



# A Study on the Influencing Factors of Entrepreneur's Failure Attribution: Based on Failure Cases in China

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**Abstract:** Entrepreneurial failure is an important topic in economic and management activities. Existing researches mainly focus on the influence of individual characteristics and social environment on entrepreneur failure attribution. The paper mainly study the factors that influence the attribution of entrepreneurial failure. Previous studies on the influencing factors of entrepreneurial failure attribution mainly discussed the role of entrepreneurs and the external environment, but did not discuss the influence of the attributes of entrepreneurial failure events on entrepreneurial failure attribution. Based on the sensemaking theory, we take the operating span of failed enterprises as the antecedent variable affecting entrepreneurs' failure attribution, and take the performance of existing enterprises and the time span of failure to the present as the moderating variable. The research use a sample of 116 serial entrepreneurs with failure experience in Beijing to verify the hypothesis. The findings indicate that the larger the operating span of the failed enterprise, the more likely the entrepreneurs are to blame external factors for the failure. Under the same operating span of failed enterprises, the better the operating performance of the existing enterprises, the more likely the entrepreneurs are to blame external factors for the failure. Failure perception of the employees, shareholders in the previous failed enterprise, and the media can be further discussed.

**Keywords:** Attribution, Entrepreneurial Failure, The Sensemaking Theory, Entrepreneurial Event

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## 1. Introduction

Entrepreneurial failure is very common [1]. However, different entrepreneurs have different perceptions of entrepreneurial failure, which is especially reflected in the attribution of failure. Some entrepreneurs attribute the reasons for failure to internal factors such as poor management strategy, lack of research and understanding of the market and products, and lack of knowledge and experience in relevant fields [2], while some entrepreneurs attribute the reasons for failure to external factors such as government policies, human resource market, and financing [3]. Different or even diametrical attributions to failure lead to different behaviors and emotional reactions of entrepreneurs after failure [4]. Understanding what factors affect entrepreneurs' attribution to entrepreneurial failure will help them to have a deeper understanding of their behavioral characteristics after failure,

so as to help entrepreneurs overcome the negative emotions of entrepreneurial failure and provide preparation for starting a business again.

Existing researches mainly focus on the influence of individual characteristics and social environment on entrepreneur failure attribution. In terms of individual characteristics, the factors affecting attribution include helplessness oriented style and mastery oriented style [5]. In terms of social environment, the influencing factors include social stigma [6], the legitimacy of entrepreneurial enterprises in society [7], and resource availability [8]. However, the current research does not explore the influence of entrepreneurial failure event on entrepreneurial failure attribution. In fact, a person's behavior can be attributed to his personal characteristics or environmental factors, also can be attributed to characteristics of the activity or behavior object [9], that is to say, the influencing factors of personal failure attribution includes not only the personal and the external

environment condition, also includes the attribute of the event itself, such as the difficulty of the completion of the event, the stability and variability of the event [9]. For example, if there is a high probability that the business itself will fail, the entrepreneur is likely to believe that he or she should not be held responsible for the failure [10]. The neglect of the relationship between entrepreneurial failure attributes and attribution is the main gap in current research. In addition, the existing researches on the attribution of entrepreneurial failure mostly adopt qualitative analysis [11-12], such as ethnography and case studies, but lack quantitative analysis.

Based on the theory of sensemaking, this paper explores the influence of the attribute of entrepreneurial failure event -- the age of the previous failed enterprise -- on the entrepreneurial failure attribution. We used a sample of 116 serial entrepreneurs in China to test our hypotheses. The contribution of this paper lies in the following two points: First, it contributes to the theory of entrepreneurial failure attribution. Previous literature on failure attribution did not discuss the influence of failure attribute on entrepreneurs' failure attribution. This paper selects reports related to entrepreneurial failure (these reports are entrepreneurs' recollections of failure events) to study entrepreneurs' interpretation of the causes of entrepreneurial failure and explore the influence of entrepreneurial failure attributes on entrepreneurs' attribution of failure, which enriches the theory of entrepreneurial failure attribution. Secondly, this paper contributes to the literature on sensemaking. The sensemaking theory suggests that sensemaking is a retrospective activity, and retrospection is the key feature of making sense. However, the research in this aspect is less. This paper focuses on the impact of the attributes of entrepreneurial failure on the retrospective results of failure events -- the entrepreneurs' attribution to failure, which provides a new perspective for the study of retrospective in the theory of meaning building.

## 2. Literature Review

Entrepreneurial failure is the focus of entrepreneurial research in recent years. Broadly defined, entrepreneurial failure refers to the termination of an initiative that fails to achieve its goals due to actual performance [13-14]. From a narrow financial perspective, entrepreneurial failure occurs when the company's earnings decline and/or costs rise to the point that the company is unable to repay, attract new loans or equity financing, and subsequently the company is unable to continue operating under the existing ownership and management [15-16]. Some studies have also pointed out that entrepreneurial failure not only involves economic factors, such as bankruptcy and liquidation, but also involves other factors, such as intractable problems related to entrepreneurs themselves [17]. It should be noted that in defining entrepreneurial failure, it is critical to distinguish between failure and closure. Closure may include voluntary termination for reasons such as retirement, or the pursuit of other more profitable or interesting ventures. These closings are often viewed as active exits rather than failures.

In recent years, scholars have begun to introduce attribution theory to explain entrepreneurial failure [18]. However, different studies have shown that entrepreneurs for failure attribution existence very big difference. For example, Antonio et al (2020) studied small and medium-sized enterprises and found that entrepreneurs believed that internal factors such as lack of strategy and vision, low level of education and insufficient social capital were key factors leading to failure [19]. Zacharakis et al. (1999) conducted a case study on entrepreneurs of 8 failed high-tech companies in the United States, showing that entrepreneurs often believed that internal factors were the main reasons for failure, such as poor management strategies and lack of knowledge and experience in relevant fields [18]. However, the research of Rogoff et al. (2004) shows that small business entrepreneurs tend to blame external factors such as government policies, human resource market and financing for failure [3].

Why do different entrepreneurs attribute failure differently? Previous studies suggest that the attribution of failure is usually influenced by the individual's cognition and attitude [16], as well as the specific social environment [20]. In terms of individual factors, Cardon et al. (1999) believed that entrepreneurs' attribution styles -- helplessness orientation and mastery orientation affect entrepreneurs' attribution to failure [5]. Helpless orientation refers to the tendency of individuals to explain negative events in terms of fairly stable and common factors about themselves (e.g., I am a loser). These entrepreneurs tend to attribute failure to a lack of competence; Master-oriented entrepreneurs tend to attribute negative events to temporary, specific factors outside of themselves (e.g., it's all about bad luck). These entrepreneurs tend to attribute their failures to a lack of effort. In terms of social environment, Shepherd et al. (2011) believe that entrepreneurs' attribution to failure is influenced by social stigma. In order to maintain their self-esteem and avoid being alienated and stigmatized, failed entrepreneurs tend to blame their failure more on external factors [10]. Hamilton (2006) studied the relationship between the sudden death of three organizations in the United States and the loss of legitimacy, and found that when a company loses external legitimacy, it is more likely to suffer bankruptcy and other failures. At this time, entrepreneurs may think that they are less responsible for the failure and blame the failure on the external [7]. Cardon et al. (2011) believe that the influence of community on entrepreneurs' attribution to failure is mainly reflected in stigma, entrepreneurial legitimacy and resource availability. However, how the above factors affect the attribution of entrepreneurial failure has not been specifically expounded [8].

In general, the existing literature on failure attribution does not discuss the influence of failure attribute on entrepreneurs' failure attribution. In fact, a person's behavior or activity is always generated in a specific environment for a specific object, so a person's behavior can be attributed to individual characteristics or environmental factors, but also must consider the characteristics of the activity or behavior object [9]. That is, an individual is likely to do something because of

the nature of the event itself, such as the difficulty, stability, and variability of the event, rather than because of the individual or the environment. For example, if the enterprise is in an industry with a high probability of failure, then the entrepreneur is likely to think that he should not be responsible for the failure [10], and will attribute the failure to the failure attribute. Existing researches have neglected the influence of entrepreneurial failure attribute on entrepreneurial failure attribution, which has become the main gap of entrepreneurial failure attribution research. In addition, the existing research methods on entrepreneurial failure attribution are mostly qualitative analysis, lack of quantitative analysis, which also provides us with research opportunities.

So far, there is still no unified and clear definition of entrepreneurial failure in the research field of entrepreneurial failure. Since entrepreneurs are the most critical human resources in new ventures [21], entrepreneurs are both owners and managers, so it is difficult to separate entrepreneurs from the companies they founded [16]. Therefore, we believe that entrepreneurial failure should include both the entrepreneur's personal failure and the company's failure.

This paper uses the theory of sensemaking as the theoretical basis for the attribution analysis of entrepreneurial failure. Sensemaking refers to the process in which people interpret and give meaning to the information provided by perceived events, individuals or results by browsing, and then create a path map of perceived causes and results [22]. Individuals act on the results of sensemaking. However, not all events that occur will cause making sense. sensemaking will only occur when the contradiction between a person's expectation and his experience is big enough to attract the attention of the individual or group [23]. Entrepreneurial failure is obviously inconsistent with the original intention of entrepreneurship, and brings huge financial and spiritual losses to entrepreneurs [10]. Therefore, entrepreneurial failure events can cause sensemaking.

Attribution is the mechanism through which people explain their own behaviors, others' behaviors and events, and the cognitive process through perception, thinking, inference and other internal information processing activities to confirm the cause of such results based on the results of behaviors or events [18]. People's attributions to events affect their cognitive, emotional and behavioral outcomes of events. This is consistent with the process of making sense, so it is appropriate to use meaning construction to explain entrepreneurial failure attribution.

The most significant feature of sensemaking is retrospection [24]. In the process of making sense of events, the information we are browsing is actually information from the past. For any object outside the body has passed by the time we perceive it, and so the world we perceive is in fact a world of the past. Thus, if memory is defined as a past experience, retrospection is a review of memory. Anything that affects memory will affect the perception of memory, including whether the object itself can be remembered and to what extent it can be remembered. Specifically, in the field of entrepreneurial failure, which factors during the occurrence of

entrepreneurial failure events can be remembered and which factors are more deeply remembered will affect the judgment of entrepreneurs on the causes of failure.

### 3. Research Hypothesis

#### 3.1. Operation Span and Attribution of Previous Firm

Sensemaking theory holds that retrospection is based on past facts. Although the past may be partially forgotten or erased, the results of sensemaking do not distort the facts very much [24]. In other words, in the case of entrepreneurial failure, entrepreneurs make sense of failure based on the nature of the failure event itself. Operation span of failed enterprises is a major attribute of entrepreneurial failure events, because it can reflect the entrepreneur's experience in a specific field and the entrepreneur's belief in his ability.

Entrepreneurship is a process in which entrepreneurs need to face many challenges. A survey conducted by the U.S. Census Bureau indicates that 34% of businesses die within the first two years of establishment, 50% survive for less than four years, and 60% survive for less than six years [25]. This research suggests that on the one hand, starting a business needs to overcome a lot of difficulties to avoid a quick death. On the other hand, it shows that the longer a start-up survives, the more experience it has in successfully overcoming difficulties [25]. With the increase of experience, entrepreneurs will be more confident in their own abilities [26]. In this way, even if entrepreneurs fail, they will blame the failure on factors other than their abilities, such as economic recession and government policy changes, due to their confidence in their own abilities. In contrast, the shorter the business life, the less experience entrepreneurs have in successfully solving problems, the less confident they are in their abilities, and the more likely they are to blame internal factors when analyzing the causes of failure. Therefore, we propose the following hypothesis:

Hypothesis H1: The longer the time span of the failed enterprise is, the more likely the entrepreneur is to blame external factors for the failure. The shorter the duration of a failed enterprise, the more likely the entrepreneur is to blame internal factors for the failure.

Sensemaking theory holds that retrospection is based on past facts. However, when reviewing past events, the situation of the reviewer will affect the reviewer's meaning construction of the event [24]. Specifically, in the field of entrepreneurship, the time span from failure to the present and the operating performance of existing enterprises, will affect entrepreneurs' perception of past failures, and further affect entrepreneurs' explanation of the reasons for past failures [16][27].

#### 3.2. The Time Span from Failure to Present and Failure Attribution

For serial entrepreneurs with failure experience, the shorter the time since the last failure is, the more likely the entrepreneurs are still to be immersed in the emotional trauma brought about by entrepreneurial failure [10][17], such as

grief, remorse, shame and guilt. In this way, entrepreneurs may be critical of their own abilities, placing more of the blame for their failures on themselves; As time goes by, failed entrepreneurs gradually recover from sadness and guilt, and begin to forget negative things and remember more positive things. In this way, the longer the time has elapsed since the failure, the more likely people are to remember events that reflect positively on their abilities, and thus to rate their abilities more positively, and thus to blame external factors more often for failure. Therefore, this paper proposes the following hypothesis:

Hypothesis 2: The time span from failure to present positively moderates the relationship between the operation span of previous failed enterprise and the entrepreneurial failure attribution. In other words, under the same operation span of failed enterprises, the shorter the time span from failure to present is, the more likely entrepreneurs are to blame internal factors for failure, and vice versa.

### 3.3. Current Enterprise Performance and Failure Attribution

Generally speaking, the results of an individual's activities

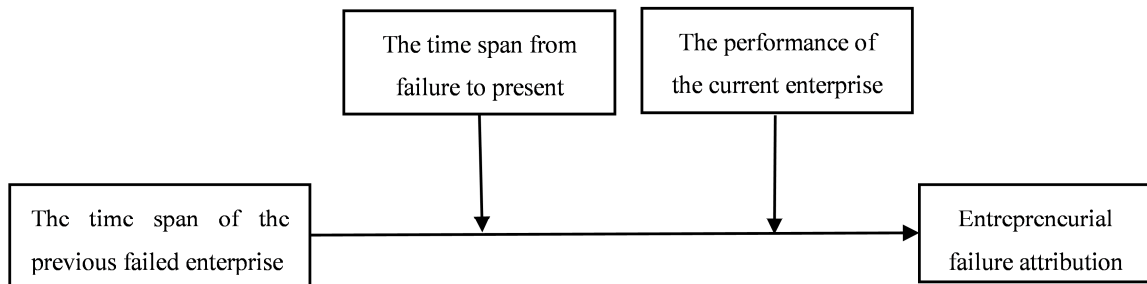


Figure 1. Research framework.

## 4. Sample and Measurement

### 4.1. Sample

The sample data in this paper came from a questionnaire survey of serial entrepreneurs in and around Beijing. According to the Global Entrepreneurship Monitor China report, Beijing is the most developed region in China for

entrepreneurial activity. Based on the questionnaire, we used face-to-face interviews to survey areas with a high number of start-ups and small businesses. The questionnaire was collected from September to December 2012. A total of 300 valid samples were recovered, including 116 samples of entrepreneurs with failure experience, accounting for 38.7% of the total samples. The characteristics of samples are shown in Table 1:

Table 1. The characteristics of samples.

Characteristics		Characteristics	
Gender		No	41.4%
Male	53.4%	Product types of previous enterprises	68.7%
Female	46.6%	Service	90.5%
The average age of entrepreneurs	39.95	Physical object	9.5%
Educational background Primary school	0.0%	The proportion of college graduates in the previous enterprise	14.82%
Junior high school graduates	6.0%	The proportion of trained employees in the previous enterprise	29.38%
Senior high school/specialized secondary school graduates	50.0%	Average fixed asset of the previous enterprise (yuan)	526,100
Junior college graduates	24.1%	Product types of current enterprises	
Bachelor's degree	16.4%	Service	91.4%
Master's degree	3.4%	Physical object	8.6%
Doctorate	0.0%	Average number of employees in the current enterprise	12.6
Industry transformation		The time span of previous failed enterprises (years)	2.66
Yes	58.6%	The time span from failure to present (years)	7.2
		Average sales growth rate over the past three years	19.6%

As can be seen from Table 1, the proportion of male entrepreneurs in the sample is higher than that of female entrepreneurs, 53.4%. The average age of entrepreneurs is 39.95. In the sample, 50% of entrepreneurs have a high school/technical secondary school education, 24.1% have a junior college degree and 16.4% have a bachelor's degree. The last startup product type and the existing enterprise product type are almost all service products, accounting for 90.5% and 91.4% of the sample size respectively. the average number of employees in current enterprises is 12.6. The average fixed assets of the last failed enterprises was 526,100 yuan.

## 4.2. Variables and Measurements

### 4.2.1. The Dependent Variable

Attribution Tendency. We used attributional tendency as the dependent variable. This variable is a 0-1 variable. If the respondent attributed the failure to external factors, they rated it as 1, and if they attributed the failure to internal factors, they rated it as 0.

### 4.2.2. The Independent Variables

The time span of the previous failed enterprise. The value of this variable is represented by the year of failure of the last new venture minus the year of establishment, and the unit is

years.

Current business performance. In this paper, the sales growth rate of the current enterprise in the past three years is used to represent the current enterprise performance. The value of this variable is expressed by the average of the sales growth rate of the current firm over the past three years.

### 4.2.3. Control Variables

In this paper, the basic information of serial entrepreneurs, such as age, gender, education background, and whether the entrepreneur have changed industry in their current enterprise, were used as the control variables. Among them, age is represented by the actual age of the interviewee. Gender (male, 1; Female, 0). Education level (primary school, 1; Junior high school, 2; Senior high school/ specialized secondary school graduates, 3; Junior college graduates, 4; Bachelor's degree, 5; Master's degree, 6; Doctorate, 7; Others, 8). Whether the entrepreneur have changed industry in their current enterprise (yes, 1; No, 0). Last startup product type (services, 1; physical object, 0). The proportion of college graduates of the last company; The proportion of trained employees of the previous enterprise; Product types of the current enterprise (service, 1; physical object, 0); The number of employees of the current enterprise is expressed by the actual number of employees.

Table 2. Correlation test.

	Mean	S. D.	1	2	3	4	5	6
1 Gender	1.47	0.501	1					
2 Age	39.95	9.108	0.169	1				
3 Education background	3.61	0.949	0.054	-0.067	1			
4 Industry transformation	0.59	0.495	-0.198*	0.148	-0.049	1		
5 Product types of previous enterprise	0.91	0.294	0.125	-0.109	-0.102	-0.093	1	
6 The proportion of college graduates in the previous enterprise	14.82	26.842	0.082	-0.144	0.377**	-0.017	0.091	1
7 The proportion of trained employees in the previous enterprise	29.38	39.387	-0.075	-0.029	0.168	0.122	0.092	0.472**
8 The fixed asset of the previous enterprise	1.030	0.622	-0.153	-0.005	0.378**	-0.043	-0.175	0.164
9 Product types of previous enterprises	0.91	0.282	0.102	-0.13	-0.289**	-0.071	0.215*	-0.048
10 The number of employees in the current enterprise	0.764	0.478	-0.093	0.147	0.368**	0.164	-0.079	0.072
11 The time span of the previous failed enterprise	2.66	1.615	-0.052	0.267**	-0.08	-0.002	-0.324**	-0.103
12 The time span from failure to present	7.198	4.635	-0.096	0.523**	-0.129	0.218*	0.001	-0.091
13 Sales growth rate over the past three years	19.573	15.68	-0.057	-0.049	0.001	-0.153	-0.09	0.157
14 Attribution tendency	0.76	0.43	0.042	0.039	0.003	0.058	-0.045	0.134

Table 2. Continued.

	7	8	9	10	11	12	13	14
1 Gender								
2 Age								
3 Education background								
4 Industry transformation								
5 Product types of previous enterprise								
6 The proportion of college graduates in the previous enterprise								
7 The proportion of trained employees in the previous enterprise	1							
8 The fixed asset of the previous enterprise	0.307**	1						
9 Product types of previous enterprises	-0.177	-0.277**	1					
10 The number of employees in the current enterprise	0.193*	0.651**	-0.327**	1				
11 The time span of the previous failed enterprise	-0.132	0.234*	-0.122	0.117	1			
12 The time span from failure to present	0.166	-0.041	-0.253**	0.05	0.081	1		
13 Sales growth rate over the past three years	-0.212*	0.008	-0.008	-0.07	0.098	-0.249**	1	
14 Attribution tendency	-0.082	0.029	-0.101	0.015	0.245**	0.05	-0.128	1

Note: \* indicates a significant correlation at 0.05 level, \*\* indicates a significant correlation at 0.01 level.

## 5. Statistical Results and Analysis

In this paper, the correlation test was carried out and the binary Logistic regression method was used to make an empirical analysis of the model, so as to verify the research hypotheses proposed above.

### 5.1. Correlation Analysis

As shown in Table 2, the correlation coefficients among variables are basically appropriate, and there is no large and highly significant correlation coefficient among independent variables, indicating that there is no obvious collinearity among variables, which can be used for further regression analysis.

### 5.2. Regression Analysis and Discussion

According to the theoretical assumptions constructed in this paper, we performed a stepwise regression. Model 1 investigates the influence of control variables on attribution tendency. Model 2 investigates the influence of control variables and main effects- the time span of the previous failed enterprise on attribution tendency. Model 3 investigates the moderating effect of the time span from failure to present and the sales growth rate of the current firm in the past three years on the relationship between the time span of the previous failed enterprise and attributional tendency.

Table 3. Regression results.

Dependent variable Attribution tendency	Model 1	Model 2	Model 3
Control variables			
Gender	0.307	0.353	0.596
Age	0.005	-0.017	-0.023
Education background	-0.384	-0.474	-0.639†
Industry transformation	0.537	0.467	0.668
Product types of previous enterprise	-0.108	0.441	0.383
The proportion of college graduates in the previous enterprise	0.032*	0.052**	0.057**
The proportion of trained employees in the previous enterprise	-0.016*	-0.023**	-0.025**
The fixed asset of the previous enterprise	0.601	0.319	0.437
Product types of previous enterprises	-1.842	-2.050	-1.696
The number of employees in the current enterprise	-0.421	-0.418	-0.290
The main effect			
The time span of the previous failed enterprise		0.490*	0.518*
The time span from failure to present		0.014	0.061
Sales growth rate over the past three years		-0.050**	-0.042*
The moderating effect			
The time span of the previous failed enterprise*The time span from failure to present			0.072
The time span of the previous failed enterprise* Sales growth rate over the past three years			0.029†
Cox & Snell R Square	0.090	0.201	0.235
F	1.886	2.859	
VIF <sub>max</sub>	2.151	2.324	

Note: \* indicates a significant correlation at 0.05 level, \*\* indicates a significant correlation at 0.01 level.

The collinearity results of the regression analysis show that the VIF value of each variable is less than 3, far less than the critical value of 10, and the tolerance is greater than 0.4, far more than the critical value of 0.1, indicating that there is no obvious collinearity of each variable.

#### 5.2.1. The Time Span of the Previous Failed Enterprise and Attribution Tendency

The regression results show that The time span of the previous failed enterprise had a significant positive effect on attribution tendency ( $b=0.490$ ,  $p<0.05$ , Model 2;  $b=0.518$ ,  $p<0.05$ , Model 3). Hypothesis H1 is verified, that is, the longer the time span of failed enterprises is, the more likely entrepreneurs are to blame external factors for the failure.

