

The Entrepreneurial- Mindset of Gen-Z and the Vision Viksit Bharat: A Behavioral Economics Analysis

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Abstract

Developing an entrepreneurial mindset i.e. employer-orientation within educational institutions is increasingly acknowledged as essential for preparing students to navigate the complexities and uncertainties of the modern economy. The entrepreneurial mindset involves important qualities like being creative, staying resilient, organizing, taking risks, identifying and selecting opportunities, and solving problems in adaptable ways. However, teaching students how to think like entrepreneurs is not enough. It is also much important to help them understand how their decisions are influenced by psycho-economic factors like attitude, perceptions, believes, cognitive biases, emotions, asymmetry information etc. Therefore, the present study has been undertaken to explore how concepts from behavioral economics can improve the quality of entrepreneurship education and remove the employee-mindset of our Gen-Z by addressing the psychological and behavioral factors that influence entrepreneurial decision-making.

Behavioral economics studies how people really make decisions, often influenced by things like quick thinking, fear of failing, what others think, or being too confident. The integration of entrepreneurship education with behavioral insights creates a stronger foundation for developing future innovators, leaders, and problem-solvers. This integrated approach of entrepreneurial education helps students not just to start businesses, but to become more confident, adaptable, and thoughtful in whatever career path they embark upon in future. In order to understand the importance of behavioral economics in entrepreneurship education is what this study aims at and is based on primary data. The data are collected through a self-structured questionnaire and the data on behavioral economics dimension are collected through different standardized questionnaires. To analyze collected data descriptive statistics such as percentage, averages, correlation and regression analysis have been used to understand the importance of looking at entrepreneurship education through the canvas of behavioral.

Keywords: Entrepreneurship, Behavioral Economics, Psycho-economic Factor, Decision Making

JEL Codes: D90, L29

1. Introduction

An entrepreneur is a person who basically starts a business with innovative or creative idea which might be risky in nature as the new idea could be associated with uncertainty. In order to obtain sustainable success in entrepreneurial journey there are series of traits and skills required. Amidst an era characterized by accelerated technological advancement, economic instability, and shifting labor market demands, the capacity to think and act entrepreneurially has emerged as a critical competency for students across all academic disciplines. Consequently, the country's educational system has started accommodating entrepreneurship development in educational curriculum to prepare

students not only to start a venture but also to grow within the ecosystem of uncertainties and risks with innovative ideas. In this 21st century, a successful entrepreneurial mindset consists of features like innovation, resilience, opportunity recognition, critical thinking, flexibility, adaptability and so on.

The entrepreneurial education was introduced in educational institutions keeping in mind how an individual makes decision rationally. However, the New-classical theories stated that as human beings are associated with qualitative or psycho-economic factors such as emotional intelligence, attitude, perception, identity, cognitive biases etc. often lead to suboptimal solutions, a concept known as bounded rationality. Therefore, the behavioral economics dimension is lacking as far as entrepreneurial decision-making process is concerned in traditional models.

Behavioral economics is the blending of psychology and economics where subjective attributes are playing important role by providing lens to understand how an individual take decision in the environment of complexities and uncertainty. Understanding these behavioral economics dimensions is crucial, particularly for students who are in the journey of developing professional identities and cognitive frameworks. By unmasking students with the psycho-economic dimensions of decision-making, educators can help students to understand their own biases, emotional intelligence, and make more informed and right choices.

Therefore, the present study is undertaken to understand the importance of behavioral economics dimension in the entrepreneurship education through the eyes of students. The study has adopted the qualitative research design to address qualitative attributes like self-control, satisfaction with life, maximization inventory of alternative search and decision difficulty to understand the importance of subjective factors in entrepreneurial learning.

2. Review of Literature:

A number of related literatures have been reviewed to understand the direction, type and consistency of research associated with the application of behavioural economics to entrepreneurship development.

