

Original Article

Risk-Taking Competency as a Determinant of Entrepreneurial Intentions among Management and Non-Management Graduates in Birendranagar

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Abstract

Risk-taking competency as a major trait influences determines entrepreneurial behavior and success. The study studies the impacts of risk-taking competency that shapes entrepreneurial intentions among management and non-management graduate entrepreneurs in Birendranagar, Surkhet, Karnali Province Nepal. The research was based on both primary and secondary data. The primary data were collected from 30 business firms (15 management background graduates and 15 non-management background graduates), the research adopted a mixed-method approach using structured questionnaires and Likert-scale analysis. The findings of the study reveal that management graduates exhibit relatively higher levels of risk taking competency (mean = 3.4) compared to non-management graduates (mean = 2.7), that simply indicates a stronger inclination toward calculated risk in entrepreneurial decision-making. In addition to this, risk-taking competency found significant entrepreneurial intentions since it enhanced confidence, strategic thinking, and opportunity recognition. The major findings of the study contribute to build knowledge and policy update and implication for curriculum development and training programs of entrepreneurial development in Nepal. The study concludes that management education plays a crucial role to develop risk-taking competency, and then strengthens entrepreneurial intentions.

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Introduction

Entrepreneurship plays a role like backbone in 21st Century of economic development, innovation, and employment generation (Acs et al., 2008; Audrestch, 2007). Risk-taking competency appears as an essential attribute of successful entrepreneurs almost all the competencies that simply shape entrepreneurial mindset and behavior. The desire and willpower of entrepreneurs to take calculated risks certainly enables them in exploiting opportunities, innovate, that finally help to navigate uncertain business environments (Covin & Slevin, 1989; Lumpkin & Dess, 1996).

Many university graduates prefer salaried employment rather than entrepreneurial careers due to uncertainty, limited entrepreneurial competencies, inadequate confidence, and fear of business failure (Kautonen et al., 2015; Nabi et al., 2017). Among various entrepreneurial competencies, risk-taking competency is considered a critical determinant because entrepreneurs must make decisions under uncertain conditions, allocate resources without guaranteed outcomes, and identify opportunities despite potential failures (Mitchelmore & Rowley, 2010; Tehseen & Ramayah, 2015). According to Bird (1989) entrepreneurial intention as the conscious state of mind to direct individuals toward starting a business, is influenced by several psychological and contextual factors. In the same line Ajzen (1991) in the Theory of Planned Behavior asserts that human intention is shaped by attitudes, subjective norms, and perceived behavioral control. Thus, Risk-taking competency directly creates impact and influences the elements to enhance confidence as well as reduce uncertainty.

This study was based in Birendranagar Municipality explored several key of entrepreneurial intents like competencies such as motivation, self-efficacy, creativity, persistence, and risk-taking (Zhao et al., 2005). Based on the

same dataset of the research, this article focuses more closely on risk-taking competency and examines its role in shaping entrepreneurial intentions. In Nepal, entrepreneurship development has received increasing policy attention; however, graduate unemployment, limited business creation, and insufficient entrepreneurial orientation among young graduates remain persistent concerns. Particularly in Karnali Province, where economic opportunities are comparatively limited and entrepreneurial ecosystems are still developing, understanding the factors that encourage graduates toward entrepreneurship is important. Despite the growing interest in entrepreneurial intentions, limited empirical evidence exists regarding how specific entrepreneurial competencies, particularly risk-taking competency, influence entrepreneurial intentions among Nepalese graduates.

Therefore, the central research problem addressed by this study is the limited understanding of whether risk-taking competency differs between management and non-management graduates and how such competency influences entrepreneurial intentions within the Nepalese regional context. Addressing this gap can provide evidence for universities, policymakers, and entrepreneurship development programs to design competency-based interventions for promoting graduate entrepreneurship.

Literature Review

Entrepreneurship literature obviously recognizes the risk-taking competency as an important intent of the person which influences the entrepreneurial mindset, behavior and intention (Rauch & Frese, 2007). There are certainly some levels of uncertainty that individuals are to be exposed and they have to assess as well as manage those risks with consideration rather than just avoiding them.

