Journal of Administrative Science
ICoPS Special Edition, Vol.23, Issue 2, June 2026, pp.1–17
Available online at *https://journal.uitm.edu.my/ojs/index.php/JAS*

The Entrepreneurial Pulse: Measuring Mindset in Organizations

Rabiatul Mahirah Roslan[1], Nurulaina Zulkifli[2], Nur Zafifa Kamarunzaman[3*] & Mita Rosaliza[4]

[1,3] Faculty of Administrative Science & Policy Studies, Universiti Teknologi MARA, Seremban, Malaysia
[2] Governance & Policy Studies (GaPS), Universiti Teknologi MARA, Shah Alam, Malaysia
[4] Sociology Department, Universitas Riau, Pekanbaru, Indonesia

Corresponding Author: nurzafifa@uitm.edu.my

Abstract

This paper investigates the entrepreneurial mindset among employees in Malaysia's public and private sectors. Grounded in Human Capital Theory, the study examines how knowledge, networking, risk tolerance, and sense of purpose foster an entrepreneurial mindset in organizations. Using a quantitative, stratified-sampling approach, data were analyzed using regression to identify significant factors among employees in two states in Peninsular Malaysia. Findings reveal that all four variables are influential, with risk tolerance being the strongest predictor. These results provide insights into how organizations can cultivate an entrepreneurial mindset, aligning with Malaysia's national innovation strategies and UiTM's mission to produce resilient, entrepreneurial graduates.

Keywords*: Entrepreneurial mindset; Knowledge; Networking; Risk tolerance; Sense of purpose*

INTRODUCTION

Received: 1 April 2026
Accepted: 1 May 2026
Published: 30 June 2026

In today's dynamic work environment, cultivating an entrepreneurial mindset (EM) has become critical for organizational survival and growth. EM is associated with adaptability, creativity, and proactive problem-solving, qualities that allow employees to contribute effectively to innovation and decision-making (McGrath & MacMillan, 2000). While traditionally linked to entrepreneurs, recent scholarship shows that EM is equally valuable among employees, enabling organizations to remain competitive in uncertain environments (Daspit et al., 2023). This broader understanding positions EM not only as an individual trait but also as a strategic organizational resource, essential for enhancing resilience and sustaining competitiveness in an era of technological change and globalization.

Four factors, namely knowledge, networking, risk tolerance, and sense of purpose are consistently highlighted as the key drivers of EM (Steenkamp et al., 2024; Aldrich & Zimmer, 1986; Tumasjan & Braun, 2021). Knowledge supports informed decision-making and opportunity recognition, while networking builds social capital and access to resources. In the other, risk tolerance promotes adaptability in uncertain environments, and a clear sense of purpose sustains motivation and resilience. When combined, these elements strengthen both individual capability and organizational innovation. This highlights the need to move beyond viewing EM in isolation, toward examining how its drivers interact to shape behaviour and outcomes across organizational contexts.

Human Capital Theory provides a useful foundation for understanding these dynamics (Becker, 1964). The theory conceptualizes knowledge, skills, and personal attributes as strategic resources that generate value for individuals and organizations. While early applications of Human Capital Theory emphasized education and technical competence, recent scholarship extends its scope to include social, psychological, and motivational aspects of human capital (Peñalba-Aguirrezabalaga et al., 2021). In this way, knowledge and networking can be understood as human and social capital, while risk tolerance and sense of purpose reflect psychological and motivational dimensions. By framing EM within Human Capital Theory, this study not only captures the breadth of its drivers but also demonstrates how they collectively contribute to performance and innovation.

In Malaysia, government agencies such as the Ministry of Entrepreneur Development and Cooperatives (MEDAC) and the National Institute of Entrepreneurship (INSKEN) have introduced programs to foster entrepreneurial skills through training, mentorship, and funding opportunities (MEDAC, 2021). These initiatives complement broader national policies such as the National Entrepreneurship Policy (NEP) 2030 and the MyDIGITAL agenda, which aim to cultivate innovative, opportunity-driven, and future-ready human capital. However, despite these structured efforts, there remains limited evidence of how far these initiatives have translated into entrepreneurial behaviour within Malaysia's workforce, particularly among employees in the public and private sectors.

