Ten informants expressed strong concern about losing initial capital, particularly because most relied on personal savings. As stated by Informant M-03:

“I am afraid of going bankrupt because the capital comes from my own savings. If the business fails, I lose everything.”

Another informant (M-08) added:

“I don't have backup funds. So if the business doesn't work, I can't recover easily.”

These responses indicate that financial vulnerability amplifies perceived risk, making entrepreneurship appear as a high-stakes decision.

Second, fear of shame and social stigma (75%).

Nine informants highlighted the social consequences of failure. Informant M-07 noted:

“I'm afraid people will say I failed because I was overconfident.”

Similarly, M-02 stated:

“Failure is not just about money, it’s about how people see you after that.”

This suggests that social evaluation plays a critical role in shaping entrepreneurial hesitation, particularly in collectivist cultural contexts.

Third, fear driven by self-doubt (67%).

Eight informants expressed low confidence in their entrepreneurial capabilities. Informant M-11 explained:

“I feel like I don’t have the skills or talent to run a business successfully.”

Another informant (M-04) stated:

“I understand the theory, but I’m not sure I can apply it in real situations.”

This reflects a gap between cognitive knowledge and perceived competence.

Beyond these dimensions, the study identified three main factors shaping students’ risk perceptions.

Family communication.

Eight informants (67%) reported receiving discouraging messages from parents. Informant M-05 stated:

“My parents prefer me to work in a stable job. They think business is too uncertain.”

Social media exposure

Seven informants (58%) indicated that negative narratives about business failure influenced their perceptions. Informant M-09 noted:

“I often see stories about bankruptcy on TikTok, and it makes business look very risky.”

Lack of practical experience.

Only two informants (17%) had participated in risk management training. Informant M-01 stated:

“We learn entrepreneurship in class, but not how to handle failure or risk in practice.”

These findings demonstrate that students’ fear of failure is not formed in isolation but is constructed through continuous interaction with their social and informational environment.

Fear of Failure as a Multidimensional Construct

The finding that fear of failure is experienced by all informants reinforces prior studies (Mutmainnah et al., 2024), but this study extends the understanding by showing that fear operates as a multidimensional construct—financial, social, and psychological. Within the Theory of Planned Behavior (TPB), this fear directly weakens perceived behavioral control, reducing students’ confidence in their ability to start a business.

However, unlike many quantitative studies that treat fear as a single variable, this research reveals that financial fear is the most dominant dimension (83%), contrasting with findings in more developed contexts where social stigma tends to dominate (Stouraitis et al., 2024). This difference suggests that economic structure and resource constraints significantly shape how fear is experienced, highlighting the importance of contextualizing entrepreneurial behavior theories.

### Risk Perception as a Socially Constructed Phenomenon

This study demonstrates that risk perception is not purely rational but socially constructed through communication processes. The influence of family aligns with Social Cognitive Career Theory (SCCT), where outcome expectations and self-efficacy are shaped by environmental reinforcement. The dominance of “safe career” narratives indicates that students internalize risk-averse values from their immediate environment.

Compared to previous studies that emphasize structural support, this research shows that communication tone and narrative framing are equally influential. It is not only the absence of support but the presence of discouraging narratives that amplifies fear. This finding extends SCCT by emphasizing the role of *discursive influence* in shaping entrepreneurial cognition.

### Digital Media and the Amplification of Risk Narratives

The role of social media introduces a critical dimension often overlooked in earlier research. Consistent with cultivation theory, repeated exposure to failure narratives leads to a distorted perception of entrepreneurial reality. However, this study goes further by identifying a content asymmetry problem: negative stories (e.g., bankruptcy) are more visible and emotionally engaging than balanced or educational content.

In contrast to studies that view digital platforms primarily as enablers of entrepreneurship, this research highlights their dual role as both opportunity creators and fear amplifiers. This finding complements recent discussions (Ardi et al., 2025) by showing that the *quality of content*, not just access to technology, determines its psychological impact.

### The Missing Link: Experiential Risk Learning

The limited exposure to practical risk management training reveals a critical gap in entrepreneurship education. While previous research (Ansori et al., 2025) identifies the importance of institutional support, this study specifies that the issue lies in the lack of experiential learning. Students possess theoretical knowledge but lack procedural knowledge on how to respond to failure.

This gap can be interpreted through the lens of experiential learning theory, where learning effectiveness depends on concrete experience and reflection. Without exposure to simulated or real risk scenarios, students are unable to translate knowledge into confidence, resulting in what can be termed as “cognitive–behavioral dissonance”—knowing what to do but lacking the courage to act.

### Toward an Integrated Explanation

Overall, this study provides a more integrative explanation by positioning fear of failure as the outcome of three interacting domains:

1. Psychological factors (self-doubt and risk perception),
2. Social communication (family and societal expectations), and
3. Digital narratives (media exposure).

This triadic interaction extends existing models by demonstrating that entrepreneurial barriers are not solely individual or structural but are constructed through continuous communication processes.

Therefore, increasing entrepreneurial intention among students requires interventions that go beyond skill development. It necessitates reframing risk communication, strengthening positive

narrative exposure, and integrating practical risk management training into entrepreneurship education. Without addressing these dimensions simultaneously, fear of failure will remain a persistent barrier despite the availability of opportunities.

## CONCLUSION

This study concludes that fear of failure is the primary psychological barrier preventing STIE Ganesha students from realizing their entrepreneurial interest, with three dominant forms: fear of financial loss (83%), fear of shame and social stigma (75%), and self-doubt regarding their own abilities (67%). The factors shaping these risk perceptions include overprotective family communication, exposure to negative narratives about failure on social media, and the absence of practical risk management training on campus. This study has limitations in terms of geographical scope, which is limited to a single university (STIE Ganesha) with only 12 informants, meaning the findings cannot be generalized to the broader student population. Furthermore, the qualitative approach used focuses more on exploring subjective meaning rather than statistical measurement, thus it has not tested causal relationships between variables. Based on these findings, it is recommended that STIE Ganesha integrate risk management training and psychological coping strategies into the entrepreneurship curriculum, organize mentoring programs involving successful young entrepreneurs as positive role models, and develop a constructive platform for sharing failure stories to normalize risk as a natural part of the business learning process. For future researchers, it is recommended to expand the sample scope to multiple universities, employ quantitative approaches to test the influence of each dimension of fear of failure on entrepreneurial interest, and develop social media-based risk communication intervention models to reduce entrepreneurial anxiety among students.

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