This review analyzes and summarizes both the theoretical and empirical studies across three closely interrelated areas. First, it examines meaning and nature of risk-taking competency in the field of entrepreneurship. Second, it explores the way this competency influences entrepreneurial intentions. Finally, it takes into account the impact and role of education, more specifically management education to develop risk-taking ability. By synthesizing both the classical and contemporary theories (Ahmed et al., 2022), this review focuses and argues risk-taking is not something to take for granted as well as a personal or behavioral trait rather it can be understood as a learned and strategic capability that plays an important role in entrepreneurial decision-making and the creation of new enterprises.

Theoretical Linkage

The relationship between risk-taking competency and entrepreneurial intention in this study is supported by the Theory of Planned Behavior (TPB), Entrepreneurial Orientation Theory, and Human Capital Theory. According to Ajzen's (1991) Theory of Planned Behavior, entrepreneurial intention is determined by attitude, subjective norms, and perceived behavioral control; in this context, risk-taking competency strengthens perceived behavioral control by increasing individuals' confidence and ability to manage uncertainty, thereby enhancing their intention to engage in entrepreneurship. Similarly, Entrepreneurial Orientation Theory developed by Lumpkin and Dess (1996) identifies risk-taking as a core entrepreneurial dimension, emphasizing that successful entrepreneurs do not engage in reckless behavior but undertake calculated risks based on opportunity evaluation and strategic judgment. Furthermore, Human Capital Theory (Becker, 1964) explains that education and training develop individuals' knowledge, skills, and competencies, suggesting that management education may enhance risk assessment ability and strategic decision-making capacity compared to non-management education. Therefore, integrating these theoretical perspectives, this study assumes that educational background contributes to the development of risk-taking competency, and higher levels of risk-taking competency subsequently strengthen entrepreneurial intentions among graduates.

Risk-Taking Competency in Entrepreneurship

In entrepreneurship, entrepreneurs should not think about avoiding risk nor should not imagine the risk free business and enterprises. It is rather an inherent and indispensable aspects as Schumpeter (1934) highlights innovation and uncertainty as essential aspects of entrepreneurial activity by explaining that entrepreneurs challenge existing market conditions through the process of creative destruction. Furthermore, in the words of Kuratko (2009) successful entrepreneurs are convinced and prepared to take considered risks, carefully considering their time, money and career. This conviction and preparedness bring them to a condition where they are willing to accept calculated risk. This is the distinctive quality of entrepreneurs from conventional mindset and behaviors of managers.

It is a misunderstanding that some people believe risk-taking is just being ready to take risks; it is more than that it possesses the ability to evaluate, manage, and strategically respond to uncertain outcomes (Oli & Kandel, 2025). Entrepreneurship basically incorporates the quality and ability of bearing uncertainty, having the courage to distinguish risk which is measurable uncertainty from true uncertainty which is not measurable. There is the need for and importance

of cognitive judgment in evaluating risks, then move ahead through entrepreneurial decision making to make successful the enterprises (Knight, 1921).

In addition to this, McClelland (1961) put forward that every entrepreneur has to have a high need for successful results; then one has to prefer moderate risks where outcomes are influenced by their own efforts as a distinctive quality of entrepreneurs. Furthermore, effective entrepreneurs are not gamblers; it is more than this. Systematic risk-takers rely on informed decision-making and opportunity analysis (Drucker, 1985).

Risk-taking mindset and activity in entrepreneurship are to be categorized into various dimensions:

- **Financial Risk:** The possibility of losing invested capital or facing liquidity constraints.
- **Market Risk:** Uncertainty regarding customer demand, preferences, and market acceptance.
- **Competitive Risk:** The threat of losing market share due to competitors' actions.
- **Technological Risk:** Risks arising from adopting new technologies or operational disruptions.
- **Credibility Risk:** Challenges in building trust and reputation in the early stages of a venture

Lumpkin and Dess (1996) in addition to these, conceptualized risk-taking as a prime dimension of entrepreneurial orientation, which designates firms with higher risk-taking propensity and they are more likely to pursue innovative and proactive strategies. Furthermore, Sarasvathy (2001) discussed the concept of effectuation, because of which entrepreneurs manage risk via controlling affordable loss rather than predicting uncertain outcomes. The reviewed texts, with reference to Stewart & Roth (2001) conclude that those entrepreneurs who effectively manage those risks are better performers and positioned to achieve competitive advantages; hence innovate continuously and then sustain their ventures even in turbulent situations. The empirical studies of Stewart and Roth (2001) support that risk-taking tendency certainly is closely associated with venture performance and growth. Thus, it is not merely a behavioral trait but a concrete strategic capability which significantly promotes the likelihood of success of entrepreneurial intentions.

