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Overcoming Traditional Constraints: Strategies for Fostering an Inclusive Entrepreneurial Ecosystem in Bangladesh

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Abstract

This paper analyses the impact of economic, socio-cultural, and institutional factors on entrepreneurial success in Bangladesh. Primary data from a structured survey with judgmental sampling, factor analysis, and regression models are used to examine these relationships. The findings show that a strong economic climate fosters entrepreneurship, but challenges such as limited access to financing and inadequate infrastructure hinder success. Socio-cultural factors, like traditional family structures and gender roles, significantly restrict women's participation. Institutional support, including policies and organisations, is crucial for success. The study highlights the need for targeted interventions to promote inclusive entrepreneurship. Policymakers should improve access to financing, reduce interest rates, and invest in infrastructure. Promoting gender equality and supportive policies is essential to enhance women's participation and guide entrepreneurs. Creating a conducive entrepreneurial ecosystem in Bangladesh can drive economic growth, reduce poverty, and empower marginalised groups, especially women.

Keywords: Bangladesh, Economic Factors, Entrepreneurship, Institutional Factors, Mindset. Socio-Cultural Factors

JEL Classification: L26, O17, O53, L38, M13, I38

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Introduction

Culture and tradition play a significant role in shaping the entrepreneurial mindset, influencing how individuals perceive and respond to business opportunities, challenges, and risks (Chowdhury, 2024). Previous studies have shown that values such as risk-taking, innovation, and resilience, along with cultural norms like social and business networking, can either facilitate or hinder entrepreneurial activities (Ilevbare *et al.*, 2022). Similarly, factors such as aversion to risk-taking, resistance to change, lack of support for innovation, and

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restrictive social norms can act as barriers to entrepreneurship (Adom and Anambane, 2020).

In developing nations, cultural values and traditions have been observed to foster or impede entrepreneurship. Guerrero *et al.* (2021) found that cultural values emphasising resilience, resourcefulness, and community support contribute to a conducive environment for entrepreneurship, leading to a vibrant entrepreneurial platform. On the contrary, cultural factors like discouraging risk-taking or favouring traditional employment over entrepreneurship can hinder entrepreneurial culture in other developing nations.

To address the gaps in understanding the influence of cultural and traditional factors on entrepreneurship, this study aims to provide a comprehensive analysis of the impact of economic, socio-cultural, and institutional factors on entrepreneurial success in Bangladesh. By examining how these factors shape the entrepreneurial landscape, this research seeks to contribute valuable insights to the field.

While Bangladesh has seen growth in entrepreneurial activities in recent years, driven by various economic, socio-cultural, and institutional factors (Rahman, Howlader & Nayak, 2022), it is essential to delve deeper into the specific dynamics at play. Economic factors, such as access to financing and infrastructure challenges, continue to impact entrepreneurial success in the country (Sarkar *et al.*, 2020). Socio-cultural factors, including traditional gender roles and religious practices, also influence the entrepreneurial mindset and opportunities available to different groups (Liñán *et al.*, 2022). Moreover, institutional factors, such as government policies and support organisations, play a crucial role in either hindering or enhancing entrepreneurial success (Urbano *et al.*, 2020).

By exploring these interrelated factors in the context of Bangladesh, this study aims to provide a nuanced understanding of the challenges and opportunities facing entrepreneurs in the country. Through a thorough analysis of the existing literature, identification of research gaps, and formulation of hypotheses, this research endeavours to contribute to the theoretical narrative on entrepreneurship in the specific context of Bangladesh.

Moving beyond merely contextualising the study within Bangladesh, this research aims to offer broader insights into how cultural values, traditions, and institutional frameworks shape entrepreneurial activities globally. By situating the study within a theoretical framework that transcends geographical boundaries, the findings of this research can contribute to the wider discourse on entrepreneurship and pave the way for future studies in the field.

This paper embarks on a journey to explore the intricate relationship between culture, tradition, and entrepreneurship, with a specific focus on Bangladesh as an empirical context. By analysing the impact of economic, socio-cultural, and institutional factors on entrepreneurial success in Bangladesh, this research aims to offer valuable insights for academia, policymakers, and practitioners in the field.

The subsequent sections of this paper delve deeper into the literature review, research design, findings, conclusions, and recommendations, culminating in a comprehensive analysis of the research objectives outlined in this introduction.

