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Entrepreneurial Personality Traits and Their Influence on Risk-Taking in Developing Economies

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KEYWORDS
Risk perception, education, financial resources, economic environment, government support, technology and networking.

ABSTRACT
Entrepreneurship plays a significant role in promoting innovation, employment generation, and economic growth, particularly in developing economies where business environments are characterized by uncertainty and resource constraints. The present study examines how entrepreneurial personality traits shape entrepreneurs' willingness to undertake calculated business risks. The study specifically focuses on personality traits such as self-confidence, need for achievement, innovativeness, internal locus of control, and tolerance for ambiguity, while also examining contextual factors including risk perception, education, financial resources, economic environment, government support, technology, networking, and political conditions. The objectives of the study are to identify the dominant entrepreneurial personality traits, examine the factors influencing entrepreneurial risk-taking, and analyse the relationship between personality traits and risk-taking behaviour. Primary data were collected from 150 entrepreneurs using a structured questionnaire and analysed using appropriate statistical techniques. The findings are expected to provide valuable insights for entrepreneurs, policymakers, educators, and business support institutions in developing strategies that strengthen entrepreneurial capabilities and encourage sustainable risk-taking for business growth and economic development. ......

1. INTRODUCTION

Entrepreneurship has emerged as one of the most important drivers of economic development, innovation, employment generation, and social transformation across developing economies. Entrepreneurs play a crucial role in identifying business opportunities, introducing innovative products and services, creating employment opportunities, and contributing to national income. Unlike established organizations, entrepreneurial ventures often operate under conditions of uncertainty, limited financial resources, dynamic market environments, and intense competition. Therefore, entrepreneurs are continuously required to make decisions involving various levels of risk. The willingness to undertake calculated risks distinguishes successful entrepreneurs from those who hesitate to exploit emerging business opportunities..

Risk-taking is widely recognized as one of the fundamental dimensions of entrepreneurial behaviour. It refers to an entrepreneur's ability and willingness to make strategic decisions despite uncertain outcomes. Successful entrepreneurs do not engage in reckless behaviour; instead, they evaluate potential opportunities, estimate possible losses, and make informed decisions that maximize business success. In developing economies, entrepreneurs frequently encounter additional challenges such as unstable economic conditions, inadequate infrastructure, limited access to finance, regulatory complexities, technological gaps, and changing consumer preferences. These challenges make entrepreneurial risk-taking even more critical for business survival and long-term sustainability.

Entrepreneurial personality traits significantly influence how entrepreneurs perceive uncertainty and respond to business challenges. Personality traits are relatively stable psychological characteristics that shape individual behaviour, attitudes, motivations, and decision-making processes. Among the various entrepreneurial personality traits, self-confidence enables entrepreneurs to believe in their abilities and make independent decisions. The need for achievement motivates individuals to pursue excellence and accomplish challenging goals. Innovativeness encourages entrepreneurs to develop creative solutions and exploit emerging market opportunities. Internal locus of control strengthens the belief that business success depends on personal effort rather than external circumstances, while tolerance for ambiguity enables entrepreneurs to remain effective in uncertain and rapidly changing business environments.

In addition to personality characteristics, entrepreneurial risk-taking is influenced by several environmental and institutional factors. Access to financial resources, government policies, entrepreneurial education, networking opportunities, technological advancement, business experience, social support, and political stability significantly affect entrepreneurs' willingness to invest, innovate, and expand their businesses. These factors either strengthen or weaken the relationship between entrepreneurial personality traits and entrepreneurial behaviour.

Developing economies require strong entrepreneurial ecosystems that encourage innovation and sustainable business growth. Understanding how personality traits influence entrepreneurial risk-taking provides valuable insights for policymakers, educators, financial institutions, and entrepreneurship development agencies in designing effective support programmes. The findings of this study will contribute to entrepreneurial literature by explaining the interaction between individual personality characteristics and external business factors. Furthermore, the study offers practical recommendations for strengthening entrepreneurial competencies and creating supportive environments that encourage calculated risk-taking, ultimately contributing to economic development, employment generation, business sustainability, and national competitiveness in developing economies.

