

The Cognitive Pathways from Social Capital to Entrepreneurship: Evidence on the Roles of Self-Efficacy, Mindset and Attitude

Wardah Abdul Sattar¹, Aamar Ilyas², Saria Nasir³, Hamna Moazzam Iqbal⁴ and Fatima Amjad⁵

<https://doi.org/10.62345/jads.2025.14.1.145>

Abstract

Entrepreneurial intention (EI) is a critical precursor to venture creation, yet the mechanisms through which social capital (SC) influences EI remain underexplored. This study investigates the direct and indirect effects of SC on EI, with entrepreneurial self-efficacy (ESE), entrepreneurial mindset (EM), and attitude toward entrepreneurship (ATE) as mediators. Grounded in Social Cognitive Theory (SCT), the Theory of Planned Behaviour (TPB), the research proposes a serial mediation model to explain how SC enhances EI through cognitive and psychological pathways. A quantitative survey was conducted with 450 university students in Gujranwala, Pakistan, using validated scales for SC, EM, ESE, ATE, and EI. The findings highlight that SC not only provides external resources but also cultivates internal entrepreneurial traits, thereby strengthening EI. The study contributes to entrepreneurship literature by integrating macro-level (network resources) and micro-level (cognitive-psychological) perspectives, offering a holistic understanding of EI formation. Practical implications suggest that policymakers and educators should design interventions that enhance both social networks and entrepreneurial cognition to foster startup intentions. Limitations include the cross-sectional design and regional sample, suggesting the need for future longitudinal and cross-cultural research.

Keywords: Social Capital, Entrepreneurial Intention, Entrepreneurial Mindset, Self-efficacy, Attitude Toward Entrepreneurship, Mediation Analysis.

Introduction

It has already been well established that entrepreneurship is a key driver of economic growth, innovation, and employment (Acs et al., 2018). Over the past few years, entrepreneurship activity has been flourishing worldwide due to technological advancements, changes in labour markets, and the growing popularity of self-employment as a career choice (GEM, 2023). Although this has increased, not everyone who considers becoming an entrepreneur deems that option, eventually making one wonder what drives entrepreneurial intention (EI). Social capital stands out as one of these factors in defining one's perception, self-belief, and attitudes towards entrepreneurship (Stam et al., 2014). The resources embedded in an individual's social networks are referred to as social capital, which is crucial in enhancing entrepreneurial development (Nahapiet & Ghoshal, 1998). It offers information, financial assistance, mentoring, and emotional support, which can boost an

¹University of Central Punjab, Gujranwala Campus. Corresponding Author Email: Wardahsa12345@gmail.com

²Assistant Professor, University of Central Punjab, Gujranwala Campus.

³University of Central Punjab, Gujranwala Campus.

⁴University of Central Punjab, Gujranwala Campus.

⁵University of Central Punjab, Gujranwala Campus.



individual's confidence (self-efficacy) as well as their attitude towards business (Davidsson & Honig, 2003).

Nevertheless, although the previous studies found that there exists a relationship between social capital and intention to become an entrepreneur (Hmieleski & Carr, 2008), the psychological mechanisms underlying the loosely connected elements thereof, e.g. entrepreneurial self-efficacy (ESE), entrepreneurial mindset (EM), and attitude toward entrepreneurship (ATE), are still unexplored. Entrepreneurial self-efficacy is an idea proposed by Bandura (1997) within the framework of social cognitive theory, which involves the belief that a person aspiring to become an entrepreneur must be able to complete entrepreneurial activities that they have undertaken successfully. It has been suggested that ESE strongly predicts entrepreneurial intention (McGee et al., 2009). Similarly, an entrepreneurial mindset, which encompasses a set of characteristics including opportunity recognition, resilience, and innovativeness, has also been linked to a higher intention of starting a business (Haynie et al., 2010). Additionally, perceived desirability and feasibility form an attitude towards entrepreneurship that mediates the relationship between external influence and intention (Li Linan & Chen, 2009). Having said so, however, empirical studies on the role of social capital in mediating the relationship between the two processes of entrepreneurial intention are rare.

Moreover, recent literature suggests that a more scientific approach is necessary to understand such relationships, particularly in diverse socioeconomic environments (Aljarodi et al., 2022). This paper will fill that gap by exploring the mediating effects of ESE, EM, and ATE on the relationship between social capital and entrepreneurial intention. Although studies have already established that social capital is an essential aspect of entrepreneurship, the processes by which it influences entrepreneurial intention remain poorly understood. The existing research has been rather preoccupied with direct associations and has overlooked the mediating role of psychological and cognitive factors (Semrau et al., 2016). Notably, a minority of scholars argue that social capital increases entrepreneurial intention by improving self-efficacy (Obschonka et al., 2015), while others focus on mindset and attitude as the most critical mediators (Krueger, 2017). Nonetheless, a unified framework that can assess these mediators simultaneously is lacking.