Risk-Taking and Entrepreneurial Intentions

The entrepreneurs whose entrepreneurial intention is strongly influenced by their willingness to take risks. Starting a business demands dealing with uncertainty, unclear outcomes and the possibility of failure. Those who are more comfortable and confidence about these risks are simply more likely to considered to have entrepreneurship as a career option (Fayolle et al., 2006). This supports the claim that entrepreneurial intention is not shaped by desire to earn rewards and success rather by an individual's confidence in handling uncertain situations. Therefore, risk-taking propensity plays an important role in developing the mindset needed to take entrepreneurial action.

Entrepreneurial intention according to Shapero and Sokol (1982) depends on three key elements: perceived desirability, perceived feasibility, and propensity to act. This means Risk-taking behavior directly influences all three components. Individuals as entrepreneurs are more comfortable with risk tend to perceive entrepreneurship as more desirable. They furthermore believe in their ability to manage uncertainties. For example, feasibility, and are more likely to act upon opportunities.

This relationship supports behavioral intentions are influenced by attitudes, subjective norms, and perceived behavioral control with reference to The Theory of Planned Behavior stated by Ajzen (1991). The desirable aspects of entrepreneurs are promoted through the risk-taking tendency and competency. Entrepreneurial capabilities are at ease with those who manage, evaluate and respond to risk effectively and systematically. Similarly, Krueger et al. (2000) highlighted that entrepreneurial intentions are moulded by cognitive perceptions, including risk assessment and opportunity assessment.

Risk-taking competency certainly boosts various critical entrepreneurial procedures:

- **The Decision-making capacity and maturity even under uncertainty:** With no doubts the entrepreneurs frequently function in unpredictable contexts, and the ability to make decisions based on the required information despite incomplete information is essential (Busenitz & Barney, 1997).
- **Risk-taking competency lays down opportunity recognition:** Individuals with low risk tolerance cannot enjoy as like higher risk tolerance, who are more likely to identify and exploit opportunities that individuals lacking high risk capacity may overlook due to perceived uncertainty (Shane & Venkataraman, 2000).
- **Risk-taking tendency and capacity enhance strategic innovation:** It encourages entrepreneurs for the experimentation and innovation, enabling entrepreneurs to develop new products, services, and business models (Covin & Slevin, 1991).

Likewise, self-efficacy mediates the relationship between risk-taking propensity and entrepreneurial intentions, as Zhao et al. (2005) found that individuals with higher confidence are more willing to engage in risky entrepreneurial activities. Douglas and Shepherd (2002) also claimed that individuals assess entrepreneurial opportunities rely on risk-return trade-offs, this is a kind of context where higher risk tolerance that increases the higher possibility of choosing self-employment over salaried employment individuals.

For Liñán and Chen (2009) in their empirical evidence indicates that students and graduates having greater exposure to entrepreneurship education tend to develop higher risk-taking propensity. Management education in turn, strengthens their entrepreneurial intentions among the graduates. This highlights the role of education in shaping not only knowledge but also psychological readiness for risk. Therefore, risk-taking competency in this context emerges as a central cause of entrepreneurial intention. It certainly influences the process through which individuals perceive opportunities, evaluate uncertainty, and ultimately decide to engage in entrepreneurial ventures.

Role of Education in Risk-Taking Competency

Entrepreneurship education and training aim to promote real life situations based competencies rather than merely imparting theoretical knowledge. It further focuses on nurturing entrepreneurial mindsets, skills, and behavioral attributes to enable individuals to identify opportunities. It also helps to analyze and manage uncertainty, and create value. Among these competencies, risk-taking competency is significant. It in a straight line creates impacts on entrepreneurial decision-making and venture creation procedures.

Management education plays a crucial role in shaping risk-taking mindset and behavior through equipping students so that they can have required analytical skills, risk assessment techniques and strategic planning abilities:

- **Analytical skills:** It is the ability through which students are able to evaluate business environments, uncertainties, and help them to make informed decisions based on data, evidence and research.
- **Risk assessment techniques:** There are certain tools and frameworks like SWOT analysis, financial forecasting and prediction, and scenario planning that help to evaluate potential risks and returns of the business.
- **Strategic planning abilities:** These abilities provide the skills to design long-term business goals and strategies which incorporate risk-taking for growth and sustainability based on calculation and evaluation.

