

# Exploring the Youth Entrepreneurial Risk Behaviour from a Cognitive Perspective

Gayathri Ranasinghe  
Saskia de Klerk

## Abstract

Youth entrepreneurship is defined as the recognition of an opportunity to create value, and the process of acting on this opportunity. However, previous studies find that youth fail to capitalize the opportunities even when they are widely available. Furthermore, previous literature supports the relationship between risk behaviour and opportunity identification. Thus, risk behaviour can be considered as a determinant of youth entrepreneurship. However, what determines risk behaviour is not sufficiently discussed in current literature and this paper attempts to address this lacuna. Consequently, based on Individual Opportunity Nexus Theory, firstly, the current researchers conceptualize social networks as a determinant of risk behaviour of entrepreneurs. Secondly, the researchers, drawing from the Social Cognitive Theory argue that cognitive biases mediate the relationship between social networks and risk behaviour. These arguments are presented as a conceptual model with supportive propositions. Finally this paper concludes by providing some direction for the validation of the proposed conceptual model empirically

**Keywords:** Social Networks, Cognitive Biases, Risk Behaviour, Social Network Theory, Social Cognitive Theory, Individual Opportunity Nexus Theory, Youth Entrepreneur, Risk Perception, Risk Propensity.

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**Ms. Gayathri Ranasinghe** is a Senior Lecturer, School of Business, Informatics Institute of Technology, Sri Lanka. E-mail: [gayathri.ranasinghe81@gmail.com](mailto:gayathri.ranasinghe81@gmail.com)

**Dr. Saskia de Klerk** is a Senior Lecturer, School of Business, University of New South Wales, Canberra, Australia. E-mail: [S.DeKlerk@adfa.edu.au](mailto:S.DeKlerk@adfa.edu.au)