To address this gap, this study investigates how knowledge, networking, risk tolerance, and sense of purpose influence the development of EM among employees in Johor and Melaka. By adopting Human Capital Theory as its foundation, the study contributes to a deeper understanding of how EM can be cultivated in Malaysia's workforce, offering insights into strategies for embedding entrepreneurial thinking into organizations and supporting the nation's innovation-driven agenda.

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

Problem Statement

In today's fast-paced environment, organizations must foster an entrepreneurial mindset (EM) to remain competitive and adaptable. EM, characterized by creativity, proactive problem-solving, and risk-taking, enables employees to contribute to innovation and long-term growth (Shane & Venkataraman, 2000). Four factors, which include knowledge, networking, risk tolerance, and sense of purpose are central in shaping EM, as they equip employees with the skills, resources, and motivation to act entrepreneurially within their organizations. Knowledge strengthens decision-making and innovation (Steenkamp et al., 2024), networking provides access to resources and trust (Aldrich & Zimmer, 1986; Granovetter, 1973), risk tolerance supports creativity and adaptability, and a strong sense of purpose sustains motivation and resilience (Tumasjan & Braun, 2021).

Specifically, there is limited understanding of how employees in both public and private sectors apply the skills and resources provided by these initiatives to develop EM. While knowledge, networking, risk tolerance, and purpose are widely recognized as contributors to EM, their relative influence within Malaysia's organizational context remains underexplored. In this complex market, diverse employment sectors and exposure to entrepreneurship programs provide a unique setting to examine how EM is cultivated.

Addressing this gap is crucial for designing targeted interventions that can strengthen EM among employees. By identifying which factor is most influential, organizations and policymakers can focus resources more effectively, ensuring that entrepreneurship-related initiatives not only provide training but also foster genuine entrepreneurial behaviour in the workplace.

LITERATURE REVIEW

Overview of Entrepreneurial Mindset

The entrepreneurial mindset (EM) is widely acknowledged as a critical factor for organizational competitiveness, particularly in environments characterized by rapid change and uncertainty. It refers to a set of cognitive and behavioural traits such as creativity, adaptability, opportunity recognition, and proactive problem-solving (Daspit et al., 2023). McGrath and MacMillan (2000) initially positioned EM within the

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

entrepreneurial domain, focusing on how entrepreneurs create opportunities in uncertain markets. However, subsequent studies demonstrate that EM is equally relevant among employees across different organizational levels, where it supports innovation, decision-making, and strategic agility.

Importantly, EM is not a static trait but a developable quality that can be nurtured through education, training, and workplace culture (Fayolle & Gailly, 2015). Employees with EM are more likely to challenge assumptions, embrace new ideas, and contribute to organizational growth. This broader application has shifted EM research beyond entrepreneurship studies, incorporating management, education, and sociology, reflecting its interdisciplinary value. In Malaysia, where organizational transformation is strongly aligned with national innovation policies, EM is viewed as an essential driver of workforce resilience and long-term competitiveness.

These developments suggest that understanding how EM is fostered among employees, rather than only entrepreneurs, is vital for enhancing innovation and sustaining Malaysia's organizational competitiveness.

Factors of EM

Existing literature highlights four main factors that play a central role in fostering EM such as knowledge, networking, risk tolerance, and sense of purpose. These factors represent a combination of human, social, and psychological capital (Becker, 1964) and together they explain why some employees are better able to innovate and adapt than others.

Knowledge is consistently identified as a foundation of EM because it enhances analytical thinking, creativity, and informed decision-making. Olalekan (2024) stresses that both formal education and experiential learning are crucial in equipping individuals with the tools to recognize and exploit opportunities. Organizations that cultivate knowledge through structured training, continuous learning, and knowledge-sharing practices are more likely to strengthen their employees' innovative capacity. In Malaysia, higher education institutions and corporate training initiatives have been instrumental in embedding entrepreneurial skills, yet questions remain about the degree to which this knowledge translates into workplace behaviour.