Literature Review

Entrepreneurial Beliefs and Attitudes

Traditional beliefs and attitudes have been acknowledged as influential factors in the success of businesses (Al-Mamary and Alshallaqi, 2022). Entrepreneurs' beliefs and attitudes towards their businesses can shape their actions, decisions, and outlook on success. The role of beliefs and attitudes, particularly the entrepreneurial mindset, in influencing entrepreneurial activities has been underscored (Al Issa, 2022). Entrepreneurs with a positive attitude towards risk-taking and a strong belief in their abilities may be more likely to pursue entrepreneurial activities. Conversely, limiting beliefs and fear of failure can hinder entrepreneurial pursuits. Therefore, understanding the significance of beliefs and attitudes is crucial for fostering entrepreneurial success (Chowdhury & Humaira, 2023).

Cultural Influence on Entrepreneurial Activities

The impact of cultural factors on entrepreneurial activities is undeniable. Cultural expectations and social norms shape the opportunities and challenges faced by entrepreneurs in diverse contexts, including Bangladesh (Rahman *et al.*, 2023). Cultural expectations may influence the types of business ventures considered acceptable, the resources available to entrepreneurs, and the level of societal support. Recognising the cultural context is vital for understanding and promoting entrepreneurship. Additionally, the influence of traditional family structures and religious practices on entrepreneurial activities and strategies has been highlighted (Mio *et al.*, 2020; Van Buren *et al.*, 2020). Understanding how culture shapes entrepreneurial endeavours is essential for entrepreneurs to navigate specific cultural contexts successfully.

Entrepreneurial Satisfaction and Well-being

Examining entrepreneurs' satisfaction with their business success provides insights into their well-being and continued growth. Cultural beliefs and expectations often influence entrepreneurs' perceptions of success and satisfaction with their achievements (Lindblom *et al.*, 2020). Factors such as material wealth, community well-being, and social impact can influence entrepreneurs' satisfaction levels. Understanding these factors is crucial for promoting entrepreneurs' well-being and sustained growth.

Impact of Family Structures and Gender Roles

Traditional family structures and gender roles play significant roles in shaping entrepreneurial opportunities and success. Familial obligations and gender expectations can present unique challenges for entrepreneurs, especially in societies where traditional roles are predominant (Aldrich *et al.*, 2021). Recognising and overcoming these barriers are essential for promoting gender equality and empowering entrepreneurs, particularly women.

Influence of Cultural Practices on Entrepreneurship

Cultural practices and traditions can either hinder or promote entrepreneurship based on their alignment with entrepreneurial values and practices. Understanding the dynamics between culture and entrepreneurship is essential for identifying barriers and opportunities for

entrepreneurs and developing strategies to leverage cultural practices in driving success and sustainability (Chowdhury *et al*., 2022; Azeem *et al*., 2021). Family networks and connections also play crucial roles in the entrepreneurial journey, providing access to resources, knowledge, and support (Kampouri *et al.,* 2017). Recognising and understanding these networks is vital for entrepreneurs seeking to thrive in their business endeavours.

Policy Implications and Stakeholder Roles

Policymakers and support organisations have essential roles in addressing challenges and creating opportunities for entrepreneurs (Veleva, 2021). Government policies and support programs can influence the entrepreneurial ecosystem by providing funding, mentorship, and regulatory frameworks. Collaboration between stakeholders, including policymakers, support organisations, and entrepreneurs, is crucial for fostering an enabling environment for entrepreneurial success.

While existing research provides insights into the influence of economic, socio-cultural, and institutional factors on entrepreneurship, there is a research gap in understanding these factors within the specific context of Bangladesh. Future research should focus on exploring the unique challenges and opportunities faced by entrepreneurs in Bangladesh, considering the country's cultural and institutional landscape. This research will contribute to a holistic understanding of entrepreneurship in Bangladesh and inform strategies to support and empower entrepreneurs in the region.

Conceptual Framework

This framework examines independent variables impacting entrepreneurship in Bangladesh, including economic, socio-cultural, and institutional factors. Economic factors like success rates and satisfaction drive entrepreneurship. Positive beliefs, cultural context, supportive family structures, and gender equality influence entrepreneurship development. Institutionally, favourable policies and support organisations promote entrepreneurship. The dependent variable is the entrepreneurial mindset, shaped by a combination of these factors. Favourable conditions enhance the mindset and entrepreneurship, while unfavourable conditions hinder development.

Independent Variables

Economic Factors

The success rate of business strategies is an important independent variable in understanding the development of entrepreneurship. If entrepreneurs consistently experience high success rates in their business endeavours, they are more likely to have increased confidence and motivation to pursue entrepreneurial activities (Baciu *et al*., 2020). This can contribute to the growth and development of entrepreneurship. Conversely, if entrepreneurs face constant failure and low success rates, it may discourage them from continuing their entrepreneurial ventures and hinder the development of entrepreneurship.