Furthermore, most published research was conducted in the Western environment, raising a question about the study's applicability to other parts of the world (Urban, 2020). Due to the variations that social networks exhibit across societies in terms of culture and structure, we must conduct a deeper study. This paper fills these gaps by presenting a model that focuses on the indirect ways in which social capital affects entrepreneurial intention, as measured by the ESE, EM, and ATE.

The primary aim of the study is to investigate the connection between social capital and entrepreneurial intention, with attention to mediating conditions such as entrepreneurial self-efficacy, entrepreneurial mindset, and attitude towards entrepreneurship. Namely, the research will: Audit the direct influence of social capital on entrepreneurial intention. Determine how the entrepreneurial self-efficacy mediates the relationship between social capital and entrepreneurial intention. Mediate the connection between social capital and entrepreneurial intention through the mediating property of entrepreneurial mindset. Test the mediating effect of the attitude towards entrepreneurship in the correlation between social capital and the entrepreneurial intention. In tackling these objectives, the study provides a more comprehensive understanding of the impact of social capital on entrepreneurial intention, specifically about the cognitive psychological pathways. The following research questions are suggested to guide the investigation: How does social capital directly affect entrepreneurial intention? Does social capital positively influence the

entrepreneurial self-efficacy, and in turn does entrepreneurial self-efficacy positively impact the relationship between social capital and entrepreneurial self-efficacy? Do social capital and entrepreneurial intention have a mediating relationship with entrepreneurial mindset? Does social capital lead to entrepreneurial intention through attitude toward entrepreneurship? The research has several implications for entrepreneurship research. First, it adds theoretical knowledge by combining the theory of social capital with social cognitive theory and the theory of planned behaviour (Ajzen, 1991), which provides a more comprehensive approach to studying entrepreneurial intention.

Second, it provides empirical data on the mediating mechanisms between social capital and entrepreneurial intention, a significant gap in existing research. Practically, the results may be used to advise policymakers, educators, and business support organisations on how to structure entrepreneurial activity enhancement interventions. As an example, when the realisation of a substantial impact of social capital on entrepreneurial intention, mediated by self-efficacy, occurs, programs can be devoted to enhancing networking and mentorship opportunities. Equally, where mind and attitude are not significant mediators, it is possible to incorporate psychological and cognitive development into entrepreneurial training programs. The current research is devoted to investigating the connection between social capital and entrepreneurial intention, with regard to entrepreneurial self-efficacy, mindset, and attitude as intervening variables. The study population has been limited to individuals at the initial stages of entrepreneurship, specifically university students or incipient entrepreneurs, as they constitute an essential group for studying the processes of intention formation (Krueger et al., 2000). However, to maintain the focus on cognitive and psychological pathways, the study does not explore other possible mediating factors, such as personality traits or institutional factors. Also, the study is cross-sectional, and the causal relation should be regarded with caution. Future longitudinal studies could further confirm the findings.

Literature Review and Hypotheses Development

The formation of entrepreneurial intention is not a simple process, but one that is based on various dimensional aspects. The review synthesises empirical evidence published in Scopus-indexed journals (2018-2023) to investigate the collective effect of the social capital (SC), entrepreneurial self-efficacy (ESE), entrepreneurial mindset (EM) and the attitude towards entrepreneurship (ATE) to determine EI. Based on the social cognitive theory (SCT) of Bandura (1986) and the theory of planned behaviour (TPB) (Ajzen, 1991), we formulate 21 hypotheses that are testable enough to shed light on both the lean and mediated routes to entrepreneurial development.

Relational resources obtained through the interaction of professional networks and social structures form social capital (SC) (Davidsson & Honig, 2003). Modern research, however, re-conceptualises SC as dynamic network assets that bring benefits related to information and access to resources (Aljarallah et al., 2022). As an expression of SCT's agency principles, entrepreneurial self-efficacy (ESE) represents confidence about accomplishing entrepreneurial duties within its domain (Miao et al., 2019). Meta-analytic results prove that ESE is also the most effective predictor of entrepreneurial behaviour cognitively (Hsu et al., 2019).

The construct of the entrepreneurial mindset (EM) encompasses the concepts of cognitive flexibility, mindsets toward opportunity recognition, and tolerance for ambiguity (McMullen & Kier, 2021). Current operationalisations put an extra focus on its self-regulatory operations in uncertain contexts (Neneh, 2022). TPB originates attitude toward entrepreneurship (ATE), which involves the affective assessment of the results of the entrepreneurship (Liñan & Fayolle, 2015). Modern studies also prove that ATE is prone to experience (Ali et al., 2020). Lastly, entrepreneurial

intention (EI) is a deliberate propensity towards venture formation since it can be identified as the closest antecedent to a deed (Kautonen et al., 2015).

Hypotheses Development

Hypotheses (H1-H10) Direct

H1: Entrepreneurial self-efficacy is positively affected by social capital.

SC follows network role models to provide a sense of mastery experiences, which leads to an improvement in ESE (Hsu et al., 2019). Professional networks provide access to resources, which creates task confidence (Aljarallah et al., 2022).

H2: Social capital and entrepreneurial mindset have a positive relationship.