Theoretical Background

Entrepreneurship has long been recognized as a key contributor to economic growth, innovation, and employment generation. Several theories explain how entrepreneurial personality traits influence risk-taking behaviour. One of the most influential theories is McClelland's Need for Achievement Theory, which suggests that individuals with a high need for achievement are more likely to become entrepreneurs because they seek challenging goals, personal accomplishment, and continuous improvement. These individuals are willing to undertake calculated risks after carefully evaluating potential outcomes.

Rotter's Locus of Control Theory explains that entrepreneurs with an internal locus of control believe that their success or failure depends primarily on their own efforts, abilities, and decisions rather than external forces such as luck or chance. Such individuals demonstrate greater confidence when making risky business decisions and are more persistent in overcoming business challenges. This personality characteristic encourages proactive decision-making and innovation.

The Big Five Personality Theory also provides a comprehensive explanation of entrepreneurial behaviour. Traits such as openness to experience, conscientiousness, emotional stability, extraversion, and agreeableness influence entrepreneurs' willingness to identify opportunities, manage uncertainty, and build successful business relationships. Entrepreneurs with high openness and conscientiousness are generally more innovative and disciplined, enabling them to make informed risk-taking decisions.

The Theory of Planned Behaviour proposed by Ajzen emphasizes that entrepreneurial intentions and behaviours are influenced by attitudes, subjective norms, and perceived behavioural control. Entrepreneurs who possess positive attitudes toward business opportunities and believe they have the necessary capabilities are more likely to undertake entrepreneurial risks. Their intentions are further strengthened by supportive social environments and favourable institutional conditions.

Schumpeter's Innovation Theory identifies entrepreneurs as innovators who drive economic development by introducing new products, services, technologies, and production methods. Innovation requires entrepreneurs to accept uncertainty and invest in untested opportunities. Consequently, innovativeness becomes one of the most important personality traits influencing entrepreneurial risk-taking.

Prospect Theory, developed by Kahneman and Tversky, explains how individuals evaluate gains and losses under uncertainty. Entrepreneurs often assess the potential benefits and consequences of business decisions before committing resources. Their perception of risk is influenced by previous experiences, available information, financial capacity, and confidence levels. Entrepreneurs with positive personality traits tend to perceive uncertainty as an opportunity rather than a threat.

Collectively, these theoretical perspectives demonstrate that entrepreneurial personality traits significantly influence risk perception, decision-making, innovation, and business performance. In developing economies, where entrepreneurs frequently face financial constraints, institutional challenges, and market uncertainty, these theories provide a strong conceptual foundation for understanding how personality characteristics shape entrepreneurial risk-taking behaviour and contribute to sustainable economic development.

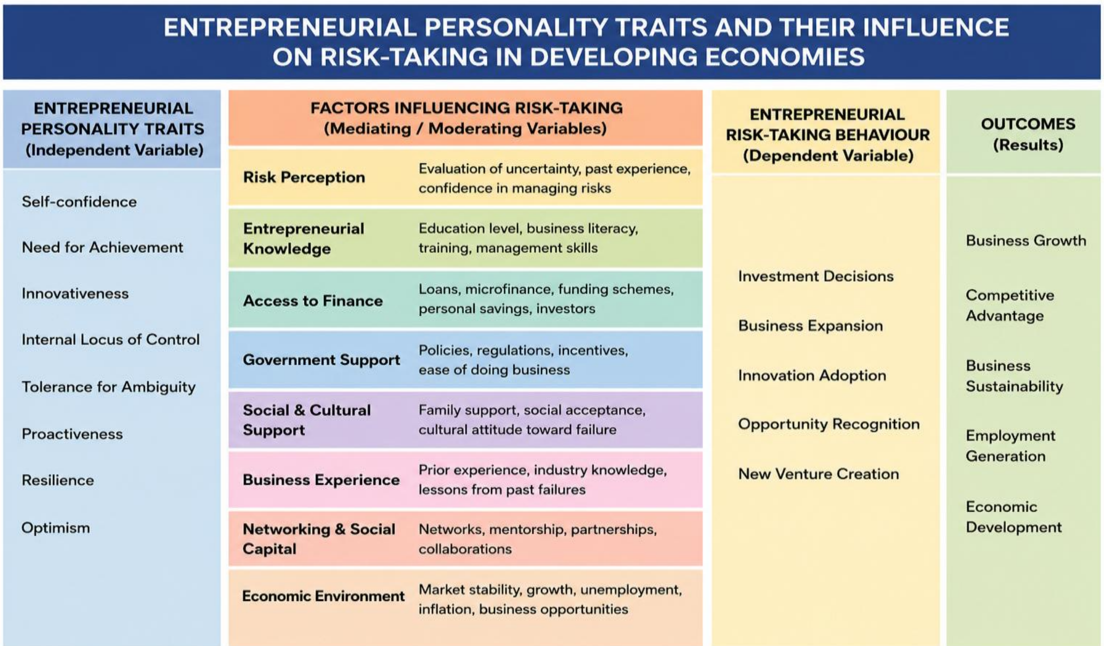
Conceptual framework

1.Entrepreneurial Personality Traits: Entrepreneurial personality traits are the inherent psychological characteristics that shape an entrepreneur's attitudes, decisions, and behaviors in managing a business. These traits determine how individuals identify opportunities, respond to uncertainty, and make strategic decisions under risky conditions. Important traits include self-confidence, need for achievement, innovativeness, internal locus of control, tolerance for ambiguity, proactiveness, resilience, and optimism. Entrepreneurs possessing these characteristics are generally more willing to accept calculated risks and pursue innovative ventures despite uncertain outcomes. In developing economies, strong entrepreneurial personality traits enable business owners to overcome environmental challenges, adapt to changing market conditions, and achieve sustainable business growth.

2. Factors Influencing Risk-Taking: Several external and internal factors influence the relationship between entrepreneurial personality traits and risk-taking behavior. Risk perception affects how entrepreneurs evaluate uncertainty before making decisions. Entrepreneurial knowledge and education improve problem-solving and strategic planning abilities. Access to finance provides the necessary resources for investment and expansion, while government support through favorable policies and incentives encourages entrepreneurship. Social and cultural support from family, mentors, and professional networks strengthens entrepreneurs' confidence. Business experience enhances decision-making through practical learning, whereas economic conditions such as inflation, competition, and market demand significantly influence the level of risk entrepreneurs are willing to undertake.

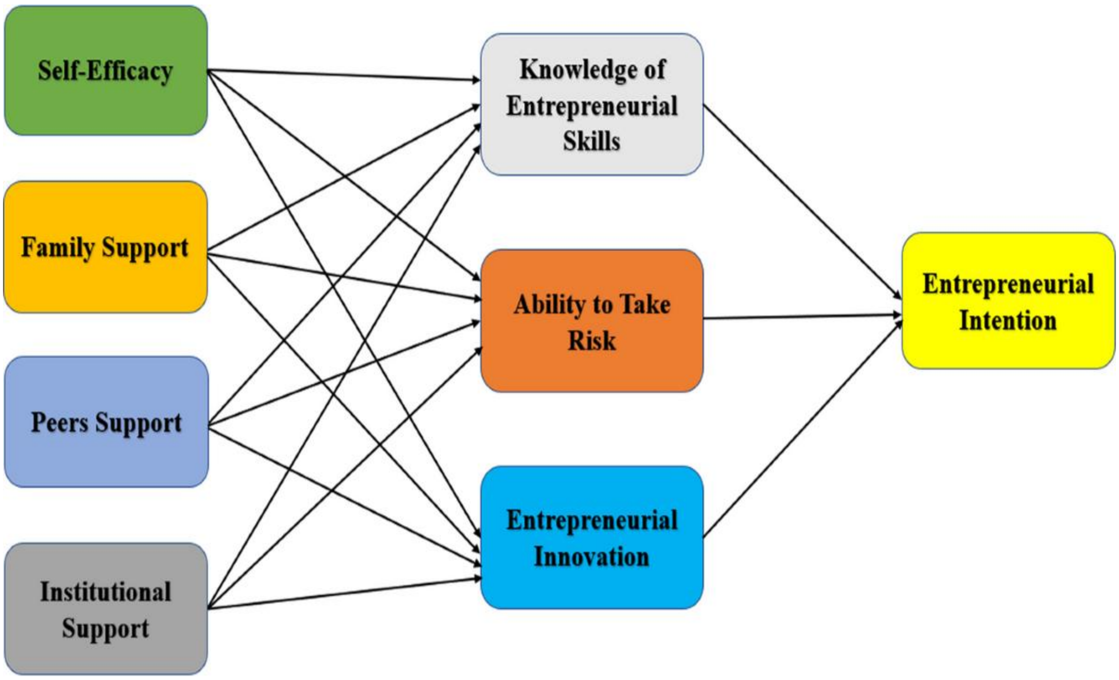
3. Entrepreneurial Risk-Taking Behaviour: Entrepreneurial risk-taking behaviour refers to an entrepreneur's willingness to make business decisions under uncertain conditions while accepting the possibility of financial or operational losses. This behaviour includes investing in new opportunities, expanding business operations, introducing innovative products or services, adopting advanced technologies, and entering competitive markets. Entrepreneurs with strong personality traits and adequate support systems are more likely to engage in calculated risk-taking rather than avoiding uncertainty. In developing economies, effective risk-taking enables entrepreneurs to identify emerging opportunities, improve competitiveness, respond to market changes, and create long-term value, thereby contributing to business success and economic development.

Figure: 1



4. Outcomes: Entrepreneurial risk-taking generates several positive outcomes for both businesses and the broader economy. Businesses that successfully manage calculated risks often experience increased growth, higher profitability, and improved competitive advantage. Innovation and expansion create opportunities for entering new markets and improving customer satisfaction. Sustainable business practices help organizations survive economic fluctuations and changing market conditions. Entrepreneurial activities also generate employment, increase household income, and contribute to regional and national economic development. In developing economies, successful entrepreneurial risk-taking encourages innovation, strengthens industrial growth, attracts investment, reduces unemployment, and enhances overall economic resilience, supporting long-term social and economic progress.

Figure: 2



Factors influncing Entreprenuerial personality traits and their influncen on risk –taking

1. Risk Perception: Risk perception refers to an entrepreneur's ability to identify, evaluate, and respond to uncertainties associated with business decisions. It influences whether entrepreneurs view a situation as an opportunity or a threat. Individuals with a positive perception of risk are more likely to make calculated decisions after assessing potential costs and benefits, whereas those with a negative perception may avoid uncertain opportunities. Factors such as previous business experience, knowledge, financial capacity, and confidence significantly shape risk perception. In developing economies, entrepreneurs often face market volatility, policy changes, and limited resources, making accurate risk assessment essential. Effective risk perception enables entrepreneurs to minimize losses, seize emerging opportunities, allocate resources efficiently, and make strategic decisions that contribute to long-term business sustainability and growth.

2. Education and Entrepreneurial Knowledge: Education and entrepreneurial knowledge provide entrepreneurs with the skills and competencies required to establish, manage, and expand successful businesses. Formal education enhances analytical thinking, financial literacy, communication, and strategic decision-making, while entrepreneurial training develops opportunity recognition, innovation, marketing, and business planning abilities. Entrepreneurs who possess adequate knowledge are better equipped to evaluate risks, solve complex business problems, and adapt to changing market conditions. In developing economies, entrepreneurship education plays a significant role in improving business performance by encouraging innovation and reducing managerial errors. Continuous learning through workshops, mentoring, and professional development strengthen entrepreneurial capabilities and increases confidence in decision-making. Consequently, education and entrepreneurial knowledge positively influence risk-taking behaviour and improve the likelihood of long-term business success.

3. Access to Financial Resources: Access to financial resources is a critical factor that influences entrepreneurial risk-taking and business development. Adequate financial support enables entrepreneurs to invest in new technologies, expand operations, hire skilled employees, and introduce innovative products or services. Financial resources may include personal

savings, commercial bank loans, microfinance institutions, venture capital, government grants, and investor funding. Entrepreneurs with easier access to finance are generally more willing to undertake calculated risks because they possess sufficient capital to manage potential losses and recover from business challenges. In developing economies, financial constraints often limit entrepreneurial growth and discourage innovation. Therefore, improving financial accessibility through supportive lending policies and investment opportunities enhances entrepreneurial confidence, encourages risk-taking, and contributes to sustainable economic development.