The mentioned competencies permit individual entrepreneurs to face and deal with risk not as a threat but as a manageable, strategic, and inherent element of entrepreneurship.

Empirical Review

Empirical studies synthesize and recommend that formal higher management and entrepreneurship education positively influences competencies of entrepreneurial. Those competencies are for example include risk-taking as a detrimental driver (Dickson et al., 2008). Entrepreneurship education develops individuals' ability to comprehend properly as well as accurately and helps to evaluate uncertainty; then it increases their confidence so that they can handle risky environments and situations. In addition to this, Gorman, et al. (1997) came with major findings and conclusion that entrepreneurship education develops on a large scale for the enhancement of entrepreneurial skills and attitudes, along with risk-taking propensity. Education promotes individuals' productivity from the development of relevant skills and knowledge from a human capital perspective (Becker, 1964). This is applicable in the context of entrepreneurship as well. Entrepreneurship education transforms into improved capability for the assessment and management of risks effectively. In this regard, Fayolle and Gailly (2004) highlighted that structured and formal entrepreneurship education program powerfully and positively influence the students' perceptions of feasibility and desirability, which are interlinked to risk-taking behavior.

Furthermore, modern entrepreneurship education emphasizes experiential learning approaches such as simulations, business plan development, and venture creation activities (Neck & Greene, 2011). These methods expose students to real-life uncertainties and encourage them to engage in calculated risk-taking. Experiential learning theory supports the idea that learning through experience enhances individuals' ability to deal with complex and uncertain situations (Kolb, 1984). Moreover, research by Von, et al. (2010) reveal the reality that entrepreneurship education increases both awareness of business opportunities and refines individuals' attitudes toward risk, making them more realistic and informed with data, evidence and context. This presupposes that education does not necessarily increase blind risk-taking but promotes calculated, evaluated strategic risk behavior of the individuals.

The management graduates demonstrate higher levels of risk-taking competency compared to non-management graduates, which can be attributed to their exposure to formal education in business and entrepreneurship. This suggests the critical role of education in transforming risk perception from fear-based avoidance to opportunity-driven engagement and interaction-motivated. Thus, based on both theoretical and empirical review it is evident that education serves as a key

enabler in developing risk-taking competency that ultimately strengthens entrepreneurial intentions and enhances venture execution and results.

Methodology

This study implements a mixed-method approach by combining both quantitative and qualitative techniques. A descriptive-explanatory research methodology (Bist & Kandel, 2025) was used to analyze risk-taking competency among entrepreneurs from management and non-management graduates. The study focused on business firms operating within Birendranagar Municipality, Surkhet. A total of 30 firms were selected, including 15 firms managed by graduates with a management education background and 15 firms operated by non-management graduates. Purposive non-random sampling was used to keep an equal number of firms in both groups. This made it easier to compare the risk-taking competency and entrepreneurial intentions of management and non-management graduates. The study used a structured questionnaire to collect the required information from the respondents. Most of the questions were quantitative in nature. However, a few open-ended questions were also included to collect personal views and experiences.

The sample size of this study was determined based on the graduate tracing study reports of selected colleges of Tribhuvan University and Mid-West University, which identified graduates who had established and were actively operating business ventures in Birendranagar. Since the study focused on a specific and relatively limited population of graduate entrepreneurs, a purposive sampling approach was adopted to select respondents who met the criteria of being graduates and engaged in entrepreneurial activities. Accordingly, a total of 30 entrepreneurs, comprising 15 management graduates and 15 non-management graduates, were selected to ensure balanced comparative analysis between the two groups. Although a larger sample is generally preferred in quantitative research, studies involving specialized and difficult-to-access populations may rely on smaller samples when respondents are selected based on specific inclusion criteria (Khanal et al., 2025). The objective of this study is not to provide broad population-level generalization but to explore differences in risk-taking competency and its relationship with entrepreneurial intention among graduate entrepreneurs within the selected context. Therefore, the selected sample provides preliminary empirical evidence while acknowledging the need for future studies with larger samples across wider geographical areas. A five-point Likert scale, ranging from 1 to 5, was used in the questionnaire. It helped to measure the respondents' opinions and attitudes toward risk-taking competency and entrepreneurial behaviour. The open-ended questions allowed them to explain how they deal with risks while managing their businesses. These responses provided some additional understanding that could not be obtained only through fixed questions.

