ISSN: 2582-7219

International Journal of Multidisciplinary Research in Science, Engineering and Technology

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

Impact Factor: 8.206

Volume 8, Issue 5, May 2025

www.ijmrset.com ijmrset@gmail.com +91 6381 907 438 +91 63819 07438

ISSN: 2582-7219 | www.ijmrset.com | Impact Factor: 8.206| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

Decision Making of Successful Entrepreneurs

Malashri Laxman Bandagar, Prof. Dr. Atul D Newase

PG Student, Dept. of MCA, Anantrao Pawar College of Engineering & Research, Pune, India

HOD, Dept. of MCA, Anantrao Pawar College of Engineering & Research, Pune, India

ABSTRACT: Successful entrepreneurs are characterized by decision-making under uncertainty and high-risk. In documenting what is known about entrepreneurial decision-making we take stock of how they make decisions, take risks, think creatively, experience learning from failure, and apply long-term thinking when planning. Through research, and the biographies of successful and well-known entrepreneurs as case studies, we discover important character traits (e.g. risk-taking, adaptability, strategic thinking, emotional intelligence) to grow successful entrepreneurial ability. Providing an understanding of these variables for entrepreneurial decision-making, may inform anyone who would like to improve their own decision making skills related to entrepreneurship.

KEYWORDS: Entrepreneurship, Decision Making, Risk Management, Strategic Thinking, Innovation, Cognitive Bias, Adaptation.

I. INTRODUCTION

Entrepreneurs are consistently faced with decisions – which product to launch, where to commit limited resources, when to take risks. Decisions are essential because they can define the success or failure of a business. Unlike a secure corporate job, entrepreneurs embrace uncertainty and frequently have to make decisions and choices with less than complete information. Entrepreneurs should therefore live with risk and decisions taking place at a very quick pace. This report investigates how successful entrepreneurs make these critical choices. It examines how they weigh risk, pivot when circumstances alter, and consider both logical and intuitive approaches. By investigating the decision-making habits of successful entrepreneurs, this research shows what is required to be successful in the uncertain business environment. This research provides important information for potential entrepreneurs or anyone wishing to improve their decision-making abilities within uncertain contexts.

II. STUDY PROBLEM

The problem of this study can be formulated in the following questions:

- How do successful entrepreneurs manage risk when making important decisions?
- What factors do they consider before taking big risks?
- How important is intuition when successful entrepreneurs make decisions?
- How do successful entrepreneurs balance their intuition with data and logic?
- Once a successful entrepreneur has been confronted with failure or setbacks, how do they evolve their decision making processes?
- What do they learn from mistakes and how do they adjust for their future decision making?
- What decision-making strategies do entrepreneurs use when faced with uncertainty and limited information?
- How do they handle situations where they don't have all the facts?

III. OBJECTIVE OF THE STUDY

The objective of this research is to investigate how successful entrepreneurs make decisions in uncertain and high-risk scenarios, with the following objectives:

1. Identify the decision-making strategies used by entrepreneurs to succeed; including how they approach risk, the balance between instinct and logic, and how they learn from failure.
2. Understand whether creativity, long-term planning, and adaptability influence the decisions they make leading to sustainable business growth.

3. Investigate the extent that external influences, including collaborative networks, and new information from teams and/or mentors, shape their underlying decision-making process.
4. Identify how successful entrepreneurs navigate common decision-making biases to make objective and informed decisions.

Ultimately, this research aims to help promote practical knowledge for both aspiring entrepreneurs and anyone who wants to improve their decision-making in uncertain business environments.

IV. LITERATURE REVIEW

Decision-making has been a significant area of research in the area of entrepreneurship and there are some important theories and concepts that help to describe how entrepreneurs make decisions in uncertain and stressful situations. This section will review the conceptualizations from the literature so that it serves as a basis for understanding how successful entrepreneurs, as part of a systematic process, approach decision-making.