Satisfaction with business success is another economic factor that can impact the development of entrepreneurship. Entrepreneurs who are satisfied with their achievements are more likely to continue and expand their ventures. Their satisfaction can lead to further investment, job creation, and innovation, contributing to the growth of entrepreneurship in Bangladesh. However, if entrepreneurs are dissatisfied with their business success, it may result in



Figure 1. Factors Influencing Entrepreneurial Mindset.

reduced motivation and limited growth in the entrepreneurial sector. Thus, the first hypothesis is:

Hypothesis 1: Economic factors such as business strategies, satisfaction level with financial performance, and enhanced entrepreneurial success

Socio-Cultural Factors

Beliefs and attitudes towards entrepreneurship play a pivotal role in shaping the development of entrepreneurship. Positive beliefs and attitudes can enhance the perception of entrepreneurship as a desirable career option. If there is widespread positivity and support for entrepreneurship in society, individuals are more likely to consider it as a viable option and pursue entrepreneurial endeavours. Conversely, negative beliefs and attitudes can discourage individuals from exploring entrepreneurship, hindering its development.

The cultural context, including norms, values, and practices, in Bangladesh can have a significant impact on entrepreneurship. Different cultural perspectives towards risk-taking, innovation, and business ownership can either promote or hinder entrepreneurial activities. If the cultural context encourages risk-taking and innovation, it can create a conducive environment for entrepreneurship to flourish. However, if cultural practices discourage risk-taking or impose limitations on certain groups based on caste or religious practices, it can hinder entrepreneurial opportunities in the country (Akther and Nur, 2022).

Traditional family structures also play a crucial role in the development of entrepreneurship in Bangladesh. Supportive family structures can provide entrepreneurs with financial support, networks, and resources, thereby enhancing entrepreneurship. On the other hand, inhibitive family structures may discourage or limit entrepreneurial endeavours, hindering the growth of entrepreneurship in the country.

Gender roles and expectations are important socio-cultural factors that can impact entrepreneurship in Bangladesh. If there are gender disparities and restrictions that limit

female participation in entrepreneurship, it hampers the development of entrepreneurship. Promoting gender equality and providing equal opportunities for men and women can enhance entrepreneurship and contribute to its growth.

Religious and caste-based practices can also influence entrepreneurship in Bangladesh. Certain religious or caste groups may face barriers or discrimination that hinder their entrepreneurial opportunities. Overcoming these religious or caste-based practices and ensuring equal access to entrepreneurial opportunities can promote the development of entrepreneurship.

Cultural practices and traditions can have varying impacts on entrepreneurship. Cultural practices that value and encourage entrepreneurship can enhance its development, while practices that discourage risk-taking and innovation can hinder it. Understanding and leveraging cultural practices can have a positive impact on entrepreneurial success in Bangladesh.

Family networks and connections can be influential factors in the development of entrepreneurship. Strong family networks can provide entrepreneurs with resources, advice, and support, thereby enhancing entrepreneurship. Family networks can also serve as a valuable source of social capital, facilitating access to funding and business opportunities.

Decision-making processes within Bangladeshi society can impact entrepreneurship. If decision-making processes are centralised and restrictive, it can hinder entrepreneurial opportunities and the development of entrepreneurship. Creating a more decentralised and open decision-making environment can promote entrepreneurship.

The extent to which entrepreneurs in Bangladesh leverage cultural practices and traditions to enhance their entrepreneurial activities can impact their success. If entrepreneurs effectively leverage cultural practices, it can positively impact their entrepreneurial endeavours, leading to increased growth and development of entrepreneurship.

Restrictions on female entrepreneurs can significantly hinder the development of entrepreneurship in Bangladesh. It is essential to identify and address the specific limitations and challenges faced by female entrepreneurs to promote gender equality and create an inclusive business ecosystem.

The influence of customs on business operations is another socio-cultural factor that can impact entrepreneurship. If customs and traditions limit innovation, competition, or foreign partnerships, it can hinder the development of entrepreneurship. Creating an environment that fosters innovation, competition, and international collaboration can support the growth of entrepreneurship in Bangladesh. Therefore, this study sets the following second hypothesis:

Hypothesis 2: Socio-cultural factors positively influence entrepreneurial success

Institutional Factor

Policy and support organisations are vital institutional factors that can enhance the development of entrepreneurship. The presence of favourable policies and effective support organisations can provide resources, mentoring, and funding opportunities to

entrepreneurs. Well-designed policies and supportive organisations can create an enabling environment for entrepreneurship to thrive, leading to its growth and development (Urbano *et al.*, 2020). In this circumstance, we can develop the third hypothesis as below:

Hypothesis 3: Institutional factors accelerate entrepreneurial success

Dependent Variable

The dependent variable in this framework is the entrepreneurial mindset of individuals in Bangladesh. It measures their mindset and attitudes towards entrepreneurship. The combined impact of the independent variables mentioned above, such as economic factors, socio-cultural factors, and institutional factors, can enhance or hinder the entrepreneurial mindset. A positive entrepreneurial mindset can positively impact the development of entrepreneurship in the country, while a negative mindset can hinder it.