The collected data were analyzed by using simple descriptive statistical methods. Mean values were calculated to find the average responses for the different variables. Percentage analysis was also used to show how the responses were distributed among the participants. These methods made the findings easier to understand and compare. Furthermore, comparative evaluation was conducted between management and non-management graduates to identify differences in risk-taking competency and its influence on entrepreneurial intentions. The sample size in quantitative research only 15. Shows the reason or formula how we can validate. This study followed ethical research principles by obtaining informed consent from all participants before data collection. Respondents were informed about the purpose of the study, voluntary participation, confidentiality, and the use of data only for academic purposes. The anonymity of participants was maintained throughout the research process, and all sources were properly cited to ensure academic integrity and avoid plagiarism.

Results and Analysis

In this research, the Impacts of Management Education in the Development of Entrepreneurial Intentions in Birendranagar Municipality, Surkhet, the third dependent variable was risk-taking. Risks are a fundamental part of being an entrepreneur. Business owners attribute their success to following their instincts in a risky decision, after weighing up the potential benefits. Entrepreneurs who are willing to take risks have an advantage over their competitors because they are ready to move with ever-changing customer demands. Thus, risk-taking is a kind of dare in business. Here, the researcher asked the same statements for Management background and Non-Management background entrepreneur accordingly.

Management Graduates

Risk-taking was examined as the third dependent variable in this study on the impacts of management education on entrepreneurial intention in Birendranagar Municipality, Surkhet. This section summarizes the perceptions, feelings, and experiences of management-background entrepreneurs toward risk-taking behavior before the presentation of the data table.

Table 1. Frequency of Taking Risk

How often do you think risk-taking is essential to get success in your business?	Never		Seldom		Sometimes		Often		Always	
	No	%	No	%	No	%	No	%	No	%
	0	0	4	26.66	5	33.33	4	26.66	2	13.33

Source: Field Survey (2082)

To explore the ways of risk-taking in entrepreneurial practice, the researcher presented four risk management-related statements to management-educated entrepreneurs. The first statement asked, “*How often do you think risk-taking is essential to achieve success in your business?*” Out of the total 15 respondents, 4 (26.6%) reported that risk-taking is seldom essential, 5 (33.3%) indicated sometimes, 4 (26.6%) responded often, and 2 (13.3%) reported always. The mean score of 3.2 shows that most entrepreneurs somewhat agree that taking risks is important for business success. The findings also suggest that entrepreneurs with a management education background are willing to take risks, but only to a moderate extent. They seem to view risk-taking as something that is not always necessary, but can be important in certain business situations.

Table 2: Happiness of Risk-Taking Behaviour in Business

Statements	Not Happy at all		Somehow Happy		Neutral		Happy		Very Happy	
	N	%	N	%	N	%	N	%	N	%
How happy are your risk-taking capacity and tendency in the past for your enterprises?	3	20.0	2	13.33	4	26.66	4	26.66	2	13.33
How happy are you when you realize there was an obligation of taking risk to promote and save your enterprises?	1	6.66	4	26.66	1	6.66	6	40.0	3	20.0

Source: Field Survey (2082)

The second statement was used to understand how satisfied the entrepreneurs were with the risks they had taken in their previous business activities. The responses ranged from not happy at all to very happy. Out of the 15 respondents, 4 respondents (26.6%) said they were happy. The same number, 4 respondents (26.6%), gave a neutral response. Similarly, 2 respondents (13.3%) were somewhat happy, while another 2 respondents (13.3%) were very happy. However, 3 respondents (20%) reported that they were not happy at all with the risks they had taken. The mean score was 3.0, which shows a neutral level of satisfaction. This means that the management-educated entrepreneurs had mixed feelings about their previous risk-taking decisions. Some were satisfied with the results, while others were not. However, the responses show a small tendency toward satisfaction. Under the sub-title *Happiness of Risk-Taking Behavior in Business*, respondents were asked how happy they felt about taking risks in their business activities. Out of 15 respondents, 9 respondents (60%) said they were happy. Another 4 respondents (26.6%) reported that they were somewhat happy. Only 1 respondent (6.6%) remained neutral, while 1 respondent (6.6%) was not happy at all. The mean score of 3.4 shows that the respondents generally had a positive feeling toward risk-taking in business. Most management-educated entrepreneurs appeared to be satisfied with their risk-taking behavior. They may see taking risks as useful in making business decisions and supporting business growth.