Cui, J. and Bell R. (2022) in their article “Behavioral entrepreneurial mindset: How entrepreneurial education activity impacts entrepreneurial intention and behavior” tried to ascertain how the behavioral entrepreneurial mindset influences the relations between entrepreneurial education activity and entrepreneurial intension. The study was based on primary data collected from 1,428 higher education students in China. The study found that effective entrepreneurial education activity had a positive effect on entrepreneurial behavior, which was partly influence by entrepreneurial intension, and that entrepreneurial education activity positively affected behavioral entrepreneurial mindset. This in turn mediated the relationship between entrepreneurial education activity and entrepreneurial intension.

Rauch, A. and Hulsink, W. (2015) in their paper tried to elaborate the impact of entrepreneurial education on entrepreneurial behavior. This study utilized primary data collected through direct responses from student participants. The study found out that entrepreneurship education was effective. Specifically, students who participated in entrepreneurship education demonstrated increased positive attitudes and perceived behavioral control. The study also suggested that students have higher entrepreneurial intentions at the end of the study program.

Borchers, A. (2011) in his paper “Assessing the Effectiveness of Entrepreneurial Education Programs from a Multi-level Multi-dimensional Perspective with Mental Models” tried to explain a multi-level, multi-dimensional model for assessing entrepreneurial education programs aimed at instilling an entrepreneurial mindset among students. The study stated that the proposed multi-level, multi-dimensional model was considered more empirically testable for examining interactions between students, their teachers, institutional relationships, and the broader society and economy than other approaches.

Marques et al. (2012) in their article “Entrepreneurship education: How psychological, demographic and behavioral factors predict the entrepreneurial intention” tried to examine how psychological, demographic, and behavioral factors predicted entrepreneurial intention. The study was grounded on primary data obtained through self-structured

questionnaire. The study results showed that the entrepreneurial intention (EI) of secondary school students was influenced by demographic, psychological, and behavioral factors.

Ginanjar, A. (2016) in his article “Entrepreneurship Education and Entrepreneurial Intention on Entrepreneurship Behavior: a Case Study” tried to explain the entrepreneurship education experience in the Sharia Banking Program used a combination of theory and practice within one semester. The results of this study showed an increase in the creation of entrepreneurial intention at the end of the course. The findings confirmed that education was an important variable in the development of entrepreneurs through higher education.

Daneshi et al. (2024) in their article “Identifying the Dimensions and Components of the Curriculum Based on Entrepreneurship Education in Secondary School” tried to identify and analyze the key dimensions and components of the curriculum that were aligned with entrepreneurship education in secondary schools. It examined how these elements supported the enhancement of entrepreneurial mindsets, skills, and competencies among secondary schools students. The study found out that the curriculum based on entrepreneurship education in secondary school had 36 concepts, 9 components and 6 dimensions.

3. Research Gap

From the above review of literature, it is clear that the traditional educational curriculum of entrepreneurship development primarily based on rational thinking, emphasizing quantitative analysis and objective decision making. There are less number of studies which have focused on the importance of behavioral economics dimension in the arena of entrepreneurial education. Therefore, the present study is trying to throw lights on the psycho-economic aspects of the issue to understand its importance in the entrepreneurial learning.

4. Statement of the Problem

While adopting qualitative research design to understand the importance of behavioral-economics in entrepreneurial education the present study is an attempt to ascertain the answer of following research questions:

1. How does behavioral economics influence student’s decision making process in the context of entrepreneurial education and learning?
2. What are the key psycho-economic factors influencing student entrepreneurial thinking?

5. Objectives of the Study

The important objectives of the study are:

1. To ascertain the role of behavioral economics in students decision making process in the context of entrepreneurial education.
2. To explore the key psycho-economic factors which are influencing the student entrepreneurial decision.