Research Design

The study aims to measure the role of institutional, socio-cultural and economic factors on the mindset of entrepreneurs in Bangladesh.

Data

This study employed the judgmental sampling technique to collect primary data through a well-structured survey questionnaire. Judgmental sampling was deemed appropriate in this study due to the specific needs and objectives of the research. A total of 172 responses were gathered from businesspeople, ensuring a diverse sample size from January to March 2024. By selecting respondents based on their expertise and knowledge in the field, judgmental sampling allowed for a more targeted and focused approach in gathering data, increasing the relevance and reliability of the findings.

The questionnaire was designed with multiple sections, with the first section focusing on gathering general information about the respondents. This initial section provided valuable demographic data, allowing for the assessment of the representativeness of the sample. The subsequent sections aimed to investigate the perceptions of the respondents towards the developed hypotheses. To measure these perceptions, Likert's five-point scale was implemented, with 1 (strongly disagree) to 5 (strongly agree). The use of Likert's scale has facilitated the quantification and comparison of responses, enabling the analysis and interpretation of the data effectively.

The survey responses were obtained through direct contact with the participants, ensuring the accuracy and reliability of the data. This approach minimised the potential for misinterpretation or miscommunication, as the researchers could clarify any uncertainties or ambiguities in real-time. Direct contact with the participants also allowed for the establishment of a rapport, potentially enhancing response rates and data quality.

Models

Factor Analysis

Factor analysis is a widely used statistical technique that aids in understanding the latent factors underlying a set of observed variables (Schreiber, 2021). In the realm of examining the mindset of entrepreneurs, factor analysis offers valuable insights into the underlying dimensions

or constructs associated with institutional, economic, and socio-cultural factors.

In this exploratory research, the Principal Axis Factoring (PAF) model was employed to extract the crucial factors due to its ability to handle complex data structures. An oblique rotation method, specifically the promax method, was chosen to account for the intercorrelation between variables. By selecting a determinant value of 0.30, we aimed to achieve a suitable balance between factor simplicity and interpretability.

The mathematical representation of factor analysis can be expressed as follows:

$$X = \Lambda F + \varepsilon \quad (1)$$

Where, X refers to the observed data matrix, Λ represents the factor loading matrix, which captures the associations between the observed variables and the underlying factors. F denotes the factor score matrix, representing the latent factor, while ε symbolises the error term.

Regression equation

To examine the impact of institutional, socio-cultural, and economic factors on the mindset of entrepreneurs, several regression models have been proposed. The equations (Equations 2 to 6) are designed to consider these variables and establish their significance:

$$EM = \alpha_1 + \beta_1 \mathrm{IF} + \varepsilon \quad (2)$$

$$EM = \alpha_1 + \beta_1 IF_1 + \beta_2 SCF_1 + \varepsilon \quad (3)$$

$$EM = \alpha_1 + \beta_1 IF_1 + \beta_2 SCF_1 + \beta_3 SCF_1 + \varepsilon \quad (4)$$

$$EM = \alpha_1 + \beta_1 IF_1 + \beta_2 SCF_1 + \beta_3 EF_1 + \beta_4 AgeF_1 + \varepsilon \quad (5)$$

$$EM = \alpha_1 + \beta_1 IF_1 + \beta_2 SCF_1 + \beta_3 EF_1 + \beta_4 Capital_1 + \varepsilon \quad (6)$$

In these equations, EM represents the mindset of the entrepreneurs, which includes their knowledge, awareness level, risk tolerance, and adaptability. This is the dependent variable. IF represents Institutional Factors, which encompass the policies and support provided by organisations. SCF denotes socio-cultural factors, including dimensions such as traditional family structures, religious practices, cultural diversity, family networks, restrictions on female entrepreneurs, beliefs and attitudes towards business, and decision-making processes within families. EF represents economic factors, which encompass the successful implementation of business strategies and the efficiency of business performance. These variables are considered independent variables. The age and capital of the business are included as control variables. The coefficients to indicate the impact of each variable on the mindset of entrepreneurs, while ε represents the error term.

Findings and Discussion

Figure 2 presents the demographic data, offering insights into the respondents' gender, age, and educational qualifications. The gender distribution reveals that 57.6% of respondents identify as male, while 42.4% identify as female. Turning to age groups, we observe distinct patterns. The largest cohort falls within the 36-45 age range, comprising 56 respondents (32.6% of the total). The second-largest group, aged 46-55, includes 50 participants (29.1% of the total). In contrast, the 18-25 age group has the fewest respondents, only 8 individuals (4.7% of the total).

The value obtained in Table 1 is above 0.744, indicating that there is an adequate number of questions and a strong correlation between the

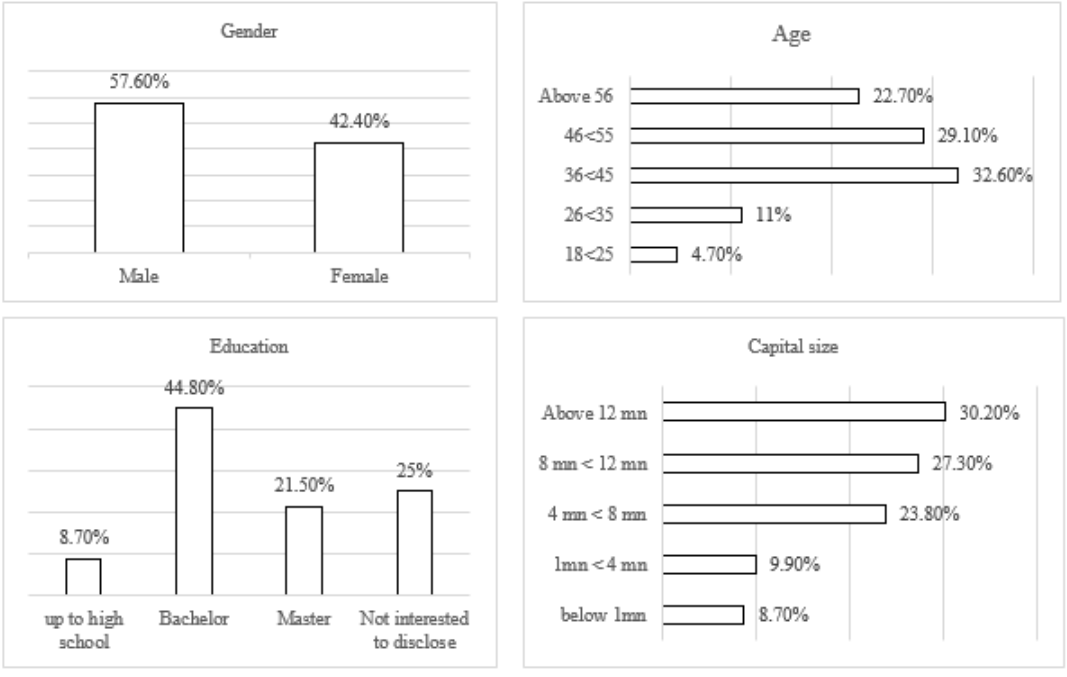


Figure 2. Participant Demographics.
Source: Desk Research

Table 1. Reliability Analysis

Cronbach's Alpha	No. of Items
0.744	16

Source: Desk Research

items (Chowdhury, 2024). This ensures that the data collected is dependable and can be used to draw meaningful conclusions.

Table 2 shows the correlation coefficients between different variables, namely, institutional factors, socio-cultural factors, economic factors, and entrepreneurial mindset. Starting with institutional factors, the correlation coefficient with entrepreneurial mindset is 0.374, indicating a positive and moderately strong relationship. This suggests that a favourable institutional environment, which includes supportive policies, regulations, and infrastructure, is associated with a higher likelihood of individuals developing an entrepreneurial mindset.

The correlation coefficient (0.659) of socio-cultural factors with entrepreneurial mindset indicates a positive and strong relationship. This implies that societal norms, cultural values, and social attitudes towards entrepreneurship play a significant role in shaping an individual's entrepreneurial mindset. For economic factors, the correlation coefficient with entrepreneurial mindset is 0.613, indicating a positive and strong relationship. This suggests that economic conditions have a direct impact on the development of an entrepreneurial mindset.

In Table 3, we examine the suitability of the data for factor analysis. The Kaiser-Meyer-Olkin

Table 2. Correlation Coefficient

	Institutional	Socio-cultural	Economic	Entrepreneurial mindset
Institutional	1			
Socio-Cultural	0.202**	1		
Economic	0.276**	0.589**	1	
Entrepreneurial Mindset	0.374**	0.659**	0.613**	1

** indicates correlation is significant at the 0.01 level (2-tailed)

Source: Desk Research

(KMO) measure of sampling adequacy yields a value of 0.635, indicating moderate adequacy. This score suggests that the observed variables (related to entrepreneurial mindset) exhibit some correlation. Bartlett's Test of Sphericity produces an approximate chi-square statistic of 754.361 with 16 degrees of freedom and a highly significant p-value. This result confirms that the variables are not independent and justifies proceeding with factor analysis.