Table 3: Importance of Risk Taking

How important is important for an entrepreneur to achieve the goal?	Not important at all		Somehow important		Neutral		Important		Very Important	
	No	%	No	%	No	%	No	%	No	%
	0	0	4	26.66	5	33.33	4	26.66	2	13.33

Source: Field Survey (2082)

Under the sub-title Importance of Risk-Taking, management-educated entrepreneurs were asked how important risk-taking behavior is for achieving business goals. Among the 15 respondents, 4 (26.6%) considered it somewhat

important, while 5 (33.3%) gave a neutral response. The remaining 6 respondents (40.0%) viewed risk-taking as important. The mean score was 3.3, which shows that respondents generally had a positive view toward risk-taking. The findings indicate that many entrepreneurs see risk-taking as an important part of achieving business goals and continuing business growth.

Table 4: Experience of Risk Taking in Business

My experience about risk taking behavior in the past is...	Terrible		Bad		Good		Very good		Excellent	
	No	%	No	%	No	%	No	%	No	%
	0		4	26.66	5	33.33	4	26.66	2	13.33

Source: Field Survey (2082)

Under the sub-title *Experience of Risk-Taking in Business*, the researcher asked management-educated entrepreneurs to evaluate the statement, “*My experience about risk-taking behavior in the past*” Out of the total 15 respondents, 4 (26.6%) reported having a bad experience, 5 (33.3%) indicated a good experience, 4 (26.6%) reported a very good experience, and 2 (13.3%) stated that they had an excellent experience of risk-taking in business. The mean value of 3.3 indicates a generally good experience of risk-taking among management-educated entrepreneurs. This suggests that most respondents hold a positive perception of their past risk-taking behavior and consider it beneficial for their business activities. Furthermore, the overall mean value of all statements under the variable *Risk-Taking for Management-Educated Entrepreneurs* is 3.4, which indicates agreement. This implies that management-educated entrepreneurs generally agree that risk-taking is an important and positive factor in business success and entrepreneurial development.

Non -Management Graduates

Risk-taking was examined as the third dependent variable in this study on the impacts of management education on entrepreneurial intention in Birendranagar Municipality, Surkhet. This section summarizes the perceptions, feelings, and experiences of non-management background entrepreneurs toward risk-taking behavior before the presentation of the data table.

Table 5: Frequency of Taking Risk

How often do you think risk-taking is essential to get success in your business?	Never		Seldom		Sometimes		Often		Always	
	No	%	No	%	No	%	No	%	No	%
	3	20	4	26.66	5	33.33	3	20.0	0	13.33

Source: Field Survey (2082)

To identify the ways of risk-taking behavior, the researcher first presented four different statements related to risk management to entrepreneurs with non-management educational backgrounds. The first question asked was, “*How often do you think risk-taking is essential to achieve success in your business?*” Out of the total 15 respondents, 4 (26.6%) reported *seldom*, 5 (33.3%) reported *sometimes*, 3 (20.0%) reported *often*, and the remaining 3 (20.0%) reported *never*. The mean value of this statement is 2.7, which indicates that non-management background entrepreneurs generally perceive risk-taking as only occasionally essential for achieving business success.

Table 6: Happiness of Risk-Taking Behaviour in Business

Statements	Not Happy at all		Somewhat Happy		Neutral		Happy		Very Happy	
	No	%	No	%	No	%	No	%	No	%
How happy are you from the risk you took in the past for your business?	3	20.0	2	13.33	4	26.66	4	26.66	2	13.33
How happy are you when you have no option of taking risk to promote and save your business?	1	6.66	4	26.66	1	6.66	6	40.0	3	20.0

Source: Field Survey (2082)

Under the second dimension of risk-taking behavior, the researcher examined the level of happiness associated with risk-taking in business among non-management background entrepreneurs. The first question asked was, “*How happy are you*

with the risks you have taken in the past for your business?” The responses were measured using a five-point scale, ranging from not happy at all to very happy. Among the respondents, 4 (26.6%) reported that they were not happy, 3 (20.0%) were somewhat happy, and 5 (33.3%) remained neutral. Similarly, 3 respondents (20.0%) were happy, while 2 (13.3%) were very happy. The mean score was 3.1, which shows a moderate level of satisfaction. This means that the respondents were somewhat satisfied with the risks they had taken in the past, though their level of satisfaction was not very high.

The second question under the same sub-title asked respondents how happy they felt when they had no other option except to take risks to promote and sustain their business. Out of the total respondents, 2 (13.3%) were not happy at all, while 5 (33.3%) were somewhat happy. Another 3 respondents (20.0%) gave a neutral response, and 5 (33.3%) reported that they were happy. The mean value of 2.9 indicates a neutral response, suggesting that most entrepreneurs feel moderate discomfort and are not fully comfortable with unavoidable risk-taking in business.

Table 7: Importance of Risk Taking

How much risk taking behavior is important for an entrepreneur to achieve the goal?	Not important at all		Somehow important		Neutral		Important		Very Important	
	No	%	No	%	No	%	No	%	No	%
	5	33.3	4	26.66	2	13.33	4	26.66	0	0

Source: Field Survey (2082)

Under the subtitle *Importance of Risk-Taking*, the researcher asked entrepreneurs with a management education background the question, “How important is risk-taking behavior for an entrepreneur to achieve business goals?” Out of the 15 respondents, 5 (33.3%) reported *not important*, 4 (26.6%) reported *somehow important*, 2 (13.3%) were *neutral*, and the remaining 4 (26.6%) reported *important*. The mean value of 2.3 indicates a relatively low level of perceived importance, suggesting that most management background entrepreneurs consider risk-taking as only somewhat important for achieving business goals.

Table 8: Experience of Risk Taking in Business

My experience about risk-taking behaviour in the past is...	Terrible		Bad		Good		Very good		Excellent	
	No	%	No	%	No	%	No	%	No	%
	3	20.0	4	26.66	4	26.6	2	13.33	2	13.33

Source: Field Survey (2082)

Under the subtitle *Experience of Risk-Taking in Business*, the researcher asked non-management background entrepreneurs the question, “My experience of risk-taking behavior in the past is...” Out of the total respondents, 3 reported *terrible*, 4 (26.6%) reported *bad*, 4 (26.6%) reported *good*, 2 (13.3%) reported *very good*, and 2 (13.3%) reported *excellent*. The findings show that respondents had mixed views about their past risk-taking experiences in business. Some viewed their experiences positively, while others had negative opinions. The mean score of 2.7 indicates a moderate level of experience, with the responses slightly moving toward a positive view of risk-taking behavior. Overall, the combined mean value of all statements under this variable is 2.7, which reflects a neutral to slightly positive attitude toward risk-taking behavior among non-management background entrepreneurs.

Risk-Taking and Entrepreneurial Intentions

The individuals having higher risk-taking ability tend to exhibit greater confidence that supports business decisions, as they are more comfortable dealing with uncertainty and potential outcomes. This study supported the idea that risk-taking competency plays an important role in entrepreneurial intentions and business behavior. This competency and confidence also develop the innovation mindset. It also promotes the ability that supports to recognize and capitalize on emerging opportunities. In addition to this, risk-taking helps long-term sustainable business by helping individuals to respond with the changing market conditions and make required strategic decisions. This consequently ensure the growth and resilience of a business.

With reference to this study, the management graduates, specifically demonstrated a more impactful orientation toward risk-taking that has positive influences on their entrepreneurial mindset, behavior and respond to the condition being context-specific. They are found as more likely to view and perceive risk as an opportunity rather than a threat.

Furthermore, those entrepreneurs are equipped with the knowledge and analytical skills that are basically required to evaluate and manage it. The exposure of those entrepreneurs to business education permits them to utilise market insights, strategic frameworks, and data-driven approaches in decision-making. Thus, by increasing their likelihood of engagement in entrepreneurial activities and pursuing business expansion and development.

In contrast, the graduates from the non-management background showed the tendency of exhibiting a more cautious and sensitive viewpoint towards risk and risk-taking. They were highly motivated to avoid uncertain contexts and conditions. They rather wished and prioritized the stable conditions of business and the market over growth and expansion. This behavior may hit from limited exposure to entrepreneurial related education and training and formal sessions in strategic decision-making processes. In this way, the intentions of those entrepreneurs were comparatively lower as they are less likely to engage in innovative ventures or take initiatives that involve uncertainty.

Discussion

This study examined the role of risk-taking competency in shaping entrepreneurial intentions among management and non-management graduate entrepreneurs in Birendranagar Municipality, Karnali Province, Nepal. Specifically, the study aimed to assess differences in risk-taking competency between management and non-management graduates and explore how risk-taking competency contributes to entrepreneurial intention. The findings indicate that management graduates demonstrated relatively higher levels of risk-taking competency compared to non-management graduates, suggesting that educational background may influence the development of entrepreneurial capabilities related to uncertainty management, strategic decision-making, and opportunity evaluation.

The higher risk-taking competency observed among management graduates can be explained through the Human Capital Theory (Becker, 1964), which suggests that education enhances individuals' knowledge, skills, and decision-making abilities. Management education provides greater exposure to business planning, financial analysis, marketing strategies, and entrepreneurship-related concepts, which may improve graduates' ability to assess and manage uncertain situations. This finding is consistent with Dickson et al. (2008), who highlighted that entrepreneurship education contributes to the development of entrepreneurial competencies, including risk management capability. Similarly, Fayolle and Gailly (2004) found that entrepreneurship education enhances perceived feasibility and confidence, which are important components of entrepreneurial intention.

The findings further support Entrepreneurial Orientation Theory (Lumpkin & Dess, 1996), which identifies risk-taking as a fundamental dimension of entrepreneurial behavior. However, the study suggests that entrepreneurial risk-taking should not be interpreted as reckless decision-making but rather as a calculated capability involving risk assessment, strategic planning, and informed decision-making. The higher level of structured risk analysis among management graduates indicates that their risk-taking approach may be based on evaluation and planning rather than mere willingness to accept uncertainty. This supports Knight's (1921) argument that entrepreneurs differentiate between measurable risk and uncertainty by applying judgment and information-based decision-making.

The findings also align with the Theory of Planned Behavior (Ajzen, 1991), which explains that entrepreneurial intention is influenced by perceived behavioral control. Individuals who possess stronger risk management abilities are more likely to perceive entrepreneurship as achievable because they have greater confidence in their capacity to handle uncertain outcomes. This relationship is supported by Zhao et al. (2005), who found that entrepreneurial self-efficacy plays an important mediating role in developing entrepreneurial intentions.

However, the difference between management and non-management graduates should not be interpreted solely as the effect of academic discipline. Other factors, such as family business background, prior work experience, access to entrepreneurial networks, financial resources, and individual personality characteristics may also influence risk-taking competency and entrepreneurial intention. The relatively small sample size and concentration of respondents within Birendranagar Municipality limit the generalizability of the findings. Therefore, the results should be interpreted as context-specific evidence rather than representing all graduate entrepreneurs in Nepal.

The findings have important implications for universities, policymakers, and entrepreneurship development institutions. Higher education institutions should focus not only on theoretical business knowledge but also on practical competency development through entrepreneurship training, business simulations, case studies, and experiential learning activities. Such approaches may help students from both management and non-management backgrounds develop confidence, opportunity recognition skills, and the ability to manage entrepreneurial uncertainty. Policymakers in regions

such as Karnali Province may consider strengthening entrepreneurship support programs that enhance graduates' entrepreneurial competencies and encourage venture creation.

Despite its contributions, this study has limitations. The study used a relatively small purposive sample of 30 graduate entrepreneurs from a single geographical area, which restricts statistical generalization. Additionally, the cross-sectional design captures respondents' perceptions at a particular point in time and cannot establish long-term causal relationships. Future research may employ larger samples across different provinces, longitudinal designs, and additional variables such as entrepreneurial education exposure, self-efficacy, access to finance, and entrepreneurial ecosystem support to develop a more comprehensive understanding of graduate entrepreneurship.

Conclusion

This study examined the role of risk-taking competency in shaping entrepreneurial intentions among management and non-management graduate entrepreneurs in Birendranagar Municipality, Karnali Province, Nepal. The findings revealed that management graduates demonstrated higher risk-taking competency (mean = 3.4) compared to non-management graduates (mean = 2.7), indicating greater ability to evaluate uncertainty and undertake calculated entrepreneurial decisions. The study further suggests that risk-taking competency contributes to entrepreneurial intention by strengthening confidence, strategic thinking, and opportunity recognition.

The findings highlight the importance of competency-based entrepreneurship education that develops practical skills for managing uncertainty and making informed business decisions. However, the study's small purposive sample and focus on a single geographical area limit the generalizability of the findings. Future research should include larger samples across diverse regions and examine additional factors such as entrepreneurial education, self-efficacy, financial access, and entrepreneurial ecosystem support to further understand graduate entrepreneurial intentions.

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