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

Networking serves as an equally critical driver of EM by expanding access to resources, mentorship, and collaborative opportunities. Aldrich and Zimmer (1986) emphasize that entrepreneurship is fundamentally embedded in social networks, where weak ties can introduce novel ideas (Granovetter, 1973). Nahapiet and Ghoshal (1998) further argue that networking enhances social capital, which supports trust, collaboration, and the diffusion of innovation. Within the Malaysian setting, structured initiatives by MEDAC and INSKEN, including mentoring programs, alumni networks, and entrepreneurship workshops, demonstrate how networking can provide employees and students with confidence and adaptability, thereby reinforcing their entrepreneurial behaviour.

Risk tolerance is another central element of EM, enabling individuals to navigate uncertainty and embrace experimentation. Tumasjan and Braun (2021) note that individuals with higher risk tolerance are more likely to identify opportunities in ambiguous situations and pursue innovative solutions. In organizational contexts, this translates into employees being willing to challenge established practices and test new approaches. Global firms such as Tesla illustrate the transformative potential of risk-driven strategies, and in Malaysia, the emphasis on digital innovation under the MyDIGITAL blueprint reflects a similar encouragement for risk-taking to remain competitive. Importantly, organizational cultures that frame failure as a learning opportunity rather than a penalty are more successful in cultivating risk-tolerant employees.

Finally, a strong sense of purpose provides the motivational foundation that sustains entrepreneurial behaviour over the long term. Murnieks et al. (2020) highlight that when individuals align personal values with professional goals, they develop resilience, focus, and persistence, which are essential for enduring challenges and driving organizational innovation. Purpose-driven employees demonstrate greater emotional intelligence and long-term commitment, leading to higher engagement and cultural alignment. In Malaysia, firms such as Petronas have embedded purpose into organizational culture to strengthen employee motivation and align with national energy transition goals.

These four drivers (knowledge, networking, risk tolerance, and sense of purpose) are mutually reinforcing. Knowledge may support opportunity recognition, but networking enables access to resources required to pursue those opportunities. Similarly, risk tolerance encourages experimentation, but purpose ensures that employees remain

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

committed in the face of challenges. This interdependence highlights that EM cannot be understood through isolated factors, but rather through the dynamic interplay of cognitive, social, and motivational elements.

Given their combined influence, these factors require further empirical investigation in Malaysia, where workforce development policies actively promote entrepreneurship but evidence on their workplace impact remains limited.

Human Capital Theory

This study is grounded in Human Capital Theory, a framework introduced by Becker (1964), which conceptualizes individuals' knowledge, skills, and attributes as forms of capital that contribute to both personal development and organizational performance. Human capital is built through a combination of education, training, experience, and intrinsic motivation. It is considered a vital asset in modern organizations, especially those seeking to remain competitive, innovative, and adaptable in today's dynamic environment. In this research context, Human Capital Theory serves as a foundational lens to explain how employees develop an EM within organizations. The EM refers to a set of cognitive and behavioural traits that include adaptability, creativity, opportunity recognition, and proactive problem-solving (Daspit et al., 2023). These qualities are essential not only for business founders but also for employees in any role, as they contribute directly to innovation and performance within an organization.

This study identifies four key factors that influence the development of an entrepreneurial mindset, namely knowledge, networking, risk tolerance, and sense of purpose. Each of these variables can be understood as a distinct dimension of human capital. Knowledge reflects both formal education and informal learning, equipping individuals with the ability to make informed decisions, recognize new opportunities, and solve problems creatively (Peñalba-Aguirrezabalaga et al., 2021). Networking, while often discussed under the lens of social capital, is closely linked to human capital as it allows individuals to expand their access to information, mentorship, and collaborative opportunities, thereby enhancing their innovative capacity (Aldrich & Zimmer, 1986; Nahapiet & Ghoshal, 1998).