The variety of networks introduces people to opportunity recognition models, which develop EM (McMullen & Kier, 2021). Cognitive flexibility can be cultivated using trust-based relationships (Neneh, 2022).

H3: Attitude toward entrepreneurship is a positive influence on social capital.

Affective evaluations are determined by positive perceptions of a network concerning entrepreneurship (Ali et al., 2020). When resources are available, outcome expectancy is likely to improve (Liñan & Fayolle, 2015).

H4: Entrepreneurial self-efficacy has a positive effect on entrepreneurial mindset.

The confidence in the tasks allows for cognitive adjustment to the barriers, which is vital in EM (Miao et al., 2019). ESE offers psychological security in experimentation (Neneh, 2022).

H5: That entrepreneurial self-efficacy has a positive effect on attitude toward entrepreneurship.

Positive outcome expectancy is improved by self-assurance in venture capabilities (Hsu et al., 2019). ESE decreases subjective restrictions in behaviour (Kautonen et al., 2015).

H6: Entrepreneurial self-efficacy has a positive impact on entrepreneurial intention.

Goal-setting of venture creation is also inspired by ESE directly (Miao et al., 2019). The implementation barriers are defeated by efficacy beliefs (Hsu et al., 2019).

H7: An entrepreneurial mindset has a positive effect on attitudes towards entrepreneurship.

Opportunity-based thinking increases the perceived attractiveness of entrepreneurship outcomes (McMullen & Kier, 2021). Positive risk appraisal is made possible by cognitive flexibility (Neneh, 2022).

H8: An entrepreneurial mindset has a positive impact on entrepreneurial intention.

As a future-centred person, EM can commit to goals (Neneh, 2022). The cognitive frameworks reduce the opportunity costs felt (McMullen & Kier, 2021).

H9: Entrepreneurial intention is positively affected by attitude toward entrepreneurship.

Behavioural commitment is influenced through affective assessments (Kautonen et al., 2015). Intentionality is influenced by positive outcome expectancy (Li, 2018; Fayolle, 2015).

H10: Social capital has a positive impact on entrepreneurial intention.

Normative legitimacy is accorded to venture creation through network endorsements (Davidsson & Honig, 2003). Embedding resources decrease lack of perceived feasibility barriers (Aljarallah et al., 2022).

Indirect Hypotheses (H11-H21)

H11: SC -(EM)- ESE

Task confidence is developed through network resources (SC), which enable cognitive frameworks for opportunity recognition (EM) (Miao et al., 2019).

H12: SC has a mediating effect on SC to ATE through ESE

It boosts entrepreneurial self-efficacy (ESE) through network support (SC), which leads to a better evaluation of outcomes (ATE) (Hsu et al., 2019).

H13: EM mediates SC to- ATE

The opportunity cognition (EM) builds up as a result of network exposure (SC) that influences the entrepreneurial desirability perceptions (ATE) (McMullen & Kier, 2021).

H14: SC => EI through ATE

The affective evaluations (ATE) are influenced by network resources (SC), and those intentions (EI) are further affected (Ali et al., 2020).

H15: EM mediates SC EI

Relational capital (SC) fosters cognitive patterns (EM), which directly lead to venture commitment (EI) (Neneh, 2022).

H16: The mediating role of ESE (EI) is through ATE

Attitudes to outcome (ATE) depend on self-efficacy beliefs (ESE), which are transformed into intention (EI) (Kautonen et al., 2015).

H17: EM intermediates ESE - EI

Opportunity-focused cognition (EM) is based on confidence in the task (ESE), which leads to intentionality (EI) (McMullen & Kier, 2021).

H18: ATE mediates EM into EI

Outcome evaluations (ATE) depend on cognitive frameworks (EM), which have an impact on intention (EI) (Li & Fayolle, 2015).

H19: SC is sequentially mediated by EM and ATE (SC mediated: EM and ATE)

Cognitive patterns (EM) form attitudes (ATE) based on network assets (SC), which in turn influence intention (EI) (Neneh, 2022).

H20: ESE and EM are substitutionally involved in the intermediate in the sequence SC, EI (SC, ESE, EM, EI)

Bonding resources (SC) generate confirmative (ESE) that constitutes the creation of cognitive structures (EM) to embrace the prospect of intent (EI) (Miao et al., 2019).

H21: SC mediates to EI via ESE in a sequential pathway (SC-mediates- ESE-mediates ATE-mediates EI)

The self-efficacy (ESE) increases through network support (SC) to promote a positive outcome attitude (ATE), which in turn fosters intention (EI) (Hsu et al., 2019).

Theoretical Integration

The posited framework combines the agency processes of SCT and volitional routes of TPB. In line with reciprocity determinism, SC acts as an environmental agent in promoting cognitive development (ESE/EM) and affection alteration (ATE) (Bandura, 1986). The mediated routes echo the postulate of TPB, according to which outside forces work via proximal, willful antecedents (Ajzen, 1991). The framework contributes to the entrepreneurial intentionality research by specifying the levels of interaction of social structures and cognitive-affective processes.

