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Connecting Spheres: Insights from Industry on Youth Entrepreneurship and Governance

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Abstract
Youth entrepreneurship has become a defining element of India's evolving start-up ecosystem, influencing patterns of innovation, governance, and organisational legitimacy across industries. This study examines industry perceptions of youth entrepreneurship with particular emphasis on start-up governance, mentorship, and the institutional role of universities in enabling sustainable entrepreneurial growth. Anchored in an institutional perspective, the study adopts an exploratory descriptive research design and draws on primary data collected from 200 industry stakeholders, including founders, senior executives, investors, and incubator managers across manufacturing, finance, technology, education, and allied sectors.

The findings reveal a cautiously optimistic assessment of the current ecosystem. While 45 per cent of respondents rate India's youth start-up environment as good and 19 per cent as excellent, 28 per cent perceive it as average, indicating both progress and persistent institutional gaps. Youth motivation for entrepreneurship is largely internally driven, with financial independence cited by 34 per cent of respondents, followed by innovation orientation at 31 per cent and social impact aspirations at 22 per cent. Despite strong motivation, structural constraints remain prominent. Lack of mentorship emerged as the most critical challenge, reported by 32 per cent of respondents, followed by funding constraints at 22 per cent and regulatory complexity at 21 per cent.

Governance is widely viewed as a determinant of sustainability rather than a compliance burden. More than half of respondents, accounting for 51 per cent, identify governance as an enabler of venture scaling, while 30 per cent emphasise its increasing importance as start-ups mature. Conversely, governance weaknesses contribute to 22 per cent of venture failures. Universities are recognised as pivotal institutional actors, with 71 per cent of respondents rating their role in nurturing youth entrepreneurship as significant or very significant.

The study highlights that sustainable youth entrepreneurship depends on institutional support structures that embed governance awareness, mentorship, and legitimacy alongside innovation and ambition.
Keywords: Youth Entrepreneurship, Industry Perspectives, Startup Governance, Financial Integrity, Ethical Leadership, Stakeholder Accountability

1. Introduction

In an increasingly competitive and institutionally complex global environment, youth entrepreneurship has emerged as a significant force reshaping business innovation, economic development, and societal impact. India, in particular, is increasingly recognised as a major frontier for global start-ups, supported by a large youth population, expanding digital infrastructure, and a rapidly maturing entrepreneurial ecosystem (Vadhri, 2024). Contemporary youth entrepreneurship extends well beyond the act of launching a start-up. It reflects a deeper transformation in the organisation of work, the creation of value, and the construction of legitimacy within markets and societies. From an institutional perspective, young entrepreneurs function not only as economic actors but also as institutional agents who actively participate in the creation, maintenance, and transformation of established norms, practices, and governance structures (Lawrence and Suddaby, 2006).

Existing literature consistently highlights the developmental and economic importance of youth entrepreneurship. Studies by Green (2013) and Geldhof et al. (2014) demonstrate that youth-led ventures contribute not only to employment generation but also to personal development, civic participation, and long-term societal resilience. Within the Indian context, entrepreneurs such as Deepinder Goyal of Zomato and Ritesh Agarwal of OYO illustrate how young founders frequently challenge dominant institutional logics rather than conform to traditional business models. By developing new market categories and organisational forms, these ventures address institutional gaps left by conventional firms and, in doing so, redefine sectoral boundaries and competitive practices.

Despite this promise, youth entrepreneurs operate within a demanding institutional environment characterised by limited resource availability, financing constraints, strategic ambiguity, and challenges in building credible teams. Research indicates that entrepreneurial performance is strongly influenced by individual motivation, access to specialised competences, and embeddedness within supportive networks (Caliendo et al., 2023; Errico et al., 2024; Wang and Schett, 2020). At the same time, the priorities of start-ups have undergone notable change. Governance, ethical alignment, and accountability, once viewed as concerns primarily relevant to large corporations, are now increasingly recognised as essential for early-stage venture legitimacy and long-term survival (Pollman, 2019; Goyal and Singh, 2023; CII, 2024). This evolution reflects shifting institutional expectations, whereby start-ups are assessed not only on growth potential but also on the quality of their governance and organisational transparency.

Mentorship, entrepreneurial support organisations, and universities play a critical role in shaping these institutional dynamics. Recent evidence suggests that mentoring and non-incubation support have a significant influence on start-up survival, funding outcomes, and leadership development (Clayton, 2024; Kuratko et al., 2021; Prommer et al., 2020). These actors operate as institutional intermediaries by transmitting norms, legitimising entrepreneurial behaviour, and supporting founders as they transition from opportunity recognition to boardroom-level decision-making. In accordance with Institutional Theory, such processes represent deliberate forms of institutional work that enhance the coherence and sustainability of the entrepreneurial ecosystem.

Against this backdrop, the present study examines how different industries in India respond to the youth start-up ecosystem through the lens of Institutional Theory. It investigates how governance is embedded within start-up cultures from inception, identifies motivational drivers and institutional barriers influencing youth entrepreneurship, and analyses the role of mentorship and universities in supporting sustainable entrepreneurial growth. By grounding the analysis in the framework proposed by Lawrence and Suddaby (2006), this research offers a nuanced understanding of how youth entrepreneurship both shapes and is influenced by the evolving institutional architecture of India's start-up ecosystem.

2. Literature Review

2.1. Growth of Youth Entrepreneurship and the Indian Start-up Ecosystem

India has emerged as one of the most vibrant entrepreneurial landscapes in the world. According to the Department for Promotion of Industry and Internal Trade (DPIIT), the country is currently the third-largest start-up ecosystem globally, growing at an annual rate of approximately 12 to 15 per cent. As early as 2018, India hosted nearly 50,000 start-ups, of which around 9,000 were technology- and innovation-driven. This momentum continued in 2019 with the launch of nearly 1,300 technology start-ups, translating into two to three new ventures every day. Such growth reflects not only demographic advantage but also the increasing institutional maturity of India's entrepreneurial environment.

Prior academic research has consistently acknowledged youth entrepreneurship as a driver of economic development, innovation, and societal progress. Green (2013) highlights its contribution to employment generation and regional development, while Geldhof et al. (2014) emphasise its role in youth development, civic engagement, and long-term value creation. More recent studies suggest that youth-led ventures also contribute to institutional change by challenging established business norms and introducing alternative organisational practices, particularly within social and technology-oriented enterprises (Bae and Choi, 2024). In this context, Vadhri (2024) identifies India as the next frontier for global start-ups, especially in sectors such as HealthTech, FinTech, and AgriTech. However, these sectors remain institutionally complex, characterised by regulatory uncertainty, infrastructural limitations, and highly diverse consumer markets.

2.2. Institutional Support, Policy Intervention, and Ecosystem Enablers

The expansion of India's start-up ecosystem has been strongly supported by institutional actors, including corporates, universities, and government agencies. Large corporations increasingly recognise start-ups as engines of innovation and economic growth and have moved beyond traditional mentoring roles to active investment and partnership. For example, Facebook's collaboration with Startup India provided seed grants to early-stage ventures across healthcare, artificial intelligence, agritech, and clean technology, thereby reducing entry barriers and enhancing early legitimacy.

Industry-led academic initiatives further reinforce this institutional support. Microsoft's Accelerator Programme in India illustrates how collaboration between industry and academia can bridge the gap between theoretical education and practical innovation. Through workshops, hackathons, mentoring, and real-world problem-solving, the programme encourages students and researchers to translate ideas into scalable solutions. Importantly, such initiatives emphasise the development of entrepreneurial mindsets that combine creativity with purpose, rather than focusing solely on coding skills or revenue generation.

At the policy level, the Indian government has transitioned from a purely regulatory role to an active ecosystem partner. Programmes such as the Startup Grand Challenge and funding mechanisms managed by SIDBI provide start-ups with access to capital, markets, and public sector opportunities. More than 26 Indian states have implemented start-up–specific policies, contributing to steady employment growth and reinforcing Bengaluru's position as a leading global start-up hub. DPIIT (2025) also notes a shift in investor behaviour, with increasing preference for governance-driven, value-focused, and analytically evaluated investments rather than intuition-led decision-making.

2.3. Governance, Mentorship, and Sustainable Entrepreneurial Growth

As the start-up ecosystem matures, governance and mentorship have emerged as critical factors influencing venture sustainability and legitimacy. While early-stage start-ups were traditionally characterised by informal structures, recent research suggests that the absence of governance mechanisms can significantly undermine organisational stability. Pollman (2019) demonstrates that governance and auditing failures at the board level can have severe consequences for start-ups, regardless of their growth stage or innovation potential. This work argues for a shift from informal governance norms towards structured and transparent frameworks embedded within start-up policy and practice.

Industry and academic research increasingly converge on the view that governance acts as an enabler rather than a constraint. Goyal and Singh (2023) highlight that structured governance systems enhance organisational credibility, facilitate talent acquisition, and improve access to capital markets. Supporting this perspective, Garidis et al. (2024) propose a data-driven governance model showing that clarity in roles, accountability, and decision rights can actually increase a start-up's freedom to innovate by reducing uncertainty.

Mentorship further strengthens these institutional mechanisms. Clayton (2024) finds that mentored start-ups exhibit stronger financial discipline and significantly higher survival rates compared to non-mentored ventures. These findings align with broader evidence that entrepreneurial performance is shaped by motivation, access to specialised competences, and embeddedness within supportive networks (Caliendo et al., 2023; Wang and Schett, 2020). The Confederation of Indian Industry (2024) operationalises these insights through its Corporate Governance Charter for Start-ups, which outlines phased governance requirements across inception, progression, growth, and public listing stages.

2.4. Theoretical Framework: Institutional Theory and Institutional Work

This study is grounded in Institutional Theory, with specific emphasis on the concept of institutional work proposed by Lawrence and Suddaby (2006). Institutional Theory posits that organisational behaviour is shaped by regulative, normative, and cultural-cognitive structures that define legitimacy within a given context. Entrepreneurs, within this framework, are not passive recipients of institutional pressures but active agents who deliberately engage in actions that create, maintain, or disrupt institutional arrangements.

Youth entrepreneurs in India exemplify this process by navigating regulatory systems, embedding governance practices, and redefining organisational norms from the early stages of venture creation. Mentorship programmes, universities, corporate accelerators, and policy initiatives function as institutional intermediaries that legitimise entrepreneurial activity and stabilise emerging ventures. By embedding accountability, ethics, and governance within organisational culture, start-ups engage in institutional work that enhances both legitimacy and long-term sustainability.

By applying Institutional Theory, this research seeks to explain not only entrepreneurial outcomes but also the mechanisms through which institutional forces shape youth entrepreneurship and the evolution of India's start-up ecosystem.

3. Methodology

3.1. Research Design and Theoretical Alignment

To examine industry perceptions of youth entrepreneurship and start-up governance, this study adopted an exploratory–descriptive research design, which is appropriate for capturing perceptions, interpretations, and institutional meanings attached to emerging phenomena. The study is theoretically anchored in Institutional Theory, particularly the concept of institutional work proposed by Lawrence and Suddaby (2006). This framework enables an understanding of how industry actors perceive the role of young entrepreneurs in creating, maintaining, and legitimising governance norms within the start-up ecosystem.

By focusing on industry perspectives, the study captures how governance expectations, ethical standards, and accountability mechanisms are institutionally shaped and socially reinforced across sectors.

3.2. Sampling and Data Collection

A snowball sampling method was employed to gather insights from corporate executives and ecosystem stakeholders across multiple industries, including manufacturing, banking, EduTech, FinTech, and other knowledge-intensive sectors. These respondents were selected due to their direct involvement with start-ups as founders, senior executives, investors, mentors, or incubator and accelerator managers. Their positions enable them to actively participate in institutional processes that influence start-up legitimacy and governance practices.

Data were collected using a structured questionnaire consisting of 19 items, administered digitally to ensure wider reach and respondent convenience. All items were measured using a five-point Likert scale, where 1 indicated strongly disagree, 2 indicated disagree, 3 indicated neutral, 4 indicated agree, and 5 indicated strongly agree. The questionnaire was designed to capture perceptions related to governance expectations, ethical orientation, mentorship, and institutional support for youth-led ventures.

3.3. Instrument Design and Bias Control

To minimise common response biases such as satisficing and acquiescence bias, several procedural controls were incorporated into the survey design. These included **forced-choice questions**, **randomised item ordering**, and **shuffled response options**, encouraging respondents to engage more thoughtfully with each item. In addition to closed-ended questions, **open-ended response options** were provided to allow respondents to elaborate on contextual or nuanced perspectives that may not be fully captured through scaled responses. These qualitative inputs support deeper interpretation of institutional meanings attached to governance and entrepreneurship.

3.4. Sample Size and Data Validity

A total of 212 questionnaires were received. After screening for completeness and response consistency, 200 valid responses were retained for further analysis. This sample size was considered adequate for exploratory and descriptive statistical analysis and for identifying dominant institutional patterns across industries.

3.5. Analytical Orientation

The analysis focuses on identifying patterns that reflect institutional expectations regarding youth entrepreneurship and start-up governance. Survey responses were interpreted through the lens of institutional work, examining how industry actors perceive governance as a mechanism for legitimacy creation, risk mitigation, and sustainable growth. Qualitative responses were used to contextualise quantitative findings and to surface implicit institutional logics influencing decision-making.

4. Results & Discussion

4.1.1. Industry representation

The sectoral composition of the sample reveals important insights into industry engagement with youth entrepreneurship and start-up governance. The manufacturing sector emerged as the most represented, accounting for 22 per cent of respondents, indicating that industrial and production-oriented organisations hold a strong voice in discussions surrounding entrepreneurial governance (*See Fig. 1*). This prominence reflects the regulatory and normative pressures typically associated with manufacturing contexts, where formal governance structures and operational accountability are well institutionalised, as explained by Institutional Theory (Lawrence and Suddaby, 2006). Finance constituted 15 per cent of the sample, while Information Technology, Education, and Retail each accounted for 14 per cent, together forming the central analytical base of the study. These service-oriented and knowledge-intensive sectors frequently operate under evolving institutional logics that require a balance between innovation and increasing expectations for transparency, risk management, and ethical conduct (Pollman, 2019; Goyal and Singh, 2023). The Food and Agriculture sector contributed 11 per cent, reflecting the rising institutional relevance of agri-based entrepreneurship and sustainability-oriented ventures in the Indian context (Vadhri, 2024). The Automobile sector represented 6 per cent of respondents, highlighting industries characterised by capital intensity, extended development cycles, and strict governance requirements. The remaining 4 per cent, drawn from sectors such as healthcare, consulting, and education technology, provided perspectives from highly regulated and emerging fields where legitimacy and compliance pressures are particularly pronounced.

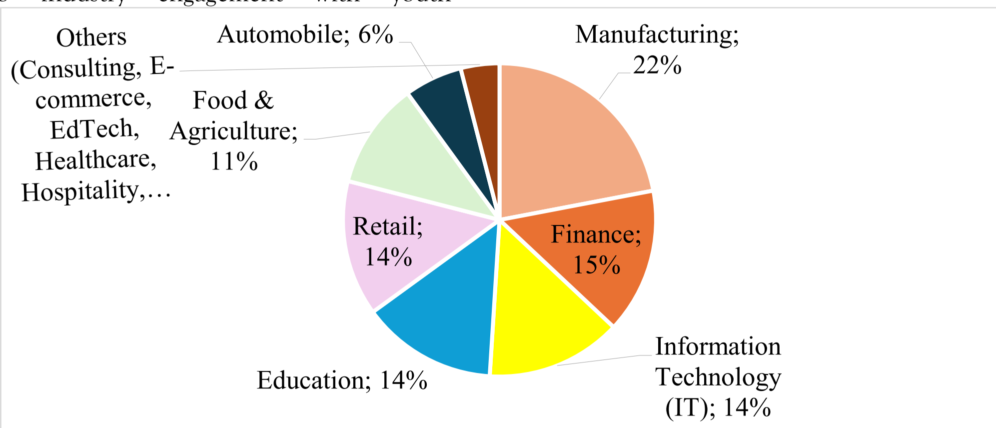

Fig. 1: Industry representation

4.1.2. Age group

The study drew on responses from 200 participants, with ages ranging from 18 years to 55 years and above. The largest proportion of respondents fell within the 35 to 44 age group, accounting for 37 per cent of the sample, followed by the 25 to 34 age group at 32 per cent. Together, these cohorts represent nearly 70 per cent of the respondents, indicating that the findings are strongly informed by individuals in their prime professional years (*See Fig. 2*). This age concentration is particularly appropriate for research on youth entrepreneurship and start-up governance, as these participants are either actively engaged in entrepreneurial activity or occupy managerial and leadership positions where governance norms are interpreted and enforced. From an institutional perspective, this demographic represents key institutional actors who participate in the creation, maintenance, and legitimation of governance practices within entrepreneurial ecosystems, as articulated by Institutional Theory and the concept of institutional work (Lawrence and Suddaby, 2006). The presence of respondents aged 45 to 54 years, who constitute 16 per cent of the sample, further strengthens the findings by incorporating perspectives shaped by extended organisational experience, while the 18 to 24 cohort at 12 per cent reflects emerging entrepreneurial intent. Participants aged 55 years and above form the smallest group at 5 per cent, offering limited but valuable insights shaped by long-term exposure to institutional and governance structures.

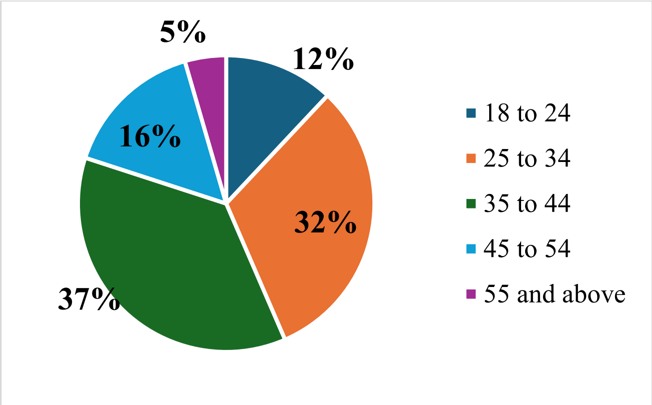

Fig.:2 Age Group

4.1.3. Gender distribution: The respondent profile reflects a demographically balanced and institutionally meaningful sample. Gender representation is nearly even, with 53 per cent men and 47 per cent women, allowing insights into governance and innovation to emerge from a broad cross-section of entrepreneurial and organisational experiences (*See Fig. 3*). Prior research suggests that such diversity strengthens the legitimacy and interpretive quality of studies examining entrepreneurial decision-making and governance practices, particularly in emerging ecosystems (Green, 2013; Bae and Choi, 2024). The age distribution further indicates that responses are largely drawn from individuals positioned at critical stages of entrepreneurial and strategic influence. Approximately 69 per cent of respondents fall within the 25 to 44 age range, with the 35 to 44 cohort accounting for 37 per cent and the 25 to 34 cohort representing 32 per cent. These age groups are frequently associated with venture formation, leadership development, and institutional engagement, as highlighted in studies on entrepreneurial motivation and performance (Geldhof et al., 2014; Caliendo et al., 2023). Mid-career professionals aged 45 to 54 constitute 16 per cent of the sample, contributing perspectives shaped by governance exposure and organisational experience, while respondents aged 18 to 24 account for 12 per cent, reflecting early-stage entrepreneurial intent often influenced by mentoring and institutional support structures (Clayton, 2024; Kuratko et al., 2021). The smallest group, comprising respondents aged 55 and above at 5 per cent, adds value through long-term institutional insight, aligning with institutional theory which emphasises how accumulated experience informs governance norms and legitimacy judgements (Lawrence and Suddaby, 2006).

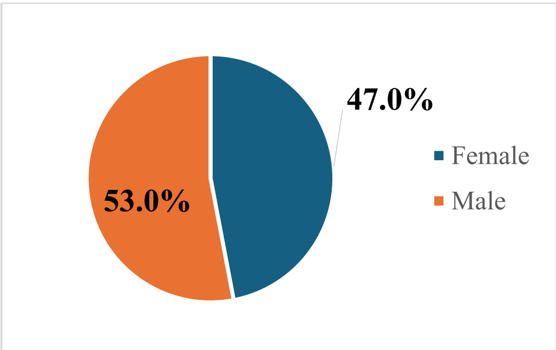

Fig. 3: Gender composition

4.2. India's Youth Startup Ecosystem

Nearly half of the sample, 45% respondents rate the current start-up ecosystem for young entrepreneurs as good, with a further 28% participants describing it as average and 19% marked it as an excellent (*See Fig. 4*). This reflects optimism and clear strengths exist, but most executives consider that there is huge scope for improvement. Even though only 8% respondents consider the ecosystem poor or very poor, indicates a limited but important set of governance and policy gaps to be further addressed by the startups or young entrepreneurs.

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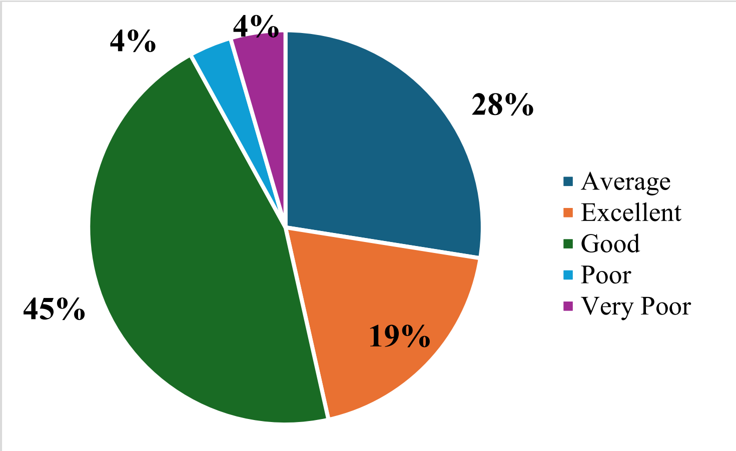

Fig. 4: India's Youth Startup Ecosystem

4.3. Youth Motivation for Entrepreneurship

Motivation is a major driving force behind the inception of a venture or a scalable startup (Estay et al., 2013; Anzola et al., 2017; Caliendo et al., 2023) (*See Fig. 5*). The data on what drives young people toward entrepreneurship highlights a compelling mix of pragmatism and idealism. Cited by 34% of respondents the largest share was a desire for financial independence and achieving economic self-sufficiency. This is closely followed by the pursuit of a passion for innovation at 31%. Beyond financial gains and innovation, the findings reveal a significant "altruistic" trait, with 22% of youth motivated by the potential to create social impact. Interestingly, external social pressure or peer influence plays the smallest role, accounting for only 14% of the motivation.

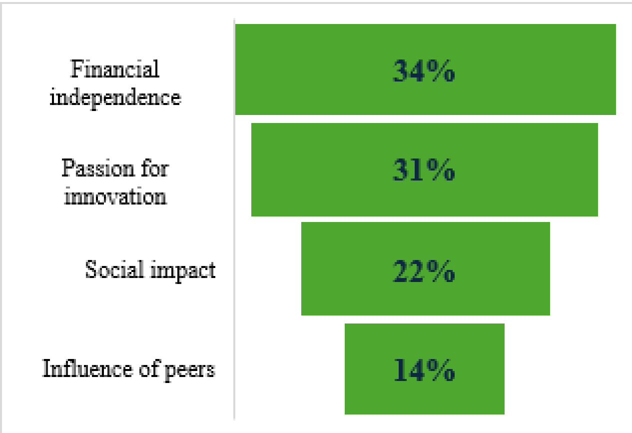

Fig. 5: Youth Motivation for Entrepreneurship

This points that the entrepreneurial spirit among today's youth is fundamentally internally driven, fuelled by a quest for freedom and the desire to create strong societal impact.

4.4. Key Issues in Youth Start-ups

The analysis of responses indicates that the most critical challenge confronting youth-led start-ups is the lack of non-financial institutional support. In particular, insufficient mentorship emerged as the most significant barrier, cited by 32 per cent of respondents, suggesting that access to experienced guidance is perceived as more vital than financial capital during the early stages of venture development (*See Fig. 6*). This observation is consistent with prior research highlighting mentorship as a key institutional mechanism that supports learning, legitimacy building, and strategic decision-making among young entrepreneurs (Clayton, 2024; Kuratko, Neubert and Marvel, 2021; Sariri, 2025). Funding constraints, identified by 22 per cent of respondents, and regulatory complexity, reported by 21 per cent, represent the next most prominent challenges, reflecting the continuing influence of structural and regulatory conditions within the entrepreneurial environment (Pollman, 2019; CII, 2024). Leadership inexperience accounted for difficulties in 15 per cent of cases, underscoring gaps in managerial capability and governance readiness among early-stage founders, a concern also noted in studies on start-up leadership development (Prommer, Tiberius and Kraus, 2020). Limited market access was cited by 8 per cent of respondents, while external pressures such as market competition and acceptance were considered marginal, each accounting for only 1 per cent. Taken together, these findings suggest that internal capability development and institutionally embedded support systems exert a stronger influence on youth start-up performance than external market forces, a pattern that aligns with Institutional Theory and the concept of institutional work, which emphasise the role of mentorship, governance, and legitimacy in sustaining entrepreneurial ventures (Lawrence and Suddaby, 2006; Green, 2013; Bae and Choi, 2024).

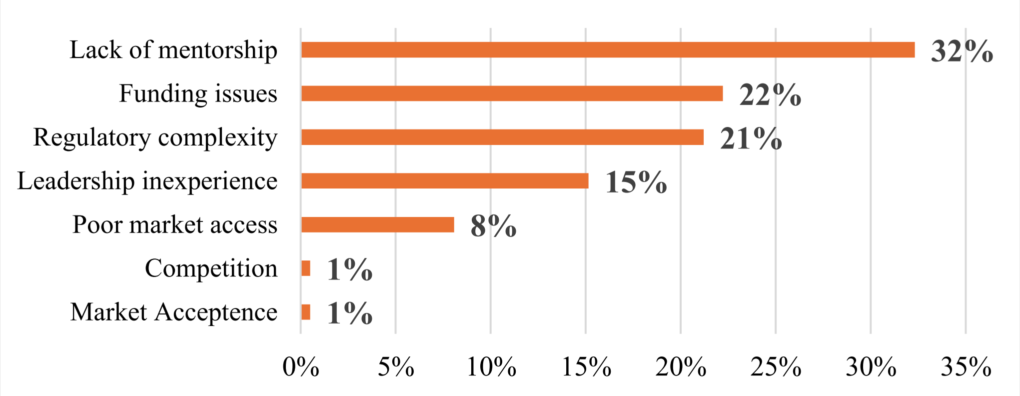

Fig. 6: Key Issues in Youth Start-ups

4.5. Funding Access for Youth Start-ups

There are significant disparities in youth entrepreneurs' access to funding, with only 9% of respondents perceiving it as highly accessible, 39% as accessible, 15% as limited, 1% as not accessible, and 36% yet to learn about the available funding opportunities (*See Fig. 7*). This distribution underscores a critical inference: while close to 48% of respondents perceives that access to funding is available to young founders that implies the positive change in the Indian entrepreneurial ecosystem. Whereas the 15% respondents points towards the barriers such as inadequate collateral, limited financial literacy, and opaque application processes. Consequently, the second highest "yet to learn" contributing to 36% cohort signals an urgent need for more strategic interventions, including simplified schemes, mentorship ecosystems, and awareness campaigns related to the corporate and government led startup funding policies and schemes.

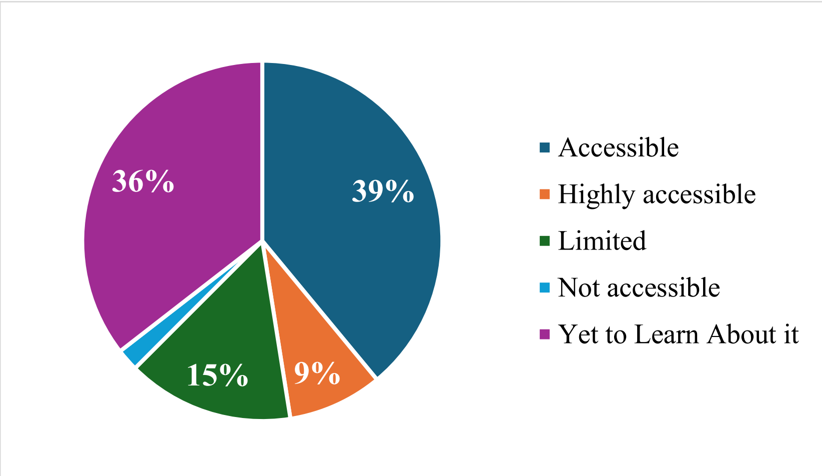

Fig. 7: Funding Access for Youth Start-ups

4.6. Young founders receiving adequate mentorship

Fig. 8 shows that only 14% of respondents believed young founders always receive adequate mentorship when required, while 44% considered it inconsistent or occasional, and 31% reported it as often. With 11% stating rarely and 2% perceiving it as never, the findings highlight an urgent need for more reliable and consistent mentorship structures for future leaders and entrepreneurs. Hence required the leaders of accelerator programs to work on enhancing mentorship opportunities, while entrepreneurs can focus on becoming more open and receptive to coaching (Kuratko, 2021).

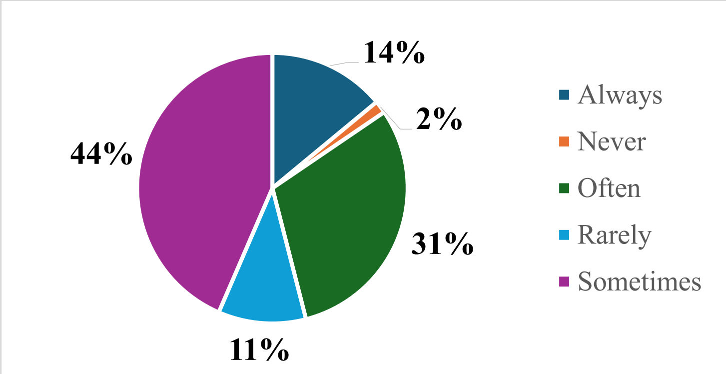

Fig. 8: Young founders receiving adequate mentorship

4.7. Youth understanding of governance frameworks

47% of the respondents indicated that nearly half of young entrepreneurs only somewhat understand the importance of governance frameworks, while just 17% fully able to grasp it. A further, 17% respondents admitted having a poor understanding among the youth entrepreneurs, whereas 17% respondents remain neutral, and 3% of them reported as they do not understand at all. This highlights a significant gap in governance awareness, calling for stronger education and guidance in this area (*See Fig. 9*).

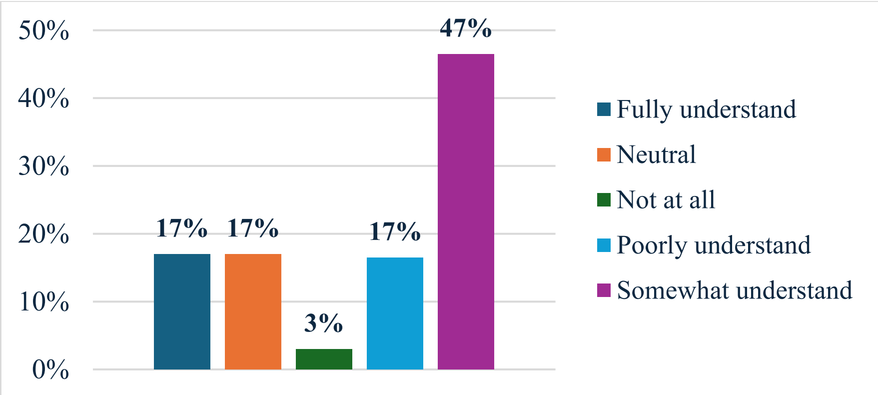

Fig. 9: Youth Understanding of Governance Frameworks

4.8. Key Skill Gaps in Start-ups

The Fig. 10 reveals that majority of the industry experts considers governance (34%) and strategic thinking (26%) are the most noteworthy skill gaps among young entrepreneurs, followed by the financial skills (21%), Communication (12%), and leadership (8%) also emerge as the areas of concern and requires attention from the stakeholders, especially policy makers. The analysis indicates that while technical and operational competencies are developing among young founders, there remains a substantial gap in governance and strategic decision-making competences. These findings point to a pressing need for structured training to strengthen governance and strategic capabilities in future generation of entrepreneurs (*See Fig. 10*).

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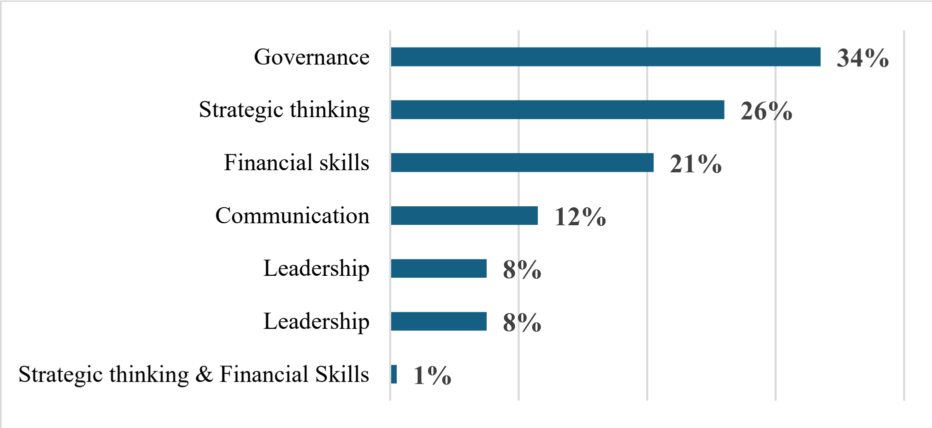

Fig. 10: Key Skill Gaps in Start-ups

4.9. Financial Discipline of Young Founders

Interestingly 42% of those surveyed believe young founders handle their finances "Well," with another 12% saying they do it "Very well". When you combine those, more than half (54%) of the industry sees a strong fiscal responsibility in the new generation. This suggests that the current founders are increasingly aware that keeping the financial books in order leads to long term survival and sustainable scaling. Whereas 36% respondents define financial discipline as "Moderate", this is likely seen in those startups where founders have the right intentions but lacks the self-regulation systems or inexperienced CFOs handling complex projects or hunch based investment decisions.

On the other side, we cannot overlook the outliers, roughly 11% of founders are seen as managing their finances "Poorly" or "Very poorly". While even if these numbers are in the minority, these are the ventures most at risk of becoming part of that 32% failure rate tied specifically to funding issues. This highlights that although many are on the right track, strengthening financial discipline and oversight remains a critical area for development (*See Fig. 11*).

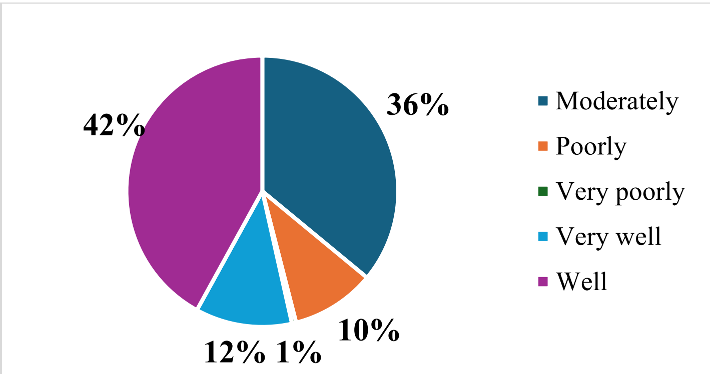

Fig. 11: Financial Discipline of Young Founders

4.10. Factors Behind Young Founder Venture Failures

Failures among young-founded ventures rarely result from mere misfortune. Data reveal a combination of structural weaknesses and interpersonal challenges as primary drivers. Funding shortages remain the leading cause (32% of failures), followed closely by inadequate governance (22%). This indicates that a substantial share of these startups collapses not because the product fails to resonate, but because they lack the organizational maturity required to scale.

People-related issues are equally critical. Team conflicts account for 17% of failures and leadership deficiencies for 15%, meaning roughly one in three collapses traces back to dysfunctional founder dynamics or underdeveloped executive capability. The absence of effective mentorship contributes an additional 14%, leaving inexperienced entrepreneurs vulnerable to preventable errors. By contrast, the intersection of poor governance and excessive ambition explains only 1% of failures (*See Fig. 12*).

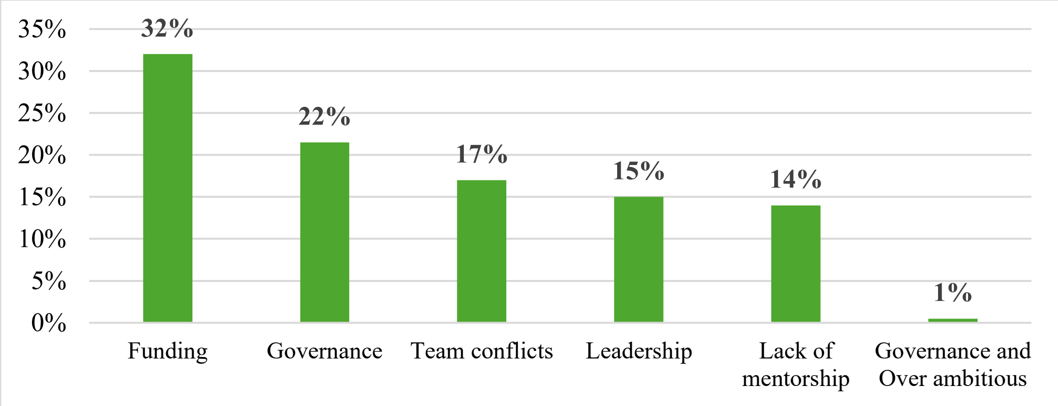

Fig. 12: Factors Behind Young Founder Venture Failures

4.11. Governance role in startups

The findings indicate a strong consensus among respondents that governance functions as a foundational mechanism for sustainable start-up growth. More than half of the participants, accounting for 51 per cent, explicitly identified governance as an enabler of scaling, suggesting that clearly defined accountability structures and ethical guidelines support faster and more reliable organisational development. This perception aligns with Institutional Theory, which posits that governance structures enhance organisational legitimacy and stability by embedding normative and regulative expectations within firm practices (Lawrence and Suddaby, 2006). A further 30 per cent of respondents emphasised that the role of governance depends on the stage of the venture, reflecting a pragmatic understanding that while formal governance frameworks may not be fully required at inception, the degree of oversight should evolve in parallel with organisational growth. This staged approach is consistent with prior research highlighting the dynamic nature of governance in start-ups (Pollman, 2019; CII, 2024). Notably, only 16 per cent of respondents perceived governance as a constraint, while a small minority of 3 per cent remained uncertain (*See Fig. 13*). The findings reinforce existing evidence that governance should not be viewed merely as a compliance requirement but rather as a core organisational practice that supports legitimacy, investor confidence, and long-term survival of start-ups (Goyal and Singh, 2023; Garidis et al., 2024).

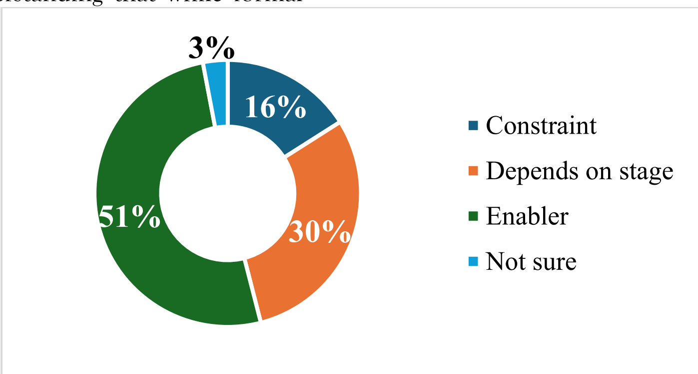

Fig. 13: Governance Role in Startups

4.12. Recommended governance for early startups

The findings indicate a clear preference for structured and frequent governance mechanisms among early-stage start-ups, with 36 per cent of respondents identifying monthly reporting as the most recommended governance practice (*See Fig. 14*). This was followed by strategic planning at 18 per cent, board advisory mechanisms at 14 per cent, and audit trails at 11 per cent, while 22 per cent of respondents supported the simultaneous adoption of all governance practices. These results underscore the importance of regular oversight as a foundational governance mechanism, while also signalling growing recognition of the value of an integrated governance framework. From an institutional perspective, such practices reflect deliberate institutional work aimed at establishing legitimacy, accountability, and normative alignment within the start-up ecosystem (Lawrence and Suddaby, 2006). The emphasis on early governance adoption aligns with industry guidance from the Confederation of Indian Industry, which highlights that embedding governance practices at the inception stage generates both tangible benefits, such as improved access to capital and risk mitigation, and intangible benefits, including credibility and stakeholder trust, across the start-up lifecycle (CII, 2024).

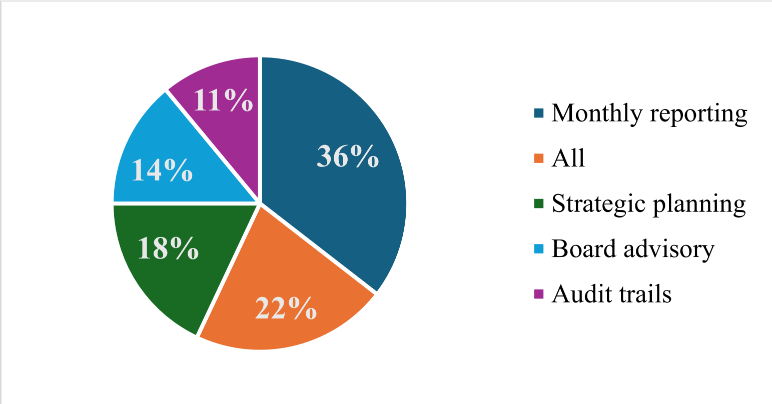

Fig. 14: Recommended Governance for Early Startups

4.13. Role of the universities in nurturing the youth entrepreneurs

Universities are increasingly recognised not only for preparing students for employment but also for actively nurturing entrepreneurial ambition and capability among young people. The survey findings indicate strong consensus on this role, with 71 per cent of respondents rating the contribution of universities as either significant or very significant in shaping youth entrepreneurship, while only 2 per cent perceived universities as having little or no influence. These results suggest that the transition from the classroom to the boardroom is widely viewed as a critical phase in which entrepreneurial foundations are established (*See Fig. 15*). Through mechanisms such as on-campus incubators, structured mentorship, experiential learning, and early exposure to risk management, universities function as key institutional actors that legitimise entrepreneurial behaviour and build capability. From an Institutional Theory perspective, this reflects deliberate institutional work by academic institutions in creating and reinforcing norms, skills, and governance expectations associated with entrepreneurship (Lawrence and Suddaby, 2006). The distribution of responses further reinforces this view, with 46 per cent of participants identifying the university's role as significant, 25 per cent as very significant, and 20 per cent as moderate, while only a small minority of 10 per cent considered it to be low or not significant. These findings are consistent with existing research highlighting the importance of universities and mentoring structures in entrepreneurial development, venture survival, and leadership formation (Geldhof et al., 2014; Clayton, 2024; Kuratko et al., 2021), thereby underscoring academia's central role in shaping and sustaining entrepreneurial ecosystems.

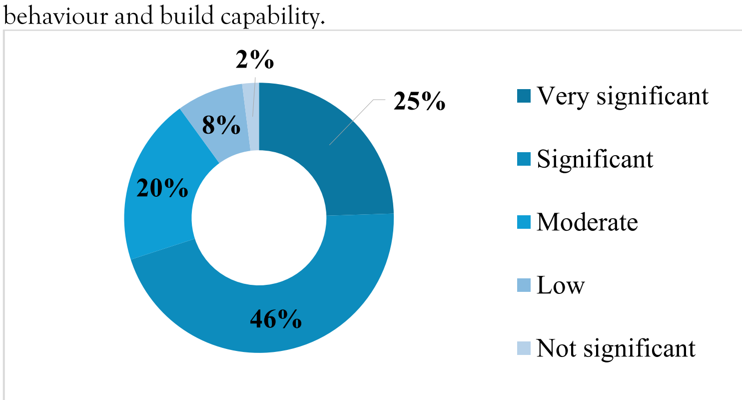

Fig. 15: Role of the universities in nurturing the youth entrepreneurs

Conclusion

This study provides evidence-based insights into the evolving relationship between youth entrepreneurship, governance, and institutional support within India's start-up ecosystem. The findings indicate that while India's youth-driven entrepreneurial landscape is characterised by strong motivation and innovation potential, its long-term sustainability is closely tied to institutional maturity rather than individual ambition alone. Young entrepreneurs are primarily motivated by financial independence, innovation, and social impact, yet their ventures frequently encounter structural challenges that extend beyond market dynamics.

Governance emerges as a foundational mechanism for venture survival and scale. A clear majority of industry stakeholders perceive governance not as a bureaucratic burden but as an enabler of credibility, investor confidence, and organisational discipline. The fact that over half of the respondents associate governance with successful scaling, while nearly one quarter attribute venture failures to governance-related shortcomings, underscores its centrality in entrepreneurial outcomes. These patterns indicate that governance awareness and implementation remain uneven among young founders, particularly at early stages of venture development.

Mentorship and institutional support play a decisive role in addressing these gaps. The prominence of mentorship deficiencies as the leading challenge faced by youth start-ups highlights the importance of experiential guidance in navigating funding decisions, leadership development, and strategic growth. Universities, in particular, are positioned as critical institutional actors. With more than 70 per cent of respondents recognising their significant contribution, academic institutions are seen as central to shaping entrepreneurial mindsets, embedding governance norms, and facilitating the transition from classroom learning to boardroom practice.

Taken together, the findings suggest that youth entrepreneurship thrives most effectively within ecosystems where institutional actors actively support governance, mentorship, and capability development. Strengthening these institutional foundations is essential for transforming youthful entrepreneurial energy into resilient, ethical, and scalable ventures that contribute meaningfully to economic and societal development.

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Annexure

Table 1: Key tenets of corporate governance

Sno	Key Governance Parameters
1	Organisational Corporate Governance Framework
2	Formation, Incorporation & Registration
3	Structure & Functioning of Board/Governing Body
4	Internal Control Environment
5	Commitment to ESG, DE&I, CSR and Sustainability
6	Disclosure & Transparency
7	Governance of Stakeholder Engagement
8	Treatment of Minority Shareholders
9	Auditor Independence and Transparency
10	Raising Finances, Restructuring and Regulator Investigations

Source: CII (2024)