1. **Rational Decision Making vs. Effectuation**
   Conventional decision-making theories typically mould the process of people making decisions as a relatively step-wise collection of information, examining options, and finally selecting the most logical decision, which is called rational decision-making. In this conceptualization, it is assumed that entrepreneurs engage in data analysis and possess (most of the time) logic for how they make decisions. Although, these traits may be highly valued for many decisions, they are not pervasive in some realities of sendoirta entrepreneurship, which has uncertainty and often times is made with less information. Yet, the effectuation theory of Saras Sarasvathy (2001) is different. Effectuation says successful entrepreneurs often do not set out to establish a deliberate and clear organizational goal or path. Instead, when coined to the role of the person and predetermined goal, they go with what they have. The entrepreneurial decision-making process identifies what they have at the time; maybe their skills, an available resource, financial backing, a social network, relationship capital, public credibility that if mismanaged may become irreparable social capital loss. It is all negotiable, and all that they are embarking on is negotiable. Effectuation is designed to be adaptive and flexible and allows the entrepreneur to manage expectation and process as situations evolve. They not bound to a decision or predetermined plan.

2. **Risk and Risk Tolerance**
   We tend to think of entrepreneurs as risk-takers, but not reckless risk-takers. Research indicates that successful entrepreneurs are risk-takers, but they are also risk managers and mitigators. They weigh risk against return before making decisions with consequences. For example, Elon Musk is a person willing to assume risk (he invested a lot in Tesla and SpaceX), but these entrepreneurial role models do not assume risk for the sake of risk; they collect information, solicit advice and have contingencies to minimize their potential for losses.

3. **Cognitive Biases in Decision Making**
   Human decision making is influenced by cognitive biases, and entrepreneurs are no exception. Some of the more common biases include: - Overconfidence: Successful entrepreneurs will often have extreme confidence in their capabilities as an entrepreneur. They may take on more risk than they need to because of their overconfidence. So while overconfidence can be a driver of innovation, it can also lead to really poor decision making. - Confirmation bias: Successful entrepreneurs can often ignore contradictory evidence and use information that supports their existing beliefs. Successful entrepreneurs find ways to manage these biases. For example, many entrepreneurs surround themselves with diverse teams or collaborators who bring varied perspectives and challenge assumptions, yielding more balanced decision making.

4. **Creativity and Innovation in Decision Making**
   Creativity is very important in the decision-making process of entrepreneurs. Entrepreneurs frequently face problems where there is no clear solution, requiring them to think creatively. Research also indicates that a significant proportion of successful entrepreneurs are creatively innovative, meaning they find novel ways to address a problem or satisfy a customer need. When faced with problems in high uncertainty, creativity in decision-making becomes a necessity rather than an advantage, when conventional decision-making approaches cannot be utilized.

ISSN: 2582-7219 | www.ijmrset.com | Impact Factor: 8.206| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

5. **Learning from failure and flexibility are valuable traits**
   One of the significant traits of successful entrepreneurs is the ability to learn from failure. As opposed to many folks that see failure as a setback, successful entrepreneurs see it as a learning moment. This mentality enables them to better their modifications and decision-making over time. For example, Sara Blakely, the founder of Spanx, shared that her success is contributed significantly to her ability to fail and learn.

6. **Vision for the Future and strategy**
   Successful entrepreneurs plan for the long-term, rather than focusing on short-term profits. They make choices based on long term goals and decisions that focus on sustainable growth rather than success. Jeff Bezos, founder of Amazon.com, is a great example of this, as he early on invested heavily in infrastructure and customer service - even at the expense of short term losses- because he knew it was the path to long term success. This vision aids entrepreneurs to make decisions that facilitate steady and sustained growth int he events of change in the markets.

7. **Collaboration and Networking**
   Entrepreneurs do not make decisions in a vacuum. Many entrepreneurs rely on a variety of external sources for information, opinions, and guidance, including mentors, investors, partners, and team members. Collaborating with others can help provide different perspectives, identify potential blind spots, and enable entrepreneurs to improve their decisions. For instance, the theory of effectuation suggests that entrepreneurs co-create opportunities with their networks so they can share risk, as well as access resources they wouldn't have been able to access on their own.