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

Journal of Administrative Science
ICoPS Special Edition, Vol.23, Issue 2, June 2026, pp.1-17
Available online at *http:jas.uitm.edu.my*

Risk tolerance represents the psychological dimension of human capital. It refers to an individual's willingness to navigate uncertainty and take calculated risks in pursuit of goals. This trait supports initiative and innovation, particularly in complex or unpredictable work environments (Tumasjan & Braun, 2021). Similarly, a strong sense of purpose contributes to the internal motivational aspect of human capital. When individuals align their personal values with organizational goals, they are more likely to remain focused, resilient, and engaged in their work, all of which are critical for sustained entrepreneurial behavior (Murnieks et al., 2020).

By examining how these four elements contribute to the EM, this study extends the application of Human Capital Theory beyond technical skills and qualifications. It highlights the importance of integrating emotional, cognitive, and social dimensions into human capital development strategies. Organizations that invest in holistic human capital enhancement through education, training programs, mentoring systems, and cultural support are more likely to cultivate employees who think entrepreneurially and contribute meaningfully to innovation and long-term success. Figure 1 illustrates the research framework.

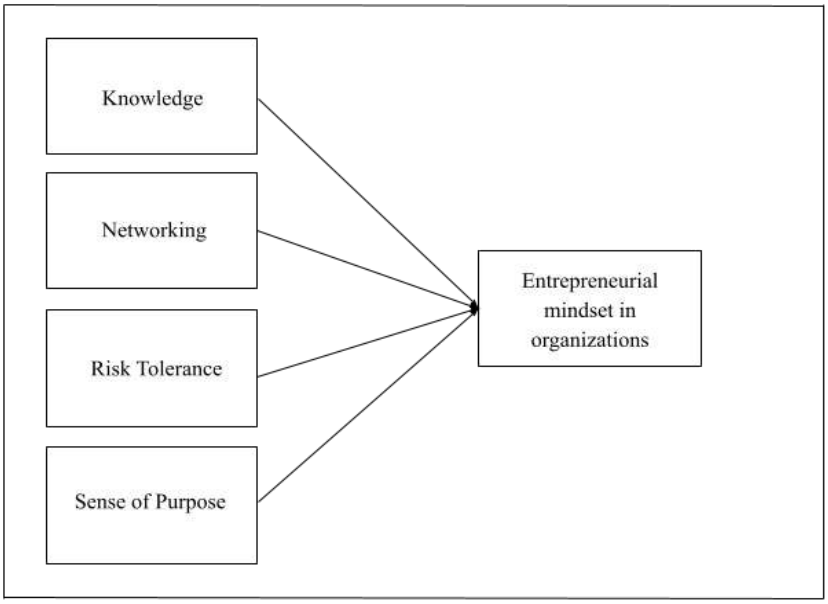

Figure 1: Research Framework of Entrepreneurial Mindset

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

METHODOLOGY

This study adopted a quantitative, cross-sectional design to examine factors influencing the EM among employees in Johor and Melaka. This approach was chosen because it allows systematic measurement of variables and is suitable for testing relationships within a limited timeframe. This design was appropriate as the study aimed to identify levels of EM and test relationships between variables at a single point in time, which fits the objectives of this research. Structured data collection and statistical analysis were used to assess the relationships between knowledge, networking, risk tolerance, and sense of purpose. A self-administered questionnaire was selected for its efficiency in capturing responses within a limited timeframe. It also ensured anonymity, reduced interviewer bias, and gave respondents flexibility in answering. Individuals who were local university graduates and working in the public or private sectors in either Johor or Melaka during the data collection period were chosen to be the respondents for the study. Using the Krejcie and Morgan (1970) sample size table with a 95% confidence level and 5% margin of error, the minimum required sample was 384 from Johor and Melaka (Table 1). A total of 350 valid responses were collected, which represents a strong 91% response rate and enhances the reliability of the study. Although slightly below the recommended sample size, the strong response rate ensures that the sample remains highly reliable and sufficiently representative.

Both online and physical surveys were used for data collection, covering demographic profiles, the dependent variable (EM), and four independent variables (knowledge, networking, risk tolerance, and sense of purpose). All constructs were measured using validated items from previous studies, adapted to the Malaysian organizational context, and rated on a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). This scale was selected as it allows respondents to express varying degrees of agreement and facilitates robust statistical analysis. Adapting validated items ensured cultural relevance and clarity for Malaysian respondents, strengthening the accuracy of responses. Data was analyzed using SPSS software.