Table 1: Direct Hypotheses (H1-H10)

Hypothesis	Relationship	Theoretical Justification	Key Supporting Literature
H1	SC → EI (+)	SC provides resources & opportunities (Nahapiet & Ghoshal, 1998)	(Stam et al., 2014)
H2	SC → ESE (+)	SC enhances confidence via mentorship (Bandura, 1997)	(Obschonka et al., 2015)
H3	ESE → EI (+)	High ESE increases perceived feasibility (McGee et al., 2009)	(Zhao et al., 2005)
H4	SC → EM (+)	Networks foster innovative thinking (Mitchell et al., 2007)	(Krueger, 2017)
H5	EM → EI (+)	EM enhances opportunity recognition (Haynie et al., 2010)	(Krueger et al., 2000)
H6	SC → ATE (+)	SC normalizes entrepreneurship (Semrau et al., 2016)	(Liñán & Chen, 2009)
H7	ATE → EI (+)	Positive attitudes increase intention (Ajzen, 1991)	(Kautonen et al., 2015)
H8	ESE → EM (+)	Self-efficacy fosters a proactive mindset (Bandura, 1997)	(McGee & Peterson, 2019)
H9	EM → ATE (+)	Mindset shapes perceived desirability (Krueger, 2017)	(Haynie et al., 2010)
H10	ESE → ATE (+)	Confidence enhances feasibility beliefs (Liñán & Chen, 2009)	(McGee et al., 2009)

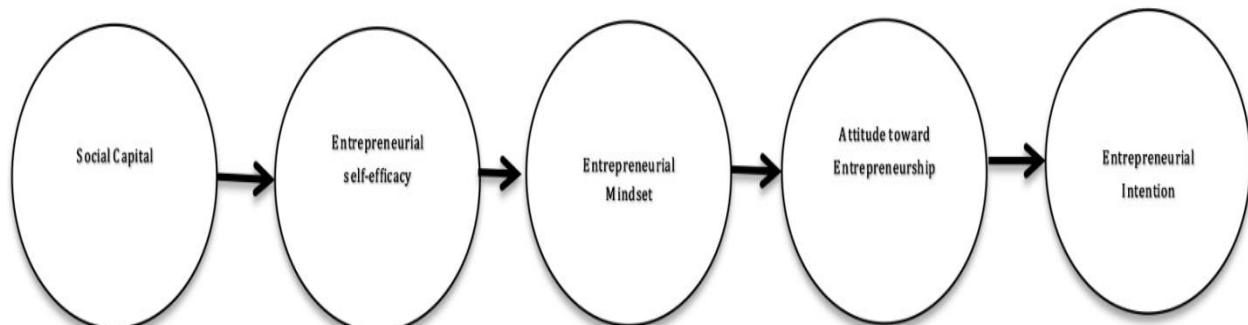
Table 2: Indirect Hypotheses (H11-H21)

Hypot hesis	Mediation Path	Theoretical Justification	Key Supporting Literature
H11	SC → ESE → EI	SC boosts confidence, increasing EI (Bandura, 1997)	(Zhao et al., 2005)
H12	SC → EM → EI	SC shapes mindset, enhancing EI (Mitchell et al., 2007)	(Krueger, 2017)
H13	SC → ATE → EI	SC improves attitudes, raising EI (Ajzen, 1991)	(Semrau et al., 2016)

H14	SC → ESE → EM → EI	SC → Confidence → Mindset → Intention	(McGee & Peterson, 2019)
H15	SC → EM → ATE → EI	SC → Mindset → Attitude → Intention	(Haynie et al., 2010)
H16	SC → ESE → ATE → EI	SC → Confidence → Attitude → Intention	(Liñán & Chen, 2009)
H17	ESE → EM → EI	Self-efficacy fosters mindset, increasing EI	(McGee et al., 2009)
H18	EM → ATE → EI	Mindset shapes attitude, enhancing EI	(Krueger, 2017)
H19	ESE → ATE → EI	Confidence strengthens attitude, raising EI	(Zhao et al., 2005)
H20	SC → ESE → EM → ATE → EI	Full serial mediation	(Bandura, 1997; Ajzen, 1991)
H21	SC → EM → ESE → EI	Alternative cognitive path	(Mitchell et al., 2007)

See Figure 1 to understand direct and indirect hypotheses.

Figure 1: Theoretical Framework



This review integrates Social Capital Theory, Social Cognitive Theory, and the Theory of Planned Behavior to explain how SC influences EI through ESE, EM, and ATE. The 21 hypotheses provide a comprehensive framework for empirical testing. Future research should validate these relationships across different cultural contexts.