4. Economic Environment: The economic environment refers to the overall economic conditions that influence entrepreneurial activities and business performance. Factors such as inflation, interest rates, unemployment, economic growth, purchasing power, and market demand determine the level of opportunities and risks faced by entrepreneurs. A stable and growing economy encourages business investment, innovation, and expansion because entrepreneurs are more confident about future returns. Conversely, economic instability increases uncertainty and discourages risk-taking due to fluctuating costs and unpredictable consumer demand. In developing economies, changing economic conditions significantly affect small and medium enterprises that often operate with limited resources. Entrepreneurs who understand economic trends can make informed strategic decisions, manage financial risks effectively, and adapt their businesses to changing market environments for sustained growth.

5. Government Policies and Institutional Support : Government policies and institutional support play a vital role in encouraging entrepreneurial development and influencing risk-taking behaviour. Supportive policies such as tax incentives, simplified business registration procedures, financial assistance, entrepreneurship development programs, and infrastructure improvements reduce barriers to starting and expanding businesses. Institutions including government agencies, financial organizations, and business development centers provide training, mentoring, funding, and advisory services that strengthen entrepreneurial capabilities. In developing economies, effective government support enhances investor confidence, promotes innovation, and creates a favorable business environment. Conversely, excessive regulations, bureaucratic delays, and policy uncertainty discourage entrepreneurial initiatives and increase business risks. Strong institutional support enables entrepreneurs to operate efficiently, compete effectively, and contribute to economic development and employment generation.

6. Social and Cultural Factors : Social and cultural factors significantly influence entrepreneurial behaviour, attitudes toward risk, and business decision-making. Family support, community encouragement, cultural values, societal norms, and acceptance of entrepreneurship affect an individual's willingness to establish and grow a business. Societies that value innovation, independence, and achievement generally encourage entrepreneurs to take calculated risks and pursue new opportunities. In contrast, cultures with a strong fear of failure may discourage entrepreneurial initiatives. Family members often provide financial assistance, emotional support, and business advice that strengthen entrepreneurial confidence. In developing economies, social networks and cultural traditions shape business practices and influence entrepreneurial motivation. Positive social and cultural environments promote innovation, resilience, business sustainability, and long-term entrepreneurial success.

7. Business Experience: Business experience refers to the practical knowledge and skills entrepreneurs acquire through managing enterprises, working in industries, or participating in previous business ventures. Experienced entrepreneurs are generally more capable of identifying opportunities, solving operational problems, managing resources, and responding effectively to market changes. They develop stronger decision-making abilities because they learn from both successful outcomes and business failures. Experience also improves confidence in evaluating risks and implementing appropriate strategies for business growth. In developing economies, entrepreneurial experience helps individuals overcome institutional challenges, financial constraints, and competitive pressures. Entrepreneurs with extensive business experience are more likely to engage in calculated risk-taking, adopt innovative practices, and achieve sustainable business performance compared to less experienced entrepreneurs.

8. Technology and Innovation: Technology and innovation are essential drivers of entrepreneurial growth and competitive advantage. Technology enables entrepreneurs to improve operational efficiency, reduce production costs, enhance customer service, and expand market reach through digital platforms. Innovation involves introducing new products, services, business models, or processes that create value and satisfy changing customer needs. Entrepreneurs who embrace technology and innovation are generally more willing to take calculated risks because they recognize opportunities for growth and differentiation. In developing economies, technological advancement helps businesses overcome infrastructure limitations and access broader domestic and international markets. Government support, digital literacy, and technological infrastructure further strengthen innovation capabilities. Consequently, technology and innovation significantly enhance entrepreneurial performance, competitiveness, and long-term business sustainability.

9. Networking and Social Capital : Networking and social capital refer to the relationships and connections entrepreneurs establish with customers, suppliers, investors, mentors, industry experts, financial institutions, and business associations. Strong professional networks provide valuable information, market opportunities, financial support, technical expertise, and emotional encouragement that facilitate business growth. Social capital enables entrepreneurs to access resources that

may not be available through formal channels, thereby reducing uncertainty and increasing confidence in business decisions. In developing economies, networking is particularly important because entrepreneurs often rely on personal relationships to secure funding, partnerships, and market access. Effective networking enhances knowledge sharing, collaboration, innovation, and trust, encouraging entrepreneurs to undertake calculated risks and achieve sustainable business success.