A reliability test using Cronbach's Alpha confirmed high internal consistency for all constructs. The values were: EM ($\alpha = 0.872$), knowledge ($\alpha = 0.823$), networking ($\alpha = 0.802$), risk tolerance ($\alpha = 0.869$), and sense of purpose ($\alpha = 0.850$). All exceeded the acceptable threshold of 0.70. This demonstrates that the instrument was stable and reliable for measuring entrepreneurial mindset in this context. Regression analysis was

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

Journal of Administrative Science
ICoPS Special Edition, Vol.23, Issue 2, June 2026, pp.1-17
Available online at *http:jas.uitm.edu.my*

particularly important to identify which factor had the strongest influence on EM, providing deeper insight beyond correlations alone.

Table 1:
Sample Table According to Krejcie and Morgan (1970)

Table for Determining Sample Size for a Given Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size
"S" is sample size.

Source: Krejcie & Morgan, 1970

FINDINGS

Demographic Profile

The total number of valid respondents in this study was 350, with a response rate of 91%. The majority were female (225 respondents, 64.3%), while male respondents made up 35.7% (125). This reflects the increasing representation of women in the Malaysian workforce, particularly in administrative and professional roles. Most respondents were aged 30–39 (32.6%), followed by those aged 40–49 (31.1%), 20–29 (30.6%), and 50 and above (5.7%). The distribution suggests that most respondents are in their productive and mid-career stage, where experience and adaptability play an important role in shaping entrepreneurial behaviour. At the same time, the presence of younger employees highlights the potential for fresh perspectives and openness to innovation, while the smaller group of senior employees provides stability and accumulated expertise. Educational background showed 43.1% had a bachelor's degree, 29.1% a master's, 24.6% a diploma, and 3.1% a PhD. This indicates that the workforce is

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

generally well-educated, supporting Human Capital Theory which emphasizes the role of education in enhancing innovative capacity. Job positions were mainly junior staff (45.7%), followed by managers (27.4%), executives (20.9%), and senior managers (6.0%). This distribution shows that entrepreneurial mindset is not limited to management roles but is also relevant to junior employees who engage in day-to-day problem-solving and innovation at the operational level. Regarding work experience, 39.4% had worked for 1–5 years, 35.4% for 6–10 years, 15.4% for less than 1 year, and 9.7% for more than 10 years. This shows that many respondents had sufficient experience to provide reliable insights, while also including fresh perspectives from newer employees. Overall, the demographic profile demonstrates a diverse and capable workforce, providing a strong foundation for analyzing EM across different organizational levels. Such diversity ensures that the study captures insights from a broad spectrum of employees, making the findings more generalizable to both public and private sector organizations in Johor and Melaka.

Identifying the level of entrepreneurial mindset among employees

The descriptive analysis showed a mean score of 3.84 (SD = 0.51), indicating a moderately high level of EM among employees in Johor and Melaka. Traits such as adaptability, proactivity, and opportunity recognition were evident, suggesting that EM is a developable quality, not exclusive to entrepreneurs (Daspit et al., 2023; Fayolle & Gailly, 2015). This also implies that organizational training and exposure to national entrepreneurship initiatives may already be influencing employees positively, although there remains room for improvement to achieve a higher level of EM across sectors. The findings suggest that employees are not only capable of entrepreneurial thinking but also willing to apply it within organizational contexts when provided with the right environment. This highlights the importance of continuous organizational support, such as mentorship programs and innovation-driven policies, to further strengthen entrepreneurial capacity. This result confirms that employees in Johor and Melaka demonstrate a solid foundation of EM that can be enhanced further through organizational initiatives. The moderately high score also indicates that entrepreneurial development should be seen as an ongoing process. Organizations that continuously invest in capacity building may transform this potential into long-term innovative performance.