Communalities exceeding 0.30 validate the explanatory strength of the variables (Bonsaksen *et al.*, 2019). After three iterations, the factor analysis produced Table 4, showcasing factor loading values for variables surpassing the 0.3 threshold.

In Table 5, we observe the variance explained by different factors in the factor analysis. The first factor accounts for 47.238% of the total variance, while the second factor explains an additional 26.640%. Together, these two factors contribute to a cumulative variance of 73.878%. Factors 3 to 6 do not specify extraction variance.

The pattern matrix in Table 6 shows the relationship between the different factors and the mindset of entrepreneurs in Bangladesh. Cultural practices and traditions (0.958) indicate that cultural practices and traditions in Bangladesh play a significant role in shaping the mindset of entrepreneurs. In Bangladesh, there is a cultural emphasis on family values, respect for seniors, and collective decision-making (Hamiduzzaman *et al.*, 2022). Policy and support

Table 3. KMO and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.635
Bartlett's Test of Sphericity	Approx. Chi-Square	754.361
	Df	16
	Sig.	0.000

Source: Desk Research

Table 4. Communalities

	Initial	Extraction
Policy and support organisations	0.958	0.879
Cultural context	0.387	0.344
Family networks and connections	0.433	0.408
Cultural practices and traditions	0.959	0.921
Efficiency of business performance	0.376	0.525
Entrepreneurial knowledge and awareness	0.392	0.694

Extraction Method: Principal Axis Factoring.

Source: Desk Research

Table 5. Total Variance Explained

Total Variance Explained							
Factor	**Initial Eigenvalues**			**Extraction Sums of Squared Loadings**			**Rotation Sums of Squared Loadings[a]**
	Total	**% of Variance**	**Cumulative %**	**Total**	**% of Variance**	**Cumulative %**	**Total**
1	2.834	47.238	47.238	2.550	42.505	42.505	2.541
2	1.598	26.640	73.878	1.220	20.335	62.840	1.245
3	0.735	12.254	86.131				
4	0.467	7.786	93.917				
5	0.344	5.732	99.649				
6	0.021	0.351	100.000				

Extraction Method: Principal Axis Factoring.

[a] When factors are correlated, the sums of squared loadings cannot be added to obtain a total variance.

Table 6. Pattern Matrix[a]

	Factor	
	1	**2**
Cultural practices and traditions	0.958	
Policy and support organisations	0.937	
Entrepreneurial knowledge and awareness		0.833
Efficiency of business performance		0.724
Family networks and connections	0.638	
Cultural context	0.574	

Extraction Method: Principal Axis Factoring.
Rotation Method: Promax with Kaiser Normalisation.

[a] Rotation converged in 3 iterations.

organisations (0.937) suggest that the presence of supportive policies and encouragement of seniors in Bangladesh significantly impacts the mindset of entrepreneurs. The creation of the Bangladesh Small and Cottage Industries Corporation (BSCIC) and the Bangladesh Investment Development Authority (BIDA) has provided entrepreneurs with access to financing, technical support, and networking opportunities. These policy and support organisations have contributed to the growth of entrepreneurship and shaped the mindset of entrepreneurs by providing a supportive ecosystem (Mujeri *et al.*, 2021). Entrepreneurial knowledge and awareness (0.833) indicate that entrepreneurial knowledge and awareness have a significant influence on the mindset of entrepreneurs in Bangladesh. The availability of quality business education programs, training workshops, and mentorship opportunities has helped entrepreneurs acquire the necessary skills, knowledge, and awareness to succeed in their ventures (Bauman and Lucy, 2021). This factor plays a crucial role in shaping the mindset of entrepreneurs by providing them with the necessary tools and resources for success.

Efficiency of business performance (0.724) indicates that the efficiency of business

Table 7. Regression Estimates. Dependent Variable: Entrepreneurial Mindset

	Model 1	Model 2	Model 3	Model 4	Model 5
Institutional factors	0.281*** (5.27)	0.189*** (4.51)	0.152*** (3.77)	0.141*** (3.55)	0.146*** (3.97)
Socio-cultural factors		1.086*** (10.89)	0.792*** (6.91)	0.968*** (7.73)	1.313*** (9.65)
Economic factors			0.276*** (4.53)	0.232*** (3.79)	0.147* (2.46)
Age				-0.155** (-3.12)	
Capital					-0.287*** (-5.97)
Constant	2.725*** (16.35)	-0.778* (-2.25)	-0.560 (-1.69)	-0.431 (-1.32)	-0.890** (2.90)
N	172	172	172	172	172

t statistics in parentheses * p<0.05, ** p<0.01, *** p<0.001

performance has a moderate impact on the mindset of entrepreneurs in Bangladesh. Entrepreneurs who experience high levels of efficiency in their business operations are more likely to have a positive mindset and be motivated to pursue further growth opportunities. On the other hand, entrepreneurs who face challenges in achieving efficiency may have a negative mindset and be less motivated to take risks or innovate (Morris and Tucker, 2023).

Family networks and connections (0.638) imply that family networks and connections play a significant role in shaping the mindset of entrepreneurs in Bangladesh. Entrepreneurs who have strong family connections and networks are more likely to receive support, guidance, and resources from their family members. These connections can influence the mindset of entrepreneurs by providing them with a sense of security, access to capital, and opportunities for collaboration (Xu *et al.*, 2020).

Cultural context (0.574) suggests that Bangladesh has a moderate impact on the mindset of entrepreneurs. Cultural values such as collectivism, risk aversion, and social hierarchy can shape the mindset of entrepreneurs by influencing their decision-making processes, risk tolerance, and attitudes towards authority. The cultural context in Bangladesh can either encourage or discourage entrepreneurial behaviour based on the prevailing cultural norms and expectations.

The findings from Table 7 provide insights into the effects of institutional, socio-cultural, and economic factors on entrepreneurial mindset in Bangladesh (Polas *et al.*, 2022).

In terms of institutional factors, the government of Bangladesh has implemented various policies and initiatives to support entrepreneurship and innovation (Model 1-5). The establishment of the BSCIC is a notable example of institutional support that has created an enabling

environment for business growth (Chowdhury *et al*., 2021). This support has played a crucial role in fostering a positive entrepreneurial mindset among individuals looking to start their ventures, and we can accept the third hypothesis as true.

Socio-cultural factors also contribute significantly to the entrepreneurial mindset in Bangladesh. The country's rich cultural heritage and diverse social fabric create a vibrant entrepreneurial network (Model 2-5). Traditional family structures in Bangladesh often prioritise entrepreneurship as a means of economic empowerment and social mobility (Khan *et al*., 2022). Besides, the strong family networks and support systems present in the country offer aspiring entrepreneurs' access to capital, mentorship, and business connections thus the second hypothesis proved to be true.

The economic factors demonstrate the opportunities available for entrepreneurs in Bangladesh (Model 3-5). The country's significant economic growth, expanding consumer market, and rising middle class provide favourable conditions for identifying new market niches and launching innovative businesses (Alim *et al*., 2023). The success of e-commerce platforms like Daraz and Pathao is a testament to how entrepreneurs have leveraged economic growth to create thriving enterprises. Thus, the first hypothesis, "Economic factors such as business strategies, satisfaction level with financial performance, enhance the entrepreneurial success", has been proven true.

It is worth noting that the coefficient estimate for age suggests a negative impact on entrepreneurial mindset (Model 4). However, this does not mean that individuals of different age groups cannot become successful entrepreneurs in Bangladesh. Young entrepreneurs have demonstrated adaptability and a strong entrepreneurial mindset, while older entrepreneurs have shown how their accumulated wisdom and experience contribute to their entrepreneurial success (Cui *et al*., 2021).

Similarly, while the coefficient estimate for capital indicates a potential negative impact on entrepreneurial mindset (Model 5), it is important to differentiate between excessive capital and the necessary resources entrepreneurs require to start and grow their ventures. Access to sufficient capital is crucial for entrepreneurs to invest in their business, hire qualified employees, and explore growth opportunities (Teka, 2022). Entrepreneurs of 10 Minute School in Bangladesh have successfully scaled their startups and made a significant impact in the market by leveraging seed funding and investment capital.

Policy Implications

To foster a robust environment for entrepreneurship in Bangladesh, this plan outlines key policy recommendations for various stakeholders (Spillan & Rahman, 2023). The aim is to create a comprehensive system that supports business incubation, promotion, and long-term success.

Government entities can play a pivotal role by strengthening initiatives like Startup Bangladesh. Additionally, targeted financial incentives and tax benefits for women-led startups can empower female entrepreneurs. Grant programs and reduced-interest loans can provide crucial funding, while collaborations with universities and industry experts can lead to the development of practical training programs (Murati-Leka & Fetai, 2023). Introducing

entrepreneurship education and centres within universities equips aspiring business owners with valuable resources. The government can further stimulate entrepreneurship by facilitating partnerships between organisations like BIDA and private entities. These partnerships can offer mentorship, funding, and networking opportunities for entrepreneurs. Initiatives like the BIDA One Stop Service can streamline the process of obtaining guidance and support. Lastly, establishing incubation centres specifically for women entrepreneurs, potentially in collaboration with the Small and Medium Enterprise Foundation (Hajdari *et al.*, 2023), can provide targeted support for women in starting and growing their businesses.