8. **Overcoming Cognitive Biases**
   Successful entrepreneurs are very aware of their cognitive biases and have ways of overcoming them. They may seek out input from multiple sources, engage in reflective thinking, or employ a formal decision-making process to remain objective and free from bias while reaching a decision. For example, some entrepreneurs make a habit of consciously questioning and challenging their own assumptions and collecting feedback from others as a way of making decisions to manage their bias..

9. **Technology and Data-Driven Decisions**
   Many successful founders are using technology and data to make informed decisions in today's digital world. Data analytics is a powerful tool to give insights about market trends, customer preferences, and business results. That said, data is important, but beyond data, founders will always use their intuition and creativity when facing complex and ambiguous situations where simplistic metrics are not enough.

10. **Emotional Intelligence (EI)**
    Emotional intelligence, or the ability to understand and manage one's emotions and those of others, plays a critical role in entrepreneurial decision making. Entrepreneurs with high EI can navigate stress, handle criticism, and build strong relationships. This allows them to make better decisions, especially in high-pressure situations where emotional control is essential.

V. COGNITIVE MECHANISMS BEHIND ENTREPRENEURIAL DECISION MAKING

Research has turned from examining the personality traits of entrepreneurs to the cognitive processes entrepreneurs go through related to their thinking, or how to think like an entrepreneur. Early studies attempted to identify distinguishing personal characteristics associated with entrepreneurs that allowed them to be more adept in recognizing opportunities (Shaver and Scott, 1991). In essence, these studies did not provide a strong basis for indicating that self-employed individuals are fundamentally different from non-self-employed individuals.

This led researchers to shift focus toward cognitive processes—the idea that entrepreneurs think differently (Baron, 1998). For example, Palich and Bagby (1995) found that while entrepreneurs aren't necessarily bigger risk-takers than others, they tend to see business situations as more filled with opportunities for profit. Entrepreneurs don't ignore risks; they just see them as lower and less frightening compared to how others might perceive them.

ISSN: 2582-7219 | www.ijmrset.com | Impact Factor: 8.206| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

Busenitz and Barney (1997) stated that entrepreneurs used decision heuristics and cognitive biases as shortcuts more than managers. Their view is that without heuristics, many entrepreneurial decisions would never be made. Cognitive biases may facilitate the rapid identification of opportunities, increased confidence in decision making, and limit excessive deliberation. However, they can also lead to poor decisions if entrepreneurs do not think critically about cognitive biases. After all, even the best and brightest can have difficulty overcoming cognitive biases.

Emotional Biases in Entrepreneurial Decision-Making

Most of the theories related to decision-making, and the researchers associated with them, generally put relatively little emphasis on the role of emotion in making decisions. However, Savage (1954) was one of the first people to indicate that emotions, such as regret, could influence if a decision was made. Then, Bell (1982) took emotions it even further by applying it to decision-making in a much more systematic way. The underlying idea is that when people are making decisions, they are thinking about many possible outcomes at once, and this anticipation can create emotional strain on them because of the extreme mental loading (Gilbert and Wilson, 2000). Another area of discussion involves the Affect Infusion Model that was proposed by Forgas (1995). This model indicated that emotions from one particular episode could affect your judgment of a completely separate event; this is called "affect infusion," which is noted to be a central part of the model. Since entrepreneurs usually think "deeply" about any one occurrence or episode, Baron (1998) suggested that their decisions are also quite clearly a function of their emotional state.

Self-Efficacy

Self-efficacy is essentially an individual's belief in their ability to approach challenges and to manage their outcomes (Bandura, 1986). High self-efficacy individuals are generally more likely to see opportunities in situations that other people may consider too costly or risky (Chen et al., 1998). Self-efficacy affects the amount of effort an individual puts into tasks, their persistence in doing tasks, and the way they respond to difficult situations (McCarthy et al., 1993).

Unlike self-esteem, which is relatively stable across situations, self-efficacy can be influenced by the specific situation. However, in some instances, high self-efficacy may lead to a lack of recognition when an actual risk arises, which can cause entrepreneurs to misjudge the likelihood of failure (Brockhaus, 1980). This bias may lead entrepreneurs to poor decision making, whereas they are more likely to believe failure is not a possibility.

Planning Fallacy

The Planning Fallacy is the tendency of people to underestimate how long a project will take or how much they can accomplish in a given time (Baron, 1998). Entrepreneurs are particularly susceptible to the Planning Fallacy because they are in unfamiliar situations, and they may not have enough experience of the situation to reliably estimate how much time and resources they will need. These entrepreneurs can naively overestimate what they think they might be able to achieve because they are take a natural optimistic approach to life (McCarthy et al., 1993) and assume they can do much more than is realistically possible. Of course, the ability to believe they will be successful is vital in the world of entrepreneurship, but excessive optimism can lead to poor planning and ultimately failure.

Overconfidence

Related to the planning fallacy is overconfidence. Overconfidence occurs when entrepreneurs feel that they have a higher likelihood of carrying out the opportunity than the rest of the world experiencing similar circumstances (Zacharakis and Shepherd, 2001). Overconfidence can cause peop0le to make more extreme judgments than either the evidence or their own level of knowledge would justify. Evidence suggests that entrepreneurs demonstrate a higher degree of self-confidence than the general public which can sometimes allow them to take risks without calculating said risk (Levander and Raccuia, 2001). Overconfidence can lead to poor decisions since people unknowingly test the boundaries of their ability.

Attribution Styles

People usually take credit for success (internal causes, such as talent or hard work) while blaming others (external factors, such as bad luck) for failure. This is called a self-serving bias. It can be dangerous for entrepreneurs' decisions, since blaming others for failure can prevent entrepreneurs from learning from their mistakes, which could lead to business failure. Baron (1998) notes that successful entrepreneurs are less likely than unsuccessful entrepreneurs to self-serve.

ISSN: 2582-7219 | www.ijmrset.com | Impact Factor: 8.206| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

The Decision Environment

Businesses operate in an environment filled with different players and forces, such as competitors, government regulations, customer demands, suppliers, taxes, and investors. Each of these elements influences how a company performs by either creating opportunities or presenting challenges (Kotler, 1988). Therefore, companies must make strategic decisions on how to operate in this environment and adapt to its various actors. Strategic planning is mainly about managing interactions with these external forces, and a business owner's ability to handle them is crucial for successful decision-making (Bankova, 1991).

Understanding the Decision Environment

Making responsible choices involves having a clear sense of the environment in which those choices are made. If you do not understand the context of the situation, it may be hard to anticipate what will happen and make a good decision (Messick and Bazerman, 1996). The decision-making environment includes all the relevant information, choices, values and preferences at the time (Harris, 1998).

In an ideal world, decision-makers would have access to all the information and every possible option. However, in reality, information and choices are limited because of two main constraints (Harris, 1998):

1. Time constraint: Decisions often need to be made within a certain time.
2. Effort constraint: There are limits to the manpower, money, and priorities available to gather information or explore all options.

Escalation of Commitment Escalation of commitment refers to the behavior of continuing to invest in the course of action due to emotional or psychological attachment associated with the original decision (Staw, 1977). For instance, an entrepreneur might consider it unwise to abandon a failing product and keep investing additional resources in an equally struggling business. The process seems illogical to outsiders, those who recognize that it is excessive action to justify a failed decision, such as staying with a bad investment or expecting incremental change from a bad decision. The motivation behind escalation of commitment is often linked to justifying the original decision or avoiding a reason to look foolish. An entrepreneur may face overwhelming psychological evidence, due to their owned emotional commitment, that leads to excessive decision making or, what is mean here, escalating their commitment to unacceptable loss (Baron, 1998).

table 1 Psychological and cognitive characteristics of entrepreneurs

Author	*Year*	*Characteristic(s)*
Bandura	1986	self-efficacy
Baron	1998	planning fallacy, attributional styles, escalation of commitment, affect infusion
Bazerman	1999	human cognition
Brockhaus	1980	risk propensity
Busenitz and Barney	1997	overconfidence
Chen, Greene and Crick	1998	self-efficacy
Cooper, Wood and Dunkelberg	1988	growth oriented, independence oriented, craftsman oriented, optimistic
Hofstede	1980	individualism, initiative taking, achievement motivation
Hornaday and Aboud	1971	need for achievement, autonomy, aggression, power, recognition, innovative/ independent
Khatri and Ng	2000	intuitive decision-making
Koen, Markman, Baron and Reilly	2000	misjudgement, cognitive biases
Levander and Raccuia	2001	ADHD syndrome, attention, self-confidence
Low and Macmillan	1988	entrepreneurial cognitive biases
Lyon, Lumpkin and Dess	2000	aggression, pro-activeness, autonomy
McCarthy, Schoorman and Cooper	1993	self-esteem, optimism
McCelland	1967	risk taking, need for achievement
McGrath, MacMillan and Scheineberg	1992	individualism, optimism, risk taking
Mintzberg and Westley	2001	intuitive decision-making
Mullins and Forlani	2000	risk propensity, venture choice, perceptions of risk
Palich and Bagby	1995	risk taking
Schumpeter	1934	Innovation, initiative

© 2025 IJMRSET | Volume 8, Issue 5, May 2025| DOI:10.15680/IJMRSET.2025.0805116

ISSN: 2582-7219 | www.ijmrset.com | Impact Factor: 8.206| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

VI. ENTREPRENEURIAL RISK PROPENSITY

Psychologically, people prefer a world where things are predictable and where they can understand why events happen (Messick and Bazerman, 1996). However, in decision-making, there's always some uncertainty. Knight (1921) argued that making decisions involves accepting uncertainty and taking responsibility for the outcomes. He differentiated between risk (which can be measured, like percentages or rankings) and uncertainty (which cannot be measured, making it impossible to insure against a business decision).

Interestingly, research hasn't found major differences between entrepreneurs and non entrepreneurs when it comes to their willingness to take risks (Brockhaus 1980; Low and MacMillan 1988). Yet, risk-taking continues to be discussed as an important part of understanding entrepreneurial behavior.

Palich and Bagby (1995) stated that entrepreneurs are not so much greater risk takers as they are simply different thinkers. When examining situations of ambiguity and uncertainty, entrepreneurs are better able to process and interpret ambiguous information. As a result, entrepreneurs appear to have a more positive perception of business situations with more opportunities than non-entrepreneurs. Most importantly, Palich and Bagby did not argue that entrepreneurs are more willing to take risks. They argue that entrepreneurs demonstrate greater optimism with certain business ventures due to their different thought patterns and interpretations.

Palich and Bagby's research also illustrated that in the same situation, the entrepreneur sees more strengths, opportunities, and potential gains compared to the non-entrepreneur. In an environment that is increasingly fast-changing and uncertain, this research is particularly salient today.

Mullins and Forlani (2000) also examined the risks involved with entrepreneurial ventures. Their perspective includes an additional dimension, discussing how risk propensity affects an entrepreneur's decisions beyond their perception of risk. Based on their research evidence:

- The more uncertainty around outcomes of a new venture, the greater the perceived risk and therefore less likelihood of funding.
- Entrepreneurs with a higher tolerance for risk see less risk in a new venture.

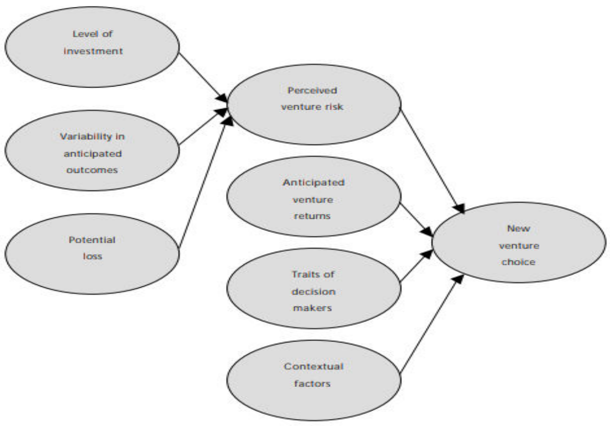

Figure : Conceptual scheme of the entrepreneurial nature with its impact on strategic decision-making

VII. RESULT

1. Entrepreneurial Decision-Making and Cognitive Biases:
   The research demonstrated that entrepreneurs make decisions differently than non-entrepreneurs. One of the strongest points of emphasis was that entrepreneurs' decision making relied heavily on cognitive biases and

ISSN: 2582-7219 |www.ijmrset.com |Impact Factor: 8.206| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

heuristics (mental shortcuts). For example, entrepreneurs seemed to recognize the risk; however, they underestimated the potential negative extremes, and considered the upside potential more closely. This would seem to indicate that business owners are more optimistic and confident when making decisions, which could be the same reason that they are more tolerant of the uncertainty involved in running a business.

2. Impact of Emotional Biases (Affect Infusion):
   Emotional components are also an important part of the entrepreneurial decision-making space. The study showed that entrepreneurs, when making their judgments, are more prone to emotions than 'affect infusion'. When making difficult or uncertain decisions, their emotional state - whether good or bad - colours their perceptions around the business opportunity. In some cases, the entrepreneurs may make riskier decisions because of their exuberance or conservative decisions because of their uncertainty.

3. Self-Efficacy and Confidence:
   The entrepreneur is typically more self-efficacious or has a greater belief in their ability to take on and accomplish their goals. This belief leads to resilience and persistence through difficulties; and their ability to tackle difficult tasks. To be clear, self-efficacy can also lead to overconfidence and excessive positive risk taking---an entrepreneur may not assess a risk correctly or may overvalue their ability to be successful leads them to poor decision-making on occasion.

4. Planning Fallacy and Overconfidence:
   Entrepreneurs are prone to the "planning fallacy," where they underestimate the time and resources needed to complete a project. This is linked to their inherent optimism and belief in success. While confidence is important for driving a venture forward, unrealistic optimism often leads to poor planning, which can result in business failures or missed opportunities.

5. Risk Propensity and Decision Environment:
   The research has shown that entrepreneurs are not bigger risk-takers than everyone else, but rather they interpret indefinitely ambiguous or uncertain business situations more positively. Entrepreneurs tend to categorize uncertain situations in terms of opportunities, focusing on the strengths and gains possible, rather than on risk. This disposition leads entrepreneurs to start new ventures that others could not justify due to the perceived risk.

6. Escalation of Commitment:
   An additional indication of a potentially unproductive style of emotional decision-making for entrepreneurs is their penchant to continue paying attention to decisions, and even take actions that are unsuccessful, out of emotional involvement and willingness to justify past decisions. The escalation of commitments is when people make further monetary investments into very unsuccessful ventures, which could lead to monetary losses.

VIII. RECOMMENDATIONS

1. Balanced Optimism and Risk Awareness: Entrepreneurs should strive for a balance between their optimism and realistic risk assessment. While a positive outlook is crucial for entrepreneurship, acknowledging and managing potential risks early on can prevent significant losses later. Developing methods to regularly reassess risks in business ventures, such as seeking external advice or running financial simulations, can help curb overconfidence.

2. Structured Decision-Making Processes: Entrepreneurs need to rely on structured approaches to management, because doing so will help minimize the effects of emotional biases and cognitive shortcuts. Structured decision-making will focus the entrepreneur's focus on systematic methods, such as combining decision trees with cost-benefit analyses, to lessen the effects of affect infusion, reducing influential decision making based on emotion rather than logic, based on data-driven processes.

3. Regular Review of Planning Assumptions:To counteract the planning fallacy, entrepreneurs should frequently review their planning assumptions and timelines. Implementing milestones and checkpoints for projects will allow for adjustments as needed. It's crucial to involve team members or advisors to provide objective input and help identify overlooked challenges or resource needs.

ISSN: 2582-7219 | www.ijmrset.com | Impact Factor: 8.206| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

4. Awareness of Escalation of Commitment: Entrepreneurs need to be more aware of the dangers of over-committing to a failing strategy or project. Regularly evaluating business performance metrics and being open to course corrections or even abandoning a project can help minimize unnecessary losses. Entrepreneurs should seek external feedback and develop a "pivot mindset" to stay flexible.

5. Risk Management Training: Entrepreneurs can obtain formal training in risk management and decision making under uncertainty. They could take part in workshops, mentorship programs on financial planning, risk assessment and scenario analysis, and it will help them make informed choices and manage the complexities of the unpredictable environment in which they operate.

6. Develop Emotional Intelligence: Entrepreneurs need to work on their emotional intelligence, as this would help them comprehend and regulate their emotional states more effectively when making decisions. Emotional intelligence training will decrease the challenge of taking action as a result of emotional biases and positively impact their interpersonal relationships with their immediate partners, employees, and customers.

IX. CONCLUSION

In conclusion, while entrepreneurial decision making is typically motivated by optimism, confidence, and a distinct perception of risk, combining these innate tendencies with processes and cognizance of cognitive biases can create more sustainable and successful businesses. The literature analyzed illustrates that entrepreneurial decision making is a complicated mix of rational analysis, creativity, risk taking, and adaptable thinking. Furthermore, while uncertainties and cognitive biases are barriers, successful entrepreneurs produce means of mitigating barriers in decision making. In particular, successful entrepreneurs meld logic with intuition, take calculated risks, and learn from their mistakes as well as their successes. Overall, this review provides a basis for examining the entrepreneurial mind-set and will inform future studies into how these mind-sets and strategies can be connected to sustained success.

REFERENCES

[1] **Baron, R.A. (1998)**. Cognitive mechanisms in entrepreneurship: Why and when entrepreneurs think differently than other people. Journal of Business Venturing, 13(4), 275-294.
This paper discusses the cognitive processes and biases that differentiate entrepreneurs from non-entrepreneurs, including decision-making under uncertainty.
[2] **Brockhaus, R.H. (1980)**. Risk-taking propensity of entrepreneurs. Academy of Management Journal, 23(3), 509-520.
A classic study on the risk-taking behaviors of entrepreneurs and how their propensity for risk influences their decision-making.
[3] **Forgas, J.P. (1995).** Mood and judgment: The affect infusion model (AIM). Psychological Bulletin, 117(1), 39-66.
This paper introduces the affect infusion model, which explains how emotional states can influence decision-making, including in entrepreneurial contexts.
[4] **Palich, L.E., & Bagby, D.R. (1995).** Using cognitive theory to explain entrepreneurial risk taking: Challenging conventional wisdom. Journal of Business Venturing, 10(6), 425-438.
This research examines how entrepreneurs categorize and interpret risks differently from non-entrepreneurs, emphasizing cognitive processes rather than simple risk propensity.
[5] **Knight, F.H. (1921)**. Risk, Uncertainty, and Profit. Boston: Houghton Mifflin.
A foundational text that distinguishes between risk (measurable) and uncertainty (immeasurable), particularly in the context of entrepreneurial decision-making.

INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH IN SCIENCE, ENGINEERING AND TECHNOLOGY

| Mobile No: +91-6381907438 | Whatsapp: +91-6381907438 | ijmrset@gmail.com |

www.ijmrset.com