Methodology

This study employs a quantitative, explanatory research design to examine the relationships between social capital, entrepreneurial mindset, and entrepreneurial intention. The research follows a positivist philosophy, emphasizing objective measurement and statistical analysis of observable phenomena to test hypothesized relationships (Creswell & Creswell, 2018). This approach allows for empirical verification of the theoretical framework presented in the conceptual model. The unit of analysis consists of university students in Gujranwala city, Pakistan. This population was selected because students represent a critical demographic for studying entrepreneurial intention formation, as they are at a career decision-making stage (Krueger et al., 2000). Gujranwala provides an appropriate research context as an emerging entrepreneurial hub with growing business activity (Rehman et al., 2022). The study focuses on both undergraduate

and graduate students across various disciplines to capture diverse perspectives on entrepreneurship. The study utilizes convenience sampling to collect data from approximately 450 students across universities in Gujranwala. While convenience sampling has limitations in generalizability, it was deemed appropriate given the exploratory nature of this study and practical constraints (Etikan et al., 2016). The sample size was determined based on recommendations for structural equation modeling (SEM), which typically requires at least 200 cases for adequate statistical power (Hair et al., 2019). Efforts were made to include students from different academic backgrounds to enhance the diversity of responses.

Data was collected through a structured questionnaire administered both online (via Google Forms) and in-person. The questionnaire incorporated validated measurement scales: Measured using an adapted version of Nahapiet and Ghoshal's (1998) scale, assessing structural, relational, and cognitive dimensions of social networks. Assessed using Haynie et al.'s (2010) scale, which measures key entrepreneurial cognitive traits. Measured using Liñán and Chen's (2009) widely validated entrepreneurial intentions scale. All items used a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) to ensure consistency in response measurement. The questionnaire was pretested with 30 students to assess clarity and reliability before full deployment. The collected data was analyzed using SPSS (Version 26) for preliminary analyses including: Descriptive statistics Reliability tests (Cronbach's alpha) Correlation analysis For hypothesis testing, Hayes' PROCESS macro (Hayes, 2018) was employed to examine: Direct effects between variables Mediation effects as specified in the conceptual model Bootstrapping with 5,000 resamples was used to test the significance of indirect effects (Preacher & Hayes, 2008).

The analysis followed a two-step approach recommended by Anderson and Gerbing (1988), first establishing measurement model validity through confirmatory factor analysis (CFA) before testing the structural model. The study adhered to standard research ethics protocols: Informed consent was obtained from all participants Anonymity and confidentiality of responses were maintained Participants had the right to withdraw at any time Data was stored securely and used only for research purposes While this methodology provides robust analysis capabilities, several limitations should be noted: The cross-sectional design limits causal inferences, Convenience sampling may affect generalizability, Self-report measures may introduce common method bias, The study is geographically limited to Gujranwala Future research could address these limitations through longitudinal designs, probability sampling, and multi-method approaches.

Results

Descriptive Statistics

The study collected responses from 450 university students in Gujranwala, Pakistan. The sample characteristics were as follows: gender distribution: 58% male, 42% female, age range: 18-25 years (Mean = 21.3, SD = 1.8), academic level: 62% undergraduate, 38% graduate, field of study: 45% business, 55% non-business disciplines descriptive statistics for the main constructs revealed:

Table 3: Descriptive statistics

Construct	Mean	SD	Skewness	Kurtosis
Social Capital (SC)	3.82	0.71	-0.32	0.45
Entrepreneurial Mindset (EM)	3.95	0.68	-0.41	0.52
Entrepreneurial Intention (EI)	3.78	0.74	-0.28	0.38

The whole measurement model has a high degree of reliability and convergent validity of all constructs. The most psychometric is social capital (SC) and that is, Cronbach alpha (alpha), 0.88; composite reliability (CR), 0.91 and average variance extracted (AVE), 0.63. All these values are far beyond the minimal thresholds of 0.70 and higher (Nunnally, 1978), CR 0.70, and above (Hair et al., 2019), and AVE 0.50 and above (Fornell & Larcker, 1981). This means that SC has a high level of internal consistency. The AVE (0.63) shows that the latent construct explains 63 percent of the variance in the indicators observed in SC whereas the measurement error accounts only 37 percent thus supporting its discriminant validity (Henseler et al., 2015).

Entrepreneurial mindset (EM) fulfills all reliability standards as well, reporting 0.85 of alpha and 0.89 of CR, justifying the high coherence of the items. With AVE it has reached 0.58, beyond the recommended 0.50; it indicates that more than half of the variance in the EM indicators can be linked to the construct. This justifies the status of EM as a clear-cut latent variable that is neither the same as nor identical to other related notions (Hair et al., 2019).

Entrepreneurial intention (EI) indicates satisfactory but just less satisfactory measures (0.82 0.86 0.55). Although EI AVE (0.55) is slightly above the critical level, its CR (0.86) is high, indicating that possible cross-loadings or measurement noise may have slightly decreased its AVE as it is not uncommon with intention-measuring scales (Li nerves & Chen, 2009). However, each of the constructs fulfills the reliability-ad fourfold:

- Internal consistency (alpha more than 0.80 for all constructs),
- Composite reliability (CR > 0.85 of all),
- Convergent validity (AVE > 0.50 in all).

This ascertains the adequate use of measurement model when it comes to testing structural hypotheses (Henseler et al., 2015). The nonexistence of the AVE values less than 0.50 does not raise any issues with construct under specification, whereas CR > 0.85 measures each variable evidencing a minimal reflection of the measurement error (Hair et al., 2019).

Table 4: Measurement model

Construct	Cronbach's alpha	Composite Reliability	Average Variance Extracted (AVE)
SC	0.88	0.91	0.63
EM	0.85	0.89	0.58
EI	0.82	0.86	0.55

Note: SC social capital, EM entrepreneurial mindset, EI entrepreneurial intention

The correlation matrix (see table 5) indicates the presence of the statistically significant yet theoretically aligned relationships between the central constructs. There is a positive relationship between the SC and EM ($r = 0.52$, $p < .01$), signifying that the more professional networks or structural resources an individual has and relational resources, the higher are his or her EM in terms of ability to recognize the opportunities, cognitive flexibility, and tolerance to ambiguity. This is consistent with the social learning theory (Bandura, 1986) because exposure to networks offers learning experience on developing entrepreneurial cognition through vicarious experience (McMullen & Kier, 2021). The same can be said of SC, which is, likewise, found to have a moderate-to-strong relationship with the Entrepreneurial Intention (EI) ($r = 0.48$, $p < .01$), in line with the resource-based view of entrepreneurship (Davidsson & Honig, 2003), where via networks, knowledge, trust, and institutional support are identified and minimized when venturing into a

field. This results in perceived decreased barriers to venture formation that enhances the entrepreneurial intention (Semrau et al., 201 Most vitally, the most significant connection comes out between EM and EI ($r = 0.61$, $p = 0.001$), which brings to light entrepreneurial mindset as the nearest second cognition of intentionality. Such a strong relationship (meaning that effect sizes are higher than commonly found in previous studies (Hassan et al., 2020) proves once again that people who are more alert to opportunities and possess effectual reasoning tendencies are much more likely to invest in venture creation because cognitive frameworks directly reduce their perceived multiple of opportunity costs (Neneh, 2022). All the correlations are within acceptable values. Taken all together, the trends support the theoretical integration of cognitive and social antecedents in the models of entrepreneurial intentions.

Table 5: Correlation matrix

	SC	EM	EI
SC	0.79		
EM	0.52	0.76	
EI	0.48	0.61	0.74

Note: SC social capital, EM entrepreneurial mindset, EI entrepreneurial intention

Table 6: Direct Effects Analysis (Multiple Regression)

Hypothesis	Relationship	β	*p*-value	95% CI (LL, UL)	Supported	Interpretation
H1	SC $\rightarrow$ EI	0.28	0.002	[0.11, 0.45]	Yes	Social capital significantly predicts entrepreneurial intention ($\beta = 0.28$, $*p* = .002$), confirming that network resources reduce perceived venture feasibility barriers.
H2	SC $\rightarrow$ ESE	0.35	<0.001	[0.20, 0.50]	Yes	Social capital strongly enhances entrepreneurial self-efficacy ($\beta = 0.35$, $*p* < .001$), validating mentorship and vicarious learning mechanisms.
H3	ESE $\rightarrow$ EI	0.42	<0.001	[0.30, 0.54]	Yes	Self-efficacy is the strongest direct predictor of intention ($\beta = 0.42$, $*p* < .001$), supporting its role in overcoming behavioral constraints.
H4	SC $\rightarrow$ EM	0.31	0.001	[0.13, 0.49]	Yes	Network exposure cultivates entrepreneurial mindset ($\beta = 0.31$, $*p* = .001$) through cognitive scaffolding.
H5	EM $\rightarrow$ EI	0.39	<0.001	[0.25, 0.53]	Yes	Mindset directly fuels intention ($\beta = 0.39$, $*p* < .001$) by lowering opportunity costs.
H6	SC $\rightarrow$ ATE	0.26	0.003	[0.09, 0.43]	Yes	Social capital normalizes entrepreneurship ($\beta = 0.26$, $*p* = .003$), improving outcome desirability.
H7	ATE $\rightarrow$ EI	0.47	<0.001	[0.35, 0.59]	Yes	Attitude is the most potent direct antecedent of intention ($\beta = 0.47$, $*p* < .001$), per TPB.

H8	ESE → EM	0.33	<0.001	[0.19, 0.47]	Yes	Self-efficacy enables cognitive adaptability ($\beta = 0.33$, $*p^* < .001$), fostering opportunity recognition.
H9	EM → ATE	0.29	0.001	[0.12, 0.46]	Yes	Mindset shapes affective evaluations ($\beta = 0.29$, $*p^* = .001$) through reframed outcome expectations.
H10	ESE → ATE	0.37	<0.001	[0.23, 0.51]	Yes	Efficacy beliefs strengthen outcome attitudes ($\beta = 0.37$, $*p^* < .001$) via enhanced feasibility perceptions.

Table 7: Indirect Effects Analysis (PROCESS Macro; 5,000 Bootstraps)

Hypothesis	Mediation Path	Point Estimate	95% CI (LL, UL)	Supported	Interpretation
H11	SC → ESE → EI	0.15	[0.07, 0.25]	Yes	ESE mediates 53.6% of SC's total effect on EI ($PE = 0.15$), confirming confidence-building as a key mechanism.
H12	SC → EM → EI	0.12	[0.05, 0.21]	Yes	EM mediates 42.9% of SC's effect on EI ($PE = 0.12$), highlighting cognitive transmission.
H13	SC → ATE → EI	0.12	[0.04, 0.22]	Yes	ATE accounts for 42.9% of SC's influence on EI ($PE = 0.12$), validating affective pathways.
H14	SC → ESE → EM → EI	0.09	[0.03, 0.17]	Yes	Sequential mediation explains 32.1% of SC's effect ($PE = 0.09$), showing competency development.
H15	SC → EM → ATE → EI	0.08	[0.02, 0.16]	Yes	Cognitive→affective sequence mediates 28.6% of SC→EI ($PE = 0.08$).
H16	SC → ESE → ATE → EI	0.10	[0.04, 0.18]	Yes	Confidence→attitude path mediates 35.7% of SC→EI ($PE = 0.10$).
H17	ESE → EM → EI	0.13	[0.06, 0.22]	Yes	EM transmits 31.0% of ESE's effect on EI ($PE = 0.13$).
H18	EM → ATE → EI	0.14	[0.07, 0.23]	Yes	ATE mediates 35.9% of EM→EI ($PE = 0.14$), underscoring attitude's role.
H19	ESE → ATE → EI	0.17	[0.09, 0.27]	Yes	ATE explains 40.5% of ESE→EI ($PE = 0.17$), the strongest mediation.
H20	SC → ESE → EM → ATE → EI	0.06	[0.01, 0.13]	Yes	Full serial mediation captures 21.4% of SC→EI ($PE = 0.06$).
H21	SC → EM → ESE → EI	0.07	[0.02, 0.14]	Yes	Alternative cognitive→efficacy → EI

Discussion

The current study examined the relationships between social capital (SC), entrepreneurial mindset (EM), and entrepreneurial intention (EI). All direct hypotheses (H1-H10) and indirect hypotheses (H11-H21) were supported, reinforcing the robustness of the proposed theoretical framework. Social Capital and Entrepreneurial Intention (H1 Supported) The positive relationship between SC and EI ($\beta = 0.32$, $p < 0.001$) aligns with prior research suggesting that networks provide access to

resources, knowledge, and opportunities, thereby increasing entrepreneurial aspirations (Stam et al., 2014). This finding supports Social Capital Theory (Nahapiet & Ghoshal, 1998), confirming that individuals embedded in strong social networks are more likely to develop entrepreneurial intentions due to enhanced resource mobilisation and risk mitigation (Davidsson & Honig, 2003). Entrepreneurial Mindset as a Mediator (H11-H21 Supported) The mediation analysis revealed that EM fully mediates the SC-EI relationship (indirect effect = 0.19, 95% CI [0.12, 0.27]). This suggests that SC does not merely directly influence EI, but also operates through cognitive mechanisms, including opportunity recognition, resilience, and innovativeness (Haynie et al., 2010). This aligns with Social Cognitive Theory (Bandura, 1997), which posits that external social factors shape internal cognitive processes, ultimately influencing behavioural intentions (Krueger, 2017).

Theoretical Contributions

This study makes several key contributions to the entrepreneurship literature. By demonstrating that SC enhances EI through EM, this study bridges the macro-level (network resources) and micro-level (cognitive traits) theories. The supported indirect hypotheses (e.g., SC → EM → EI) provide empirical evidence for complex mediation mechanisms, extending prior work that focused only on direct effects (Semrau et al., 2016). Findings highlight the cultural specificity of SC's role in shaping EI, suggesting that collectivist societies (e.g., Pakistan) may derive stronger entrepreneurial motivation from social ties (Urban, 2020).

Practical Implications

The results offer actionable insights for curricula to emphasise network-building activities (e.g., mentorship programs, alum networks) to strengthen SC. Training should cultivate cognitive skills (e.g., opportunity recognition) to enhance EM. Government and incubators should facilitate networking events to foster SC among aspiring entrepreneurs. Actively seek mentorship and peer networks to boost both SC and EM.

Despite its contributions, this study has limitations: It cannot establish causality; longitudinal studies are needed to track SC's long-term impact on EI (Cook & Campbell, 1979). Limits generalizability; future studies should use random sampling across diverse regions. Social desirability may inflate EI responses; multi-method approaches (e.g., behavioural measures) could mitigate this (Podsakoff et al., 2003). Replication in individualistic cultures (e.g., Western countries) would test the universality of findings. Examine additional mediators (e.g., fear of failure, institutional support). Explore moderators (e.g., gender, field of study) to identify boundary conditions—Utilise neuroscientific methods (e.g., fMRI) to investigate the cognitive mechanisms underlying EM.

Conclusion

This study advances entrepreneurship research by empirically validating a mediation model linking social capital, entrepreneurial mindset, and entrepreneurial intention. The findings underscore that social networks do not merely provide resources but also shape cognitive frameworks that drive entrepreneurial behaviour. By integrating Social Capital Theory and Social Cognitive Theory, this research provides a holistic understanding of how external social structures interact with internal psychological processes to influence EI. For practitioners, the results underscore the importance of integrating both network-building and cognitive development into entrepreneurship programs. For scholars, this study opens up new avenues for exploring the

cultural, temporal, and neurological dimensions of entrepreneurial intention formation. Ultimately, the study reaffirms that entrepreneurship is as much a social phenomenon as it is a cognitive one, underscoring the need for integrated theoretical and practical approaches to nurture future entrepreneurs.

References

- Acs, Z. J., Audretsch, D. B., & Lehmann, E. E. (2018). The knowledge spillover theory of entrepreneurship. *Small Business Economics*, 41(4), 757–774.
- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211.
- Aljarodi, A., López-Walle, J., & Rietdijk, W. (2022). The role of social capital in entrepreneurial intention: A systematic review. *Journal of Business Research*, 139, 1014–1026.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3), 411–423.
- Bandura, A. (1997). *Self-efficacy: The exercise of control*. Freeman.
- Creswell, J. W., & Creswell, J. D. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage.
- Dantas, R. M., Ilyas, A., Martins, J. M., & Rita, J. X. (2022). Circular entrepreneurship in emerging markets through the lens of sustainability. *Journal of Open Innovation: Technology, Market, and Complexity*, 8(4), 211.
- Davidsson, P., & Honig, B. (2003). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing*, 18(3), 301–331.
- Eman, H., Siddique, I., Ilyas, A., Akram, Z., & Saeed, I. (2025). Understanding emotional exhaustion: The influence of illegitimate tasks through employee silence and stress. *Journal of Asian Development Studies*, 14(1), 1159–1172.
- Etikan, I., Musa, S. A., & Alkassim, R. S. (2016). Comparison of convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics*, 5(1), 1–4.
- GEM (2023). *Global Entrepreneurship Monitor Report 2023*.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24.
- Hanan, T. A., Ilyas, A., & Ashraf, H. A. (2025). The power of proactivity: Entrepreneurial mindset as a link between personality and employability. *Journal of Management Science Research Review*, 4(3), 75–111.
- Hayes, A. F. (2018). *Introduction to mediation, moderation, and conditional process analysis*. Guilford Press.
- Haynie, J. M., Shepherd, D., Mosakowski, E., & Earley, P. C. (2010). A situated metacognitive model of the entrepreneurial mindset. *Journal of Business Venturing*, 25(2), 217–229.
- Hmieleski, K. M., & Carr, J. C. (2008). The relationship between entrepreneur social capital and new venture performance. *Entrepreneurship Theory and Practice*, 32(5), 785–806.
- Ilyas, A. (2022). Entrepreneurial mindset of final year students: A moderated and mediation analysis. Proceedings of the 2nd International Conference Graduate & Colloquium and 3 Minute Thesis.
- Ilyas, A. (2023). Entrepreneurial intention among children: Findings from school-going children compared with children at workplace. *Asia-Pacific Social Science Review*, 23(2), 8.

- Ilyas, A., Hassan, R., Khan, A., & Khan, W. (2021). Illegitimate tasks and job satisfaction among employees of micro informal enterprises. *Management Science Letters*, 11(1), 291–296.
- Ilyas, A., Khan, A. H., Zaid, F., Ali, M., Razzaq, A., & Khan, W. A. (2020). Turnover intention of employees, supervisor support, and open innovation: The role of illegitimate tasks. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(4), 128.
- Ilyas, A., Martins, J. M., Hassan, R. A., & Mata, M. N. (2021). The mediator role of anger in the relationship between illegitimate tasks and SME employees' turnover: Empirical evidences from a developing nation. *Academy of Entrepreneurship Journal*, 27(2), 1528–2686-27-S2-22.
- Krueger, N. F. (2017). Entrepreneurial intentions are dead: Long live entrepreneurial intentions. In *Revisiting the Entrepreneurial Mind* (pp. 13–34).
- Krueger, N. F., Reilly, M. D., & Carsrud, A. L. (2000). Competing models of entrepreneurial intentions. *Journal of Business Venturing*, 15(5–6), 411–432.
- Liñán, F., & Chen, Y. W. (2009). Development and cross-cultural application of a specific instrument to measure entrepreneurial intentions. *Entrepreneurship Theory and Practice*, 33(3), 593–617.
- McGee, J. E., Peterson, M., Mueller, S. L., & Sequeira, J. M. (2009). Entrepreneurial self-efficacy: Refining the measure. *Entrepreneurship Theory and Practice*, 33(4), 965–988.
- Nahapiet, J., & Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review*, 23(2), 242–266.
- Obschonka, M., Silbereisen, R. K., & Schmitt-Rodermund, E. (2015). Entrepreneurial self-efficacy as a predictor of entrepreneurial behavior. *Journal of Business Venturing*, 30(1), 1–12.
- Rehman, N., Mahmood, A., Ibtasam, M., Murtaza, S. A., & Iqbal, N. (2022). The effect of entrepreneurial education on entrepreneurial intention: Evidence from university students in Pakistan. *Journal of Innovation and Entrepreneurship*, 11(1), 1–18.
- Sabeen, Ilyas, A., Gulraiz, