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## INTRAPRENEURSHIP AS A GROWING DEMAND: IGNITING ENTREPRENEURIAL MINDSET TO FUEL EMPLOYEES' STRATEGIC RENEWAL BEHAVIOR<sup>1</sup>

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Abstract. The effect of having an entrepreneurial attitude on employee performance has been recognized in earlier studies. This study aims to investigate the link between an entrepreneurial mindset and intrapreneurial activity among employees. Additionally, we explore how situational cues can encourage an entrepreneurial mindset. As a research tool, we used a developed questionnaire with appropriate scales, which allows to quantify the factors that are important for our study, such as involvement in work, psychological safety, entrepreneurial attitude, etc. Further, the necessary information was collected on this questionnaire, which was processed, first of all, using SPSS 26, and then we analyzed the structural equations using Mplus 8.0. The findings of this study show that supporting employees' intrapreneurial behavior, which is commonly seen as a crucial factor in organizational success and productivity, requires an entrepreneurial mindset. The study has also identified psychological safety and job engagement as the key cues that stimulate employees' entrepreneurial mindsets.

**Keywords:** entrepreneurial mindset; intrapreneurial behavior; strategical renewal behavior; innovativeness; proactiveness.

**JEL codes:** L26; M12; M21.

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### Introduction

A requirement for any existing organization, whether it be a large, global corporation or a small, middle-sized business, is the capacity to recognize and seize new opportunities. The essential requirement to foster an entrepreneurial spirit for internal innovation is made possible by this innate demand for survival skills in the cutthroat operational environment. In this sense, the research on employee intrapreneurship and corporate entrepreneurship is urgently needed to meet the growing demand for organizational sustainability [1]. This study adopts the thesis that, when compared to corporate entrepreneurship, employee intrapreneurial behavior is more likely to be a bottom-up behavior. This claim is consistent with the notion that "intrapreneurship" refers to the emerging behavioral intentions and actions associated with "departures from the conventional ways of doing business in existing organizations" [2, c. 7-24]. Prior studies have looked at how particular personality traits (such as the big five) or employee emotions (such job anxiety or psychological safety) can encourage intrapreneurial conduct [3]. However, the focus of this study is on how the traditional entrepreneurship construct of entrepreneurial competency affects organizational intrapreneurial behavior.

This study developed a research model to examine the role of potential situational cues in promoting intrapreneurial behavior, specifically strategical renewal behavior. These cues included physical safety, work engagement, and specific entrepreneurial mindset traits like innovativeness, proactiveness, and risk-taking. First, this paper analyzed the pertinent literature on the subject and then developed, in our research framework, a series of hypotheses based on prior work and theories. In order to quantify the factors relevant to our research, such as work engagement, psychological safety, entrepreneurial mindset, etc., we developed a questionary in accordance with the existing scales. After that, this study gathered relevant data, processed it primarily using SPSS 26, and then performed structural equation analysis using Mplus 8.0. Lastly, this research came to its conclusion based on the results of the testing of the hypotheses and the application of those results.

## 1. Intrapreneurship development to fuel employees' strategic renewal behavior

Employee perceptions of one another's level of safety and comfort in taking interpersonal risks at work are referred to as psychological safety. We contend that work engagement (WE) is likely to be enabled by psychological safety (PS). Prior studies have looked at how psychological safety affects employee attitudes [4]. Those employee attitudes include organizational commitment, and positive working attitudes. Research has specifically confirmed the function of PS in predicting involvement in quality improvement activity [5].

Individuals with an entrepreneurial mindset are willing to combine risk-taking, creativity, and invention with the goal of creating value. They are also capable of planning and managing projects to meet goals. Based on the "trait activation theory", PS, WE might contribute by offering the contextual clues necessary for the development of an entrepreneurial mindset. According to study, PS can be helpful in fostering a "entrepreneurial mindset" (EM), such as organizational innovativeness, achievement motivation, risk-taking, and proactiveness. Our hypothesis that an engaged employee is more likely to exhibit an entrepreneurial mentality is supported by similar research on the outcomes of WE, e.g., innovative behavior, proactive behavior.

Strategical renewal behavior (SRB) is the revitalization of a company's operations through adjustments to the nature of its activities or market actions. Employee intrapreneurship (EI) has various elements, one of which is SRB. Employee venture behavior and SRB are two characteristics of EI that J. C. Gawke, M. J. Gorgievski, A. B. Bakker [6, c. 806-817]'s studies capture. According to the research, EM might encourage employees to engage in SRB. According to the "traits activation theory", certain entrepreneurial traits may be activated by situational cues, which acts as a propensity or tendency to act entrepreneurially at work. In other words, these situational clues, along with the entrepreneurial attributes they trigger, may help employees become more career-focused in their behavior.

We also suggest that EM plays a mediating function in the link between PS and SRB, WE and SRB after establishing hypothesis 4 and formulating hypotheses 2 and 3. An explanation for the mechanism underlying an observed association between an independent variable and a dependent variable is provided by a mediation model. It can be concluded that PS and WE have an indirect impact on SRB through EM. Employees are more likely to activate their EM and engage in SRB when they feel psychologically safe and engaged in their work. This is due to the EM's capacity for initiative, risk-taking, and innovation, all of which are essential elements of SRB. Thus, hypotheses are generated as follows:

H1: PS positively contribute to WE.

H2: PS positively contribute to EM.

H3: WE positively contribute to EM.

H4: EM positively contribute to the SRB.

H5: EM mediates the relationship between PS and SRB.

H6: EM mediates the relationship between WE and SRB.

A questionary with the permission of the department manager was delivered to the employee's personal working account. Total 278 answers were collected, among them 17 was invalid due to the reason that they failed to correctly answer the quality-control questions. In this study, we excluded those

3

who incorrectly responded to quality-control questions, and the resulting number of valid samples is 261. Table 1 provides additional insight into the demographic makeup of the participants in the present study. The current investigation has incorporated A. Edmondson [7, c. 350-383]'s seminal tripartite scale of psychological safety. The assessment of the entrepreneurial mindset (EM) was conducted using the College Students' Entrepreneurial Mindset Scale (CS-EMS), a tool that was recently formulated and verified by E. Jung, Y. Lee [8, c. 8272]. In the present study, we utilized the UWES-3, an abbreviated form of the Utrecht Work Engagement Scale, to assess work engagement. Items to measure SRM was picked from the Employee Intrapreneurship Scale (EIS) developed by J. C. Gawke, M. J. Gorgievski, A. B. Bakker [6, c. 806-817].

Table 1: Descriptive Statistics for Demographic Variables<sup>2</sup>

Variables	Frequency	Percent
Gender		
Male	115	44.1
Female	146	55.9
Age		
18-30	235	90
31-40	25	9.6
41-50	1	0.4
Education		
Junior college or university	193	73.9
Master's or doctor's degree	68	26.1
Income		
Below 4000 RMB	102	39.1
4000-8000 RMB	109	41.8
8000-12000 RMB	32	12.3
12000 RMB and above	18	6.9

This study used Mplus 8.0 to analyze the research model. The measurement model of all constructs first assessed the adequacy of each multi-item scale in capturing its construct. This research checked internal consistency reliability, convergent validity, and discriminant validity before testing the hypotheses via our conceptual model. First, according to confirmatory factor analysis (CFA), this research deleted items and compressed dimensions. Second, Table 2 presents the result of the construct reliability (CR) in this research. Finally, this study presents validity according to convergent validity and discriminant validity in table 3.

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<sup>&</sup>lt;sup>2</sup> Author-calculated based on collected data

Table 2: The Reliability and Validity Analysis of Each Measurable Variable<sup>3</sup>

Construct	Items	Estimate	S.E.	Est./S.E.	P-Value	SMC	CR	AVE
	SRB1	0.869	0.021	41.840	0.000	0.755		
SR	SRB2	0.857	0.022	39.832	0.000	0.734	0.902	0.697
SK	SRB3	0.763	0.030	25.307	0.000	0.582	0.902	0.097
	SRB4	0.846	0.023	36.718	0.000	0.716		
	WE1	0.863	0.026	33.509	0.000	0.745		
WE	WE2	0.821	0.028	29.384	0.000	0.674	0.872	0.694
	WE3	0.815	0.028	28.737	0.000	0.664		
	PS1	0.700	0.043	16.436	0.000	0.490		
PS	PS2	0.726	0.042	17.423	0.000	0.527	0.801	0.574
	PS3	0.840	0.039	21.602	0.000	0.706		
	I	0.906	0.025	36.611	0.000	0.821		
EM	NA	0.861	0.028	31.294	0.000	0.741	0.931	0.772
	RT 0.836	0.030	28.171	0.000	0.699	0.931	0.772	
	P	0.909	0.029	31.606	0.000	0.826		

Table 3: Result of Discriminatory Validity Analysis<sup>4</sup>

Construct	CR	AVE	EM	PS	WE	SRB
EM	0.931	0.772	0.879			
PS	0.801	0.574	0.626	0.758		
WE	0.872	0.694	0.810	0.610	0.833	
SRB	0.902	0.697	0.833	0.557	0.683	0.835

After the pretest model of reliability and validity, we move onto analyze the structural model fitness. Following the suggestion of R. P. Bagozzi, Y. Yi [9, c. 74-94], this study summarized indicators to measure fitness of the entire model in table 4. Our statistical results indicate that this study's reliability and validity are both promising, and the research model fits well.

Table 4: Model Fit Indicators<sup>5</sup>

Index	Criteria	Research model
CH-SQR	Smaller is better	625.755
DF	Larger is better	267.000
CHI-SQR/DF	Between 1 and 3	2.344
CFI	>0.90	0.919
TLI	>0.90	0.909
RMSEA	< 0.08	0.072
SRMR	< 0.08	0.046

<sup>&</sup>lt;sup>3</sup> Author-calculated based on collected data

<sup>&</sup>lt;sup>4</sup> Author-calculated based on collected data

<sup>&</sup>lt;sup>5</sup> Author-calculated based on collected data

### 2. Hypothesis testing

The four basic hypotheses are described in Table 5 for the current investigation, which used path analysis to evaluate the link between dependent and independent variables.

Table 5: Assessing Structural Model Validity of Baseline Model<sup>6</sup>

IV	DV	Std.est.	S.E.	Est./S.E.	P-Value	R Square	Нуро
EM	PS	0.218	0.068	3.228	0.001	0.687	Support
EIVI	WE	0.678	0.058	11.758	0.000	0.087	Support
WE	PS	0.609	0.052	11.758	0.000	0.370	Support
SRB	EM	0.836	0.026	31.870	0.000	0.698	Support

The results show that psychological safety has a favorable impact on both work engagement ( $\beta$  = 0.609; SE = 0.052, p < 0.05), and entrepreneurial mindset ( $\beta$  = 0.218; SE = 0.068, p < 0.05), supporting hypothesis 1 and 2. The study also demonstrates that work engagement significantly affects entrepreneurial attitude in the workplace ( $\beta$  = 0.678; SE = 0.058, p < 0.05), supporting hypothesis 3. Finally, the findings support hypothesis 4 by showing a positive relationship between employees' strategic renewal behavior and entrepreneurial mindset ( $\beta$  = 0.836; SE = 0.026, p < 0.05). This academic study expanded on its analysis to evaluate the validity of three indirect effects: 1) the role of an entrepreneurial mindset in mediating the relationship between work engagement and strategic renewal behavior; 2) the role of an entrepreneurial mindset in mediating the relationship between psychological safety and strategic renewal behavior; and 3) the role of two mediators, work engagement and an entrepreneurial mindset, in mediating the relationship between psychological safety and strategic renewal behavior. The testing results in Tables 6 and 7 validate the indirect impact described above and support hypothesis 5 and hypothesis 6.

Table 6: The Effects from WE to SRB<sup>7</sup>

Total effect	ß	SE	P-Value	Lower confidence interval	Upper confidence interval
Total criect	Р	SE	1 - value	(at 95%)	(at 95%)
Total effect	0.567	0.074	0.000	0.419	0.702
Total Indirect effect	0.567	0.074	0.000	0.419	0.702
Specific Indirect effect (WE→EM→SRB)	0.567	0.074	0.000	0.419	0.702

<sup>&</sup>lt;sup>6</sup> Author-calculated based on collected data

<sup>&</sup>lt;sup>7</sup> Author-calculated based on collected data

Table 7: The Effects from PS to SRB<sup>8</sup>

Total effect	β	SE	P-Value	Lower confidence interval (at 95%)	Upper confidence interval (at 95%)
Total effect	0.527	0.061	0.000	0.406	0.644
Total Indirect effect	0.527	0.061	0.000	0.406	0.644
Specific Indirect effect (PS→EM→SRB)	0.182	0.076	0.017	0.030	0.329
Specific Indirect effect (PS→WE→EM→SRB)	0.345	0.061	0.000	0.244	0.481

### **Conclusion**

An important finding from the current study is that certain characteristics of the entrepreneurial mindset can be triggered by environmental cues. To put it more specifically, this research has identified psychological safety and work engagement as the key cues that trigger employees' entrepreneurial mindset, which in turn supports inventive and proactive behavior and stimulates their tendency for risk-taking and demand for achievement. This particular finding is in line with earlier studies showing that motivated workers are more likely to display creative and innovative activities [10, pp. 208-230]. Our study's findings about the crucial part psychological safety plays in encouraging an entrepreneurial mindset are generally consistent with earlier fragmented research. Basically, previous studies have found that psychological safety plays a positive role in fostering an "entrepreneurial mindset" by encouraging organizational innovativeness, achievement motivation, risk-taking, and proactiveness. Nonetheless, by introducing a higher-level construct, namely the "entrepreneurial mindset," our research undertook a thorough examination of these dispersed variables. This discovery emphasizes the significance of situational context in influencing employees' entrepreneurial behavior and illustrates the possibility for developing an atmosphere at work that fosters the growth and manifestation of an entrepreneurial mindset.

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# ВНУТРЕННЕЕ ПРЕДПРИНИМАТЕЛЬСТВО КАК РАСТУЩИЙ ЗАПРОС: ФОРМИРОВАНИЕ ПРЕДПРИНИМАТЕЛЬСКОГО МЫШЛЕНИЯ ДЛЯ СТИМУЛИРОВАНИЯ СТРАТЕГИЧЕСКОГО ИННОВАЦИОННОГО ПОВЕДЕНИЯ СОТРУДНИКОВ

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Аннотация. Влияние предпринимательского подхода на эффективность работы сотрудников было признано в более ранних исследованиях. Целью этого исследования является изучение связи между предпринимательским мышлением и предпринимательской активностью сотрудников. Кроме того, мы исследуем, как ситуационные сигналы могут способствовать развитию предпринимательского мышления. В качестве инструмента исследования была использована разработанная нами анкета с соответствующими шкалами, позволяющая количественно оценить факторы, имеющие значение для нашего исследования, такие как вовлеченность в работу, психологическая безопасность, предпринимательское мышление и др. Далее по этой анкете была собрана необходимая информация, которая была обработана нами, в первую очередь, с использованием SPSS 26, а затем проведен анализ структурных уравнений с использованием Mplus 8.0. Результаты этого исследования показывают, что поддержка внутрифирменного предпринимательского поведения сотрудников, которое обычно рассматривается как решающий фактор успеха и эффективности организации, требует предпринимательского склада ума. Исследование также выявило психологическую безопасность и вовлеченность в работу в качестве ключевых факторов, стимулирующих предпринимательский настрой сотрудников.

**Ключевые слова:** предпринимательский склад ума; предпринимательское поведение; стратегические инновации; новаторство; проактивность.

**JEL коды:** L26; M12; M21.

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