Private organisations also have a significant responsibility in nurturing entrepreneurship. Grant programs and targeted investments in startups can provide the necessary capital for success. Establishing dedicated venture capital funds can further fuel the growth and innovation of promising ventures. Partnering with other organisations to create mentorship programs and business incubators offers valuable guidance and support to aspiring entrepreneurs, particularly women (Al Boinin, 2023). By organising networking events specifically for women entrepreneurs, private organisations can connect them with potential partners and investors. Hosting annual Entrepreneurship Summits fosters a vibrant space for startups to pitch their ideas and build valuable connections. Finally, private organisations can contribute to innovation by investing in research and development activities. Collaborations with universities and research institutions, through establishing innovation labs and funding research projects, can encourage the development of cutting-edge solutions in various sectors (Duxbury *et al.*, 2023)

Conclusion

This research paper has provided a comprehensive analysis of the influence of economic, socio-cultural, and institutional factors on entrepreneurial success in Bangladesh. The findings have revealed the critical role of these factors in shaping the mindset and outcomes of entrepreneurs in the country. The study has highlighted that a favourable economic climate, characterised by robust economic growth and expanding market opportunities, creates an enabling environment for entrepreneurs to launch and grow their businesses. However, challenges such as limited access to financing, high interest rates, and inadequate infrastructure continue to hinder entrepreneurial success. Policymakers and stakeholders need to address these challenges through targeted interventions, such as improving access to affordable financing, reducing interest rates, and investing in infrastructure development. Socio-cultural factors were found to exert a significant influence on the entrepreneurial mindset in Bangladesh. The country's cultural context, shaped by beliefs, attitudes, and religious practices, plays a crucial role in how entrepreneurs navigate business situations. Traditional family structures and gender roles often limit women's participation in entrepreneurship, leading to restricted access to resources and societal biases that undermine their entrepreneurial aspirations. Religious and caste-based practices can also impact business operations and decision-making processes. To promote inclusive entrepreneurship, it is necessary to address these socio-cultural barriers by promoting gender equality and challenging

discriminatory practices. Institutional factors, including policies and support organisations, have been identified as crucial in either hindering or enhancing entrepreneurial success. The government of Bangladesh has recognised the importance of entrepreneurship for economic growth and poverty reduction, leading to the implementation of various policies and initiatives to support entrepreneurs. Simplified business registration processes, tax incentives, and access to credit have been introduced to facilitate entrepreneurial activities. The emergence of support organisations, such as incubators, accelerators, and entrepreneurship training programs, has provided valuable resources and guidance to aspiring entrepreneurs. Continued investment in these institutional factors is essential to create a supportive ecosystem that nurtures and guides entrepreneurs throughout their journey. The empirical analysis, based on data collected through a well-structured survey questionnaire, has provided valuable insights into the relationship between economic, socio-cultural, and institutional factors and entrepreneurial mindset in Bangladesh. The findings highlight the need for continued policy support, educational initiatives, and collaboration among stakeholders to foster a conducive ecosystem for entrepreneurship in the country.

Limitations and Directions for Future Research

To further enhance the understanding of entrepreneurial success, it is recommended that future research in this field incorporate the long-term impact of different factors on the success of entrepreneurs. By closely monitoring the progress of entrepreneurs over an extended period, researchers can obtain profound insights into the specific elements that contribute to sustained success. It is suggested that future research adopt qualitative research methods, such as interviews and focus groups, to acquire a more nuanced understanding of the experiences, challenges, and strategies employed by entrepreneurs, specifically in the context of Bangladesh. These qualitative approaches will provide detailed insights and valuable perspectives, enabling a comprehensive exploration of the entrepreneurial ecosystem in Bangladesh. By embracing these recommendations, future research can bridge the gaps in current understanding, leading to a more holistic knowledge base on entrepreneurial success and its determinants in Bangladesh.

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Appendix

EM1	Entrepreneurial knowledge and awareness
EM2	Risk tolerance and adaptability
EF1	Successful implementations of business strategies
EF2	Efficiency of business performance
SCF1	Impact of traditional family structures
SCF2	Gender roles and expectations
SCF3	Religious and caste-based practices
SCF4	Cultural context
SCF5	Family networks and connections
SCF6	Restrictions on female entrepreneurs

SCF7	Belief and attitude
SCF8	Decision-making processes
SCF9	Leveraging cultural practices and traditions
SCF10	Influence of customs on business operations
SCF11	Cultural practices and traditions
IF1	Policy and support organizations