6. Methodology of the Study

This study is grounded on a qualitative research design to understand the behavioral economics aspects that influence entrepreneurship education. In order to explore the psycho-economic attributes of the students which are expected to shape their entrepreneurial decision the present study is based on primary survey. Original data have been collected directly from the students those who are studying entrepreneurship development as course/s in their educational institutions. A self-structured questionnaire was used to collect data from 100 students and standardized scales with strong psychometric properties like Maximization Inventory, SWLS (Satisfaction with Life Scale) and SCQ (Self-Control Questionnaire) have been used to collect data on behavioral economics angles of the issue. A purposive sampling

method was used to collect data from the participants who were studying entrepreneurship development at the Graduation level. To analyze data descriptive statistics such as percentage, average, regression and correlation analysis have been used to understand the importance of behavioral economics attributes associated with entrepreneurial learning.

7. Data Analysis and Interpretation

7.1 Maximizer and Satisficer in terms of seeking alternative search:

Table no.1

Maximizer and Satisficer in terms of seeking alternative search

Sl. No.	Score	Percentage
1	Less than 24 (Satisficer in terms of seeking alternative search)	Nil
2	25 to 48 (Moderately Maximizer in terms of seeking alternative search)	15%
3	48 & above (Maximizer in terms of seeking alternative search)	85%
N		100

(Source: Compiled from primary data, 2025)

Above table represents the case of the samples being maximizer or satisficer in terms of seeking alternative search among the respondents. From above table it is clear that none of the students scored below 24, indicating that none of the respondents exhibit a satisficing behavior. The higher percentage (85%) of the students are classified as Maximizers, scoring 48 or above. This data suggests that the majority of students demonstrate a maximizing behavior in their decision-making style, particularly when it comes to exploring and comparing multiple alternatives before making a final choice. A subjective analysis of the issue brings forth the reality that most of the Gen-Z youth are in search of maximum pay, perks, benefits, promotions, asset creation, satisfaction, gains and material possessions and like. Maximizers do have an inherent tendency of looking for more than alternatives and that's why they keep on searching for maximum feasible number of alternatives or options which is not only confusing but is also time consuming and most of the time lead them to sub-optimal solutions.

7.2 Decision Difficulty of the Respondents:

Table no.2

Decision Difficulty of the Respondents

Sl. No.	Score	Percentage
1	Less than 24 (Less Decision Difficulty)	4%
2	25 to 48 (Moderately Decision Difficulty)	30%
3	48 & above (High/Very High Decision Difficulty)	66%
N		100

(Source: Compiled from primary data, 2025)

The above table represents the decision difficulty on the part of the respondents where higher percentage (66%) of respondents are facing high decision difficulty and 30% of respondents are facing moderate decision difficulty. This indicates that majority of students find it challenging to make right decisions, possibly due to overthinking, fear of making the wrong choice, or being overwhelmed by too many alternatives. Only 4% of student respondents report low

decision difficulty, indicating that very few respondents feel confident or decisive when making decisions and they are the satisficer.

Therefore, in the context of entrepreneurship education, high decision difficulty may impact students' ability to take initiative, identifying and selecting opportunities, or act under uncertainty. The sample units are exhibiting maximizing tendency along with indecisive attitude in terms of high decision difficulty. It indicates bounded rationality-based choice paralysis and the possibility of sub-optimal solutions as far as the entrepreneurial decision -making is concerned. Seeing in this light we can draw home the point that maximizers seeking large number of alternatives with high decision difficulty do prefers to stay away from taking risky ventures which is why entrepreneurship as a career has not been picking up that quickly and our youth are oriented more towards becoming employees than employers. This status-quo bias has to be tackled at the subjective level otherwise our efforts of seeing more numbers of start-ups initiatives won't be materialized so soon for a Viksit Bharat by 2047.

7.3 SWLS (Satisfaction with Life Scale) of the Respondents:

Table no.3

SWLS (Satisfaction with Life Scale) of the Respondents

Sl. No.	Score	Percentage
1	Less than 15 (not satisfied)	23%
2	15 to 20 (Moderately satisfied)	25%
3	20 & above (Highly Satisfied)	52%
N		100

(Source: Compiled from primary data, 2025)

This table depicts satisfaction with life of the student respondents where 52% respondents are satisfied with life indicating that nearly 50 percent of respondents are unhappy which could be seen in terms of their maximizing behavior—where high expectations and constant comparisons lead to dissatisfaction. In another way status-quo bias does come with happiness of hedonistic type meaning thereby such maximizers run behind temporary pleasure instead of permanent happiness of eudaimonic type.