10. Political and Legal Environment: The political and legal environment comprises the laws, regulations, governance systems, and political stability that influence entrepreneurial activities. Stable political conditions and transparent legal frameworks create a secure environment for investment, innovation, and business expansion. Laws related to business registration, taxation, labor, intellectual property rights, contract enforcement, and consumer protection provide entrepreneurs with confidence to undertake calculated risks. In contrast, political instability, corruption, inconsistent regulations, and weak legal enforcement increase uncertainty and discourage entrepreneurial investment. In developing economies, efficient governance and effective legal institutions are essential for promoting entrepreneurship and attracting investment. A supportive political and legal environment enhances business confidence, encourages innovation, protects entrepreneurial interests, and contributes to sustainable economic growth.

Research gap

Although previous studies have extensively examined entrepreneurship, innovation, and entrepreneurial success, limited research has simultaneously investigated the relationship between entrepreneurial personality traits and risk-taking behaviour within the context of developing economies. Most existing studies focus on developed countries where institutional support, financial accessibility, and business environments differ considerably from those in developing nations. Furthermore, many researchers have examined individual personality traits independently without considering the combined influence of innovativeness, self-confidence, need for achievement, internal locus of control, and tolerance for ambiguity on entrepreneurial risk-taking. Environmental factors such as government support, financial accessibility, networking, technological advancement, and political conditions have also received insufficient attention as influencing variables. Therefore, there remains a significant need for empirical research that integrates both psychological and contextual factors affecting entrepreneurial risk-taking. This study addresses these research gaps by examining the combined influence of entrepreneurial personality traits and external environmental factors on entrepreneurs' willingness to undertake calculated business risks in developing economies, thereby contributing to entrepreneurship literature and providing practical recommendations for policy formulation and entrepreneurial development.

Importance of the Study

The present study is important because entrepreneurship plays a crucial role in promoting economic development, employment generation, innovation, and poverty reduction in developing economies. Understanding how entrepreneurial personality traits influence risk-taking behaviour provides valuable knowledge for entrepreneurs seeking to improve their decision-making and business performance. The findings will help entrepreneurship educators design training programmes that strengthen essential personality characteristics such as innovativeness, self-confidence, resilience, and achievement motivation. Policymakers can utilize the results to formulate supportive policies that encourage entrepreneurial growth through financial assistance, infrastructure development, and institutional support. Financial institutions and investors may also benefit by understanding the behavioural characteristics associated with successful entrepreneurial risk-taking, thereby improving investment decisions. Furthermore, business incubators and entrepreneurship development agencies can design mentoring programmes that enhance entrepreneurial competencies. Academically, this study contributes to the growing body of entrepreneurship literature by integrating psychological traits with environmental factors influencing entrepreneurial behaviour. Ultimately, the study supports sustainable business development, economic competitiveness, innovation, and long-term entrepreneurial success in developing economies.

Statement of the Problem

Entrepreneurs in developing economies operate in highly uncertain business environments characterized by financial limitations, technological changes, market competition, policy uncertainty, and inadequate institutional support. Despite these challenges, some entrepreneurs successfully identify opportunities and undertake calculated risks, while others remain reluctant to expand or innovate. The difference often lies in individual personality traits that influence entrepreneurial decision-making and risk perception. Although numerous studies have examined entrepreneurship and business performance, limited attention has been given to understanding how specific entrepreneurial personality traits influence risk-taking behaviour within developing economies. Additionally, external factors such as financial accessibility, government support, education, networking, and political stability may strengthen or weaken this relationship, yet these interactions remain insufficiently explored. Consequently, policymakers, educators, and entrepreneurship support institutions lack comprehensive evidence regarding the psychological and environmental factors that encourage entrepreneurial risk-taking. Therefore, the present study seeks to investigate the influence of entrepreneurial personality traits on risk-taking behaviour while considering the role of external contextual factors, thereby providing practical insights for strengthening entrepreneurship and promoting sustainable economic development in developing economies.

