

The relationship between learning from failure and the internationalization process

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A study [published](#) in the *European Journal of International Management* has looked into the relationship between learning from failure and the internationalization process in entrepreneurial ventures. The researchers

show a subtle link that perhaps challenges the received wisdom regarding success and failure suggesting that a cyclical process exists where the global expansion of entrepreneurial firms is intricately linked to experiential learning.

Leila Hurmerinta, Niina Nummela, and Eriikka Paavilainen-Mäntymäki of the Turku School of Economics at the University of Turku in Turku, Finland, explain that this process involves a reciprocal transfer, analysis, and internalization of experiential knowledge. Failures within the entrepreneurial landscape act as stimuli whether they are failures of the [entrepreneur](#) themselves or their peers.

Indeed, entrepreneurs play a pivotal role as gatekeepers of [experiential learning](#), absorbing, digesting, and transferring knowledge within their organization to enhance the positive effects of learning from failure. Moreover, contrary to the received wisdom, this research indicates that entrepreneurs need not experience failure personally to gain valuable insights. Failures encountered by peers, other companies in the same industry, or fellow entrepreneurs, even in different sectors, can serve as valuable sources for long-term learning and ultimately help nudge the company towards success.

The team adds that the timing of the learning process regarding failure emerges as a critical factor, with delayed learning leading to reactive as opposed to proactive decisions without sufficient analytical thinking. The work offers a [dynamic model](#) that illustrates the interaction between non-linear internationalization and experiential learning with [feedback loops](#) depicted in the model highlighting how experience might either fuel or inhibit the internationalization process. In this context, the importance of near-failures is also revealed.

By offering a conceptual, theory-based cyclical model, the researchers thus shed light on the role of learning from failure and also suggest new

avenues of exploration for future research where the subjective and context-dependent nature of both success and failure are investigated.

More information: Leila Hurmerinta et al, Boosted by failure Entrepreneurial internationalisation as a cyclical learning process, *European J. of International Management* (2024). [DOI: 10.1504/EJIM.2024.136483](https://doi.org/10.1504/EJIM.2024.136483)

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