7.4 Decision Difficulty vs. Maximizer and Satisficer in terms of seeking alternative search

Table no.4

Decision Difficulty vs. Maximizer and Satisficer in terms of seeking alternative search

Level of Decision Difficulty	Maximizer with seeking Alternative Search	Moderately Maximizer with Seeking Alternative Search	Satisficer with Alternative Search
High Decision Difficulty (66)	90%	10%	0%
Moderate Decision Difficulty(30)	76.67%	23.33%	0%
Low Decision Difficulty (4)	50%	50%	0%

(Source: Compiled from primary data, 2025)

The above table represents the interconnections between maximization tendency of youth, their decision difficulty having large number of alternatives as options to choose from. We can draw the following out of the interrelationship as follows-

High Decision Difficulty (66% of total sample):

- A dominant 90% respondents are Maximizers, indicating a strong correlation between high alternative-seeking behavior and greater difficulty in decision-making. A clear case of **choice paralysis** and **sub-optimal solution** in adopting any course of action. Rest of the figures relating to other categories are self-explanatory.
- Only 10% respondents are Moderate Maximizers.
- Satisficers do show the attributes as expected. Hence, satisficers are expected to achieve a state of optimum possible happiness of eudaimonic type.

7.5 Satisfaction with Life vs. Decision Difficulty vs. Maximizer and Satisficer in terms of seeking alternative search

Table no.5

Satisfaction with life vs. Decision Difficulty vs. Maximizer and Satisficer in terms of seeking alternative search

Level of Life Satisfaction	Maximizer with seeking Alternative Search	Moderate Maximizer with seeking Alternative Search	Satisficer with seeking Alternative Search	High Decision Difficulty	Moderate Decision Difficulty	Low Decision Difficulty
Highly Satisfied with life (52)	90.38%	9.62%	0%	61.54%	34.62%	3.84%
Moderately Satisfied with life (25)	76%	24%	0%	76%	16%	8%
Less Satisfied with life (23)	82.61%	17.39%	0%	65.22%	34.78%	0%

(Source: Compiled from primary data, 2025)

Above table encompasses a comparative analysis at different levels of life satisfaction with different degrees of alternative search and decision difficulty. Based on the table, the following key observations can be made:

- Highly satisfied respondents show the highest rate of extreme maximizing tendency (90.38%) and the lowest rate of moderate maximizing (9.62%) with seeking alternative search.
- Moderately satisfied respondents also have a higher percentage of extreme maximizers (76%) and remaining 24% are moderate maximizers with seeking alternative search.
- Less satisfied respondents fall in between, with 82.61% are extreme maximizers and 17.39% are moderate maximizers with seeking alternative search.
- Across all levels of life satisfaction, no respondent is identified as a Satisficer with alternative search. This suggests that respondents who search alternatives heavily are mostly maximizers.
- In case of decision difficulty, across all level of life satisfaction higher percentage of respondents are facing the problem of decision difficulty.
- Highly satisfied individuals are still largely maximizers but slightly less likely to experience extreme decision difficulty compared to moderately satisfied individuals.

7.6 Correlation Analysis between Alternative Search and Decision difficulty

Correlations

		ASS	DDS
ASS	Pearson Correlation	1	.470**
	Sig. (2-tailed)		.000
	N	100	100
DDS	Pearson Correlation	.470**	1
	Sig. (2-tailed)	.000	
	N	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

The above correlation analysis result depicts that a correlation coefficient (r) of 0.470 indicates a moderate positive correlation between Alternative Search and Decision Difficulty of the respondents. This relationship is statistically significant at the 1% level of significance (2-tailed), as $p < 0.001$. The correlation result indicating that as students engaged more in alternative searches, they are more likely to experience difficulty in decision-making, confusion, improper decision and ultimately sub-optimal solution.