The above results indicate that the time span of failed enterprises is the key factor affecting entrepreneurs' failure attribution. In addition to individual or external environmental factors, the attributes of entrepreneurial events themselves also affect entrepreneurs' attributions to failure. If

entrepreneurs are in an industry with a high rate of failure, even though all else is good, it's easy to fail. In this case, entrepreneurs will blame the failure on factors other than his or her ability.

#### 5.2.2. The Moderating Effect of the Time Span from Failure to Present

The results show that the interaction coefficient of the time span of the previous failed enterprise and the time span from failure to present is positive, but does not reach the necessary significance. Hypothesis 2 has not been verified.

#### 5.2.3. The Moderating Effect of the Current Performance

In terms of verifying the moderating effect of the current performance, the results show that the interaction coefficient of the time span of the previous failed enterprise and the sales growth rate of the current firm in the past three years is positive and reaches the necessary significance ( $b=0.029$ ,  $p<0.1$ , Model 3). Hypothesis 3 is verified.

These results indicate that the performance of the current

enterprise can indeed influence entrepreneurs' attribution to failure. The better the current performance of the enterprise, the more positive the evaluation of the entrepreneurs on their own ability, so that when reviewing the previous failure experience, they are more inclined to blame the failure on factors other than their own ability. In other words, the better the current business performance is, the more likely entrepreneurs are to blame external factors for the failure under the same operating span of failed enterprises.

## 6. Conclusion and Discussion

Based on the entrepreneurial practice of Chinese serial entrepreneurs, this paper uses the theory of sensemaking to explain the influence of entrepreneurial failure event attribute on entrepreneurial failure attribution. The results show that the longer the time span of the previous failed enterprise is, the more likely the entrepreneurs are to blame external factors for the failure. Under the same time span of failed enterprises, the better the performance of existing enterprises, the more likely entrepreneurs are to blame external factors for failure.

### 6.1. Theoretical Contribution

The theoretical contribution of this paper mainly includes three aspects. First, we analyze the relationship between entrepreneurial failure event attribute and failure attribution, and actually construct a model of entrepreneurs' psychological cognitive process for entrepreneurial failure based on entrepreneurial failure event. This model is firstly derived from the entrepreneur's perception of failure results. By understanding and giving meaning to the perceived information related to entrepreneurial failure, a relatively clear path diagram of the causes and results of failure is formed, and corresponding failure attribution results are obtained. Although this cognitive model is based on the entrepreneurial background, the conclusion that the implicit event attribute behind it will have an impact on cognition provides a supplement for the development of cognition, thus contributing to individuals' more comprehensive understanding of things.

Secondly, the research conclusions contribute to the theory of entrepreneurial failure. Previous literature on entrepreneurial failure mainly discusses the influence of individuals and external environment on entrepreneurs' attribution of failure, but does not discuss the influence of failure event itself on entrepreneurs' attribution of failure. The empirical results show that the attribute of event does have an impact on the attribution of entrepreneurial failure, that is, the attribute of the behavior object itself affects the individual cognition-attribution, which enriches the theory of entrepreneurial failure attribution.

Finally, this paper contributes to the literature on sensemaking. Making sense becomes an important perspective for understanding and dealing with failure. At present, some studies have begun to use the theory to study entrepreneurial failure. Retrospection is the most important feature of sensemaking, and the factors that affect

retrospection will affect the results of sensemaking. The model of event attribute impact attribution proposed and empirically tested in this paper, in fact, defines the key factors that influence retrospection from the conceptual level, and emphasizes the important role of the attribute of the event itself in the individual's retrospection of the event, thus providing a new perspective for further research on retrospection in the theory of sensemaking.

### 6.2. Limitations and Prospects

There are some limitations in this paper. Firstly, the sample area of this paper is mainly concentrated in Beijing and its surrounding areas, with a sample size of 116. In the future, cross-regional samples will be collected and the sample size will be expanded in order to obtain more convincing conclusions. Secondly, the reasons for the failure of entrepreneurship is varied, the purpose of this article comes from the perspective of the entrepreneur's perception of a failed, it inevitably has a subjective. The future will be further discussed the failure perception of the employees, shareholders in the previous failed enterprise, and the media.

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