Research Methodology

The present study adopted a quantitative research approach to examine the influence of entrepreneurial personality traits on risk-taking behaviour in developing economies. A descriptive research design was employed to obtain a comprehensive understanding of the relationship between personality traits and entrepreneurial decision-making. Primary data were collected using a structured questionnaire designed to measure entrepreneurial personality traits, risk-taking behaviour, and influencing environmental factors. The target population comprised entrepreneurs operating various business enterprises within the selected study area. A sample size of 150 respondents was selected using the convenience sampling technique because it enabled the researcher to collect data efficiently from respondents who were readily accessible. The collected data were coded, classified, and analysed using statistical software. Descriptive statistics, including mean and standard deviation, were used to summarize the data, while inferential statistical techniques such as the one-sample t-test were employed to determine the significance of entrepreneurial personality traits. The findings were interpreted to achieve the research objectives and provide meaningful conclusions and recommendations.

Analysis and Results

The table presents the descriptive statistics for the factors influencing entrepreneurial risk-taking in developing economies. The analysis is based on the mean and standard deviation values of ten key factors that affect entrepreneurs' willingness to undertake business risks. The mean values indicate the overall level of agreement among respondents regarding the importance of each factor, while the standard deviation reflects the consistency of their responses. The results show that all factors obtained mean scores above 3.50, suggesting that respondents generally agreed that these variables significantly influence entrepreneurial risk-taking. Understanding these factors provides valuable insights into the challenges and opportunities faced by entrepreneurs in developing economies and helps policymakers and business support organizations formulate strategies that encourage entrepreneurial growth and innovation.

Table 1

Factors Influencing Entrepreneurial Risk-Taking in Developing Economies

Factors	Mean	Std. Deviation
Risk Perception	3.74	1.004
Education and Entrepreneurial Knowledge	3.67	1.090
Access to Financial Resources	3.90	.825
Economic Environment	3.95	.791
Government Policies and Institutional Support	3.98	.859
Social and Cultural Factors	4.07	.701
Business Experience	3.94	.798
Technology and Innovation	4.03	.770
Networking and Social Capital	4.05	.662
Political and Legal Environment	4.07	.691

The descriptive statistics indicate that respondents perceived social, institutional, technological, and economic factors as important determinants of entrepreneurial risk-taking. Among the factors, Social and Cultural Factors and Political and Legal Environment recorded the highest mean score (4.07), followed closely by Networking and Social Capital (4.05) and Technology and Innovation (4.03). These findings suggest that entrepreneurs place considerable importance on supportive social environments, effective governance, and technological advancement when making risky business decisions. Although Risk Perception (3.74) and Education and Entrepreneurial Knowledge (3.67) received comparatively lower mean scores, they still reflect positive agreement regarding their influence. Overall, the results demonstrate that entrepreneurial risk-taking is shaped by a combination of personal, economic, institutional, and environmental factors in developing economies.

Table 2 presents the descriptive statistics for the entrepreneurial personality traits that influence entrepreneurial behaviour among respondents. The analysis includes the mean score, rank, t-value, and significance level for five major personality traits: self-confidence, need for achievement, innovativeness, internal locus of control, and tolerance for ambiguity. The mean values indicate the relative importance of each personality trait, while the ranking identifies the most dominant characteristics exhibited by entrepreneurs. The t-test results and significance values determine whether the observed mean scores are statistically significant. Since all variables recorded a p-value of 0.000, which is less than the 0.05 significance level, the findings confirm that each personality trait significantly contributes to entrepreneurial behaviour and decision-making.

Table 2: Personality Traits

S.No	Personality Traits	Mean	Rank	t Value	P
1	Self-confidence	18.69	5	33.016	0.000
2	Need for achievement	20.51	3	33.131	0.000
3	Innovativeness	20.62	1	35.294	0.000
4	Internal locus of control	20.53	2	33.453	0.000
5	Tolerance for ambiguity	19.29	4	29.212	0.000

The findings reveal that Innovativeness recorded the highest mean score (20.62) and secured the first rank, indicating that respondents consider innovation the most important entrepreneurial personality trait. This suggests that entrepreneurs in developing economies emphasize creativity, opportunity recognition, and the adoption of new ideas to remain competitive. Internal locus of control ranked second with a mean score of 20.53, demonstrating that entrepreneurs strongly believe their success depends on their own abilities and decisions rather than external circumstances. Need for achievement obtained a mean score of 20.51, ranking third, indicating that respondents possess a strong motivation to accomplish challenging goals and improve business performance. Tolerance for ambiguity ranked fourth with a mean score of 19.29, reflecting entrepreneurs' ability to manage uncertainty and adapt to changing business environments. Self-confidence recorded the lowest mean score (18.69) and ranked fifth, although it still represents an important entrepreneurial characteristic. Furthermore, all personality traits reported highly significant t-values with $p = 0.000$, confirming that each trait significantly influences entrepreneurial behaviour and supports entrepreneurial success.

Implications of the Study

The findings of this study have important theoretical, practical, and policy implications. Theoretically, the research expands existing entrepreneurship literature by demonstrating the relationship between entrepreneurial personality traits and risk-taking behaviour within developing economies. Practically, entrepreneurs can use the findings to understand their behavioural strengths and improve decision-making under uncertain business conditions. Entrepreneurship educators and training institutions can incorporate personality development, innovation, leadership, and risk management into entrepreneurship education programmes. Policymakers can formulate supportive business policies that strengthen entrepreneurial ecosystems through financial assistance, simplified regulations, technological support, and business incubation programmes. Financial institutions may utilize the findings to design entrepreneur-friendly lending policies and evaluate behavioural characteristics during credit assessment. Business support organizations can develop mentoring and networking initiatives that improve entrepreneurial confidence and innovation. Overall, the study contributes to sustainable entrepreneurial development by identifying the psychological and environmental conditions necessary for encouraging responsible entrepreneurial risk-taking and long-term business success.

Recommendations and Suggestions

Based on the findings, entrepreneurs should actively develop personality traits such as innovativeness, self-confidence, resilience, achievement motivation, and tolerance for ambiguity through continuous learning and professional development. Governments should introduce entrepreneur-friendly policies, simplify business regulations, improve infrastructure, and expand financial support programmes to encourage entrepreneurial investment. Financial institutions should provide accessible credit facilities and flexible financing options for small and medium enterprises. Entrepreneurship education should be strengthened by integrating practical business training, innovation management, leadership development, and risk assessment into academic curricula. Business incubators and industry associations should create networking platforms that facilitate knowledge sharing, mentoring, and strategic partnerships among entrepreneurs. Technology adoption should be encouraged through digital literacy programmes and innovation support initiatives. Finally, entrepreneurs should regularly monitor economic conditions, market trends, and legal developments to make informed decisions and undertake calculated business risks that promote sustainable business growth and long-term competitiveness.

2. CONCLUSION

Entrepreneurship remains one of the most significant drivers of economic development, innovation, employment creation, and social progress, particularly within developing economies. The present study examined the influence of entrepreneurial personality traits on risk-taking behaviour and highlighted the importance of both individual characteristics and external environmental factors in shaping entrepreneurial decisions. The findings indicate that personality traits such as innovativeness, internal locus of control, need for achievement, self-confidence, and tolerance for ambiguity significantly influence entrepreneurs' willingness to undertake calculated business risks. Entrepreneurs possessing these characteristics are better equipped to identify business opportunities, adapt to uncertainty, and sustain competitive advantage.

The study also demonstrates that entrepreneurial risk-taking is influenced by contextual factors including financial accessibility, government policies, entrepreneurial education, technological advancement, networking opportunities, business experience, economic conditions, and political stability. These factors collectively create an enabling environment that strengthens entrepreneurial confidence and supports business growth. Therefore, entrepreneurial success cannot be explained solely by personality characteristics; it also depends on the availability of institutional and environmental support.

The research contributes to entrepreneurship literature by integrating psychological and environmental perspectives into a comprehensive framework for understanding entrepreneurial risk-taking in developing economies. The findings provide useful guidance for entrepreneurs, policymakers, educators, financial institutions, and entrepreneurship development agencies seeking to strengthen entrepreneurial ecosystems and promote sustainable economic growth.

In conclusion, developing entrepreneurial personality traits while simultaneously improving external support systems is essential for fostering responsible risk-taking and long-term business success. Governments, educational institutions, financial organizations, and business support agencies should collaborate to create favourable entrepreneurial environments that encourage innovation, resilience, and strategic decision-making. Such collective efforts will enhance entrepreneurial competitiveness, generate employment opportunities, stimulate economic development, and contribute to sustainable national prosperity in developing economies..

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