7.7 Regression Analysis:

Dependent variable- Decision Difficulty

Independent Variable- Alternative Search

Model Summary^b

		Change Statistics							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Change	Square F Change	df1	df2	Sig. F Change
1	.470 ^a	.221	.213	10.39958	.221	27.792	1	98	.000

a. Predictors: (Constant), ASS

b. Dependent Variable: DDS

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3005.776	1	3005.776	27.792	.000 ^b
	Residual	10598.814	98	108.151		
	Total	13604.590	99			

a. Dependent Variable: DDS

b. Predictors: (Constant), ASS

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	18.144	6.279		2.890	.005
	ASS	.554	.105	.470	5.272	.000

a. Dependent Variable: DDS

From the regression analysis result it can be deduced that the cause-and-effect relationship between Alternative search and Decision Difficulty of respondents — shows a moderate positive relationship. The model explains 22.1% of the variance in decision difficulty. The F-statistic (27.792) with a p-value < .001 confirms that alternative search of the respondents significantly contributes to predicting decision difficulty. Therefore, from the result it can be inferred that the more individuals engage themselves in alternative searches, the more likely they are to experience difficulty in making decisions. It confirms the *choice paralysis* issue in decision-making and the consequent sub-optimal solution with a welfare implication of non-encouraging type.

8. Major Findings of the Study:

Based on the study above and the results derived, the important findings of the study could be summarized as:

- The majority of students demonstrate a maximizing behavior in their decision-making style, particularly when it comes to exploring and comparing multiple alternatives before making a final choice.
- The majority of students find it challenging to make right decisions, possibly due to overthinking, fear of making the wrong choice, or being overwhelmed by too many alternatives and only 4% of student respondents report low decision difficulty, indicating that very few respondents feel confident or decisive when making decisions. Therefore, it is important to introduce behavioral economics dimension in understanding entrepreneurial education which helps them to understand their decision making capacity which is more crucial while making decision in entrepreneurial journey.
- That 52% of respondents report high life satisfaction and the presence of 23% with low satisfaction may be directly related to maximizing behavior with self-control in quantitative sense.
- Across all levels of life satisfaction, none of the respondent is identified as a Satisficer with respect to alternative search. This suggests that respondents who search alternatives heavily are mostly maximizers.
- In case of decision difficulty, across all level of life satisfaction higher percentage of respondents are facing the problem of decision difficulty. Whatever life satisfaction could be seen, it was mainly of hedonistic type, not permanent happiness of eudaimonic category.
- The correlation and regression results vindicate that as students engage more in alternative searching, they are more likely to experience difficulty in decision-making and consequently face choice paralysis and sub-optimal solution to content with. Less interest and efforts for entrepreneurial education and activities among the Gen-Z youth is due to the choice paralysis which is more of a psychological / behavioural issue than anything else.

9. Conclusion

The present study aims to study the critical role of behavioral economics dimensions in shaping entrepreneurial decision-making among students. With the majority of respondents found to be of having maximizing behavior and high decision difficulty, it becomes evident that traditional entrepreneurship education which is largely grounded in *rational choice models* fails to fully capture the psycho-economic factors which are playing important role while making decisions. The positive correlation between alternative search and decision difficulty highlights how over-analysis can hinder action, an unfavorable trait in the entrepreneurial journey. Therefore, integrating behavioral economics into entrepreneurship education is not just beneficial but essential, as it equips students with a deeper awareness of their cognitive biases and emotional intelligence, ultimately fostering more resilient, adaptive, and effective entrepreneurial mindsets. The vision of Viksit Bharat is on the shoulders of the Gen-Z and the goal of achieving an Atmanirbhar Bharat is based more on the attitude component than the knowledge component of our energetic youth. A change in mindset will definitely go a long way in taking our country to the height it truly deserves.

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