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

Journal of Administrative Science
ICoPS Special Edition, Vol.23, Issue 2, June 2026, pp.1-17
Available online at *http:jas.uitm.edu.my*

The relationship between knowledge, networking, risk tolerance, sense of purpose, and an employee's EM

A Pearson correlation analysis was conducted to assess the strength and direction of these relationships. The results showed that risk tolerance had the strongest positive correlation with EM ($r = 0.586$, $p < .01$), followed by sense of purpose ($r = 0.517$, $p < .01$), networking ($r = 0.532$, $p < .01$), and knowledge ($r = 0.547$, $p < .01$). These values indicate that all four factors are significantly and positively related to EM. This demonstrates that both cognitive resources (knowledge), social connections (networking), psychological traits (risk tolerance), and motivational drivers (sense of purpose) play complementary roles in shaping entrepreneurial behaviour. This result also reinforces Human Capital Theory, which posits that both formal knowledge and experiential learning contribute to individual capacity. At the same time, the strong correlation of networking and sense of purpose highlights the value of relational and motivational aspects, showing that EM is not only about skills but also about connections and values. The balance of these four elements suggests that organizations must adopt a holistic approach in developing entrepreneurial capacity, combining technical training with opportunities for collaboration and personal growth. The positive role of networking also supports Social Capital Theory, which emphasizes that relationships and trust among employees enhance knowledge sharing and innovation. This provides further evidence for Objective 2, confirming that all four factors significantly shape employees' EM.

Meanwhile, a multiple regression analysis (Table 2) was also conducted to determine the predictive power of each variable; the beta values show that risk tolerance ($\beta = 0.266$) has the greatest predictive influence. This finding highlights the importance of cultivating a workplace culture that supports experimentation and constructive risk-taking, as employees who are more comfortable with uncertainty are more likely to think and act entrepreneurially. In practice, this means that organizations should encourage innovation through trial-and-error learning, provide psychological safety for employees to share ideas, and recognize efforts even when they do not immediately succeed. By doing so, risk tolerance can be transformed into a driver of sustainable organizational performance. The results identified risk tolerance as the most influential predictor of EM, offering practical direction for organizational strategies.

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

Table 2:
Regression Result

Variable	Beta ($\boldsymbol{\beta}$)	Sig. (p)	Tolerance	VIF
Knowledge	0.218	<.001	0.598	1.679
Networking	0.207	<.001	0.598	1.678
Risk tolerance	0.266	<.001	0.551	1.814
Sense of purpose	0.167	.002	0.603	1.657
R^2	0.463			
Adjusted R^2	0.457			
F change	74.300			
Sig.	<.001			

DISCUSSION

Grounded in Human Capital Theory (Becker, 1964), the findings of this study confirm that knowledge, networking, risk tolerance, and sense of purpose significantly influence the entrepreneurial mindset (EM) among public and private sector employees in Johor and Melaka. The results strengthen the argument that EM is not limited to entrepreneurs but can be cultivated across organizational roles, where it contributes to adaptability, innovation, and long-term competitiveness (Fayolle & Gailly, 2015; Daspit et al., 2023).

The descriptive analysis indicated that employees demonstrated a relatively high level of EM, as reflected in traits such as adaptability, proactivity, and opportunity recognition. This aligns with the broader view of EM as a developable quality shaped by education, experience, and workplace culture (McGrath & MacMillan, 2000; Daspit et al., 2023). In the private sector, competitive pressures and autonomy in decision-making may create stronger incentives for employees to develop EM. In contrast, in the public sector, where bureaucracy can limit flexibility, EM may depend more heavily on supportive leadership and institutional programs.

Among the four drivers examined, risk tolerance emerged as the strongest predictor of EM. This finding is consistent with prior research that identifies risk-taking as central to innovation and adaptability (Tumasjan & Braun, 2021; Jemal et al., 2023).

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

Employees who are more comfortable with uncertainty are better able to experiment with new approaches and recover from setbacks, both of which are crucial in dynamic work environments. The prominence of risk tolerance in this study may also reflect the generational composition of the workforce, with Millennials and younger employees demonstrating higher comfort levels with ambiguity and autonomy compared to older cohorts.

Sense of purpose also showed a strong positive relationship with EM. Previous studies highlight that when personal values are aligned with professional goals, employees demonstrate resilience, persistence, and long-term motivation (Murnieks et al., 2020). In Malaysia, where organizational culture often emphasizes collective responsibility and alignment with national objectives, purpose-driven employees may be especially valuable in sustaining engagement and contributing to organizational stability. Knowledge and networking were likewise significant predictors of EM, supporting the view that human and social capital are key enablers of entrepreneurial behaviour. Peñalba-Aguirrezabalaga et al. (2021) emphasizes that knowledge acquisition fosters analytical and creative thinking, while Aldrich and Zimmer (1986) argue that networking expands access to resources and opportunities. The findings of this study reinforce these perspectives by showing that Malaysian employees who engage in continuous learning and build strong professional networks are more likely to demonstrate entrepreneurial traits. This also resonates with national initiatives by MEDAC and INSKEN, which emphasize training, mentorship, and resource access as mechanisms to develop an entrepreneurial workforce (MEDAC, 2021).

The results also carry policy implications. They align with the objectives of the National Entrepreneurship Policy (NEP) 2030 and MyDIGITAL agenda, which aim to cultivate an innovative, risk-tolerant, and opportunity-driven workforce. By highlighting risk tolerance and purpose as particularly influential factors, this study suggests that organizations and policymakers should focus not only on technical training but also on developing psychological and motivational aspects of human capital. Encouraging a workplace culture that views failure as a learning opportunity, for example, may reduce fear of risk-taking and foster innovation. Similarly, initiatives that help employees connect their personal values to organizational and national goals can sustain long-term entrepreneurial engagement.

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

Overall, the findings extend Human Capital Theory by demonstrating that EM is shaped not only by education and skills but also by social networks, psychological readiness, and intrinsic motivation. This holistic view reinforces the importance of integrating emotional, cognitive, and social dimensions into organizational strategies for human capital development. For Malaysia, strengthening these factors across sectors could accelerate progress towards becoming an innovation-driven economy while supporting UiTM's mission to produce resilient and entrepreneurial graduates.

RESEARCH RECOMMENDATIONS AND CONCLUSION

This study confirms that knowledge, networking, risk tolerance, and sense of purpose influence the entrepreneurial mindset, with risk tolerance as the strongest factor. In line with Human Capital Theory, the findings highlight the importance of adaptability, decision-making, and motivation.

To address this, two initiatives are proposed. Firstly, organizations should embed EM development into talent strategies. The embedding of EM qualities could take place in recruitment, training, and performance appraisal. Moreover, including EM criteria in performance evaluations provides a broader perspective on employee contributions, reinforcing the importance of interpersonal skills. This step is essential to inculcate the culture of a growth mindset and innovation that benefits the company's health and success. Secondly, leaders could encourage a culture that embraces risk as part of the learning process. Instead of imposing punishment, organizations can establish policies that acknowledge innovative ideas, even if they require many attempts. It fosters a culture of experimentation and reduces the fear of failure. Future studies should explore broader sectors and contexts to maximize this impact.

Future research could explore additional psychological and organizational variables that may influence entrepreneurial mindset, such as emotional intelligence, digital readiness, and transformational leadership. Given the high impact of risk tolerance in this study, a qualitative investigation into how employees perceive risk in various organizational contexts, particularly in bureaucratic environments, could provide valuable insight. Moreover, a longitudinal design would allow researchers to track how entrepreneurial mindsets develop over time and in response to policy shifts or training interventions. Comparative studies between states or industries would also be beneficial in understanding how local economic and cultural factors shape entrepreneurial behavior.

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

Journal of Administrative Science
ICoPS Special Edition, Vol.23, Issue 2, June 2026, pp.1-17
Available online at *http:jas.uitm.edu.my*

Acknowledgements

We would like to express our sincere gratitude to the Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA, for providing the support and resources that made this research possible. We also wish to thank all respondents who participated in the survey, as their cooperation was essential in completing this research.

Funding

This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

Author contributions

Conceptualization: Rabiatul Mahirah Roslan and Nurulaina Zulkifli;
Methodology: Rabiatul Mahirah Roslan, Nurulaina Zulkifli, and Nur Zafifa Kamarunzaman;
Validation and Supervision: Nur Zafifa Kamarunzaman and Mita Rosaliza;
Data Collection: Rabiatul Mahirah Roslan and Nurulaina Zulkifli;
Formal Analysis: Rabiatul Mahirah Roslan and Nurulaina Zulkifli;
Writing – Original Draft: Rabiatul Mahirah Roslan and Nurulaina Zulkifli;
Writing – Review & Editing: Rabiatul Mahirah Roslan, Nurulaina Zulkifli, Nur Zafifa Kamarunzaman, and Mita Rosaliza.

Conflict of interest

There is no conflict of interest associated with the publication of this article.

References

Aldrich, H. E., & Zimmer, C. (1986). Entrepreneurship through social networks. In D. Sexton & R. Smilor (Eds.), *The art and science of entrepreneurship* (pp. 3–23). Ballinger Publishing Company.

Becker, G. S. (1964). *Human capital: A theoretical and empirical analysis, with special reference to education*. University of Chicago Press.

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

Daspit, J. J., Fox, C. J., & Findley, S. K. (2023). Entrepreneurial mindset: An integrated definition and review. *Journal of Small Business Management*, *61*(1), 12–44. https://doi.org/10.1080/00472778.2021.1907583

Fayolle, A., & Gailly, B. (2015). The impact of entrepreneurship education on entrepreneurial attitudes and intention: Hysteresis and persistence. *Journal of Small Business Management*, *53*(1), 75–93. https://doi.org/10.1111/jsbm.12065

Granovetter, M. (1973). The strength of weak ties. *American Journal of Sociology*, *78*(6), 1360–1380. https://doi.org/10.1086/225469

Jemal, J. T., Fisher, K. S., & Findley, J. V. (2023). Entrepreneurial mindset and venture success: A study of startups in Vancouver, Canada. *Journal of Entrepreneurship & Project Management*, *7*(9), 1–10. https://doi.org/10.53819/81018102t5220

Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*, *30*(3), 607–610. https://doi.org/10.1177/001316447003000308

McGrath, R. G., & MacMillan, I. (2000). *The entrepreneurial mindset: Strategies for continuously creating opportunity in an age of uncertainty*. Harvard Business School Press.

Ministry of Entrepreneur Development and Cooperatives (MEDAC). (2021). *Annual report 2021: Strengthening entrepreneurship in Malaysia.* https://www.medac.gov.my/

Murnieks, C. Y., Mosakowski, E., & Cardon, M. S. (2020). Pathways of passion: Identity centrality, passion, and behavior among entrepreneurs. *Journal of Management*, *46*(5), 926–956. https://doi.org/10.1177/0149206318818350

Nahapiet, J., & Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review*, *23*(2), 242–266. https://doi.org/10.5465/amr.1998.533225

Olalekan, O. O. (2024). Evaluating the impact of experiential learning on entrepreneurial intentions among university students in emerging markets. (2024). *International*

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia

Journal of Management & Entrepreneurship Research, 6(11), 3602–3615. https://doi.org/10.51594/ijmer.v6i11.1683

Peñalba-Aguirrezabalaga, C., Sáenz, J., Ritala, P., & Vanhala, M. (2021). Putting knowledge to work: The combined role of marketing and sales employees' knowledge and motivation to produce superior customer experiences. *Journal of Knowledge Management*, *25*(10), 2484-2505. https://doi.org/10.1108/JKM-09-2020-0727

Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review, 25*(1), 217–226. https://doi.org/10.5465/amr.2000.2791611

Steenkamp, A., Meyer, N., & Bevan-Dye, A. L. (2024). Self-esteem, need for achievement, risk-taking propensity and consequent entrepreneurial intentions. *The Southern African Journal of Entrepreneurship and Small Business Management*, *16*(1), 753. https://doi.org/10.4102/sajesbm.v16i1.753

Tumasjan, A., & Braun, R. (2021). In the eye of the beholder: How regulatory focus and risk perception shape opportunity evaluation. *Journal of Business Venturing Insights, 15,* e00241.

eISSN 2600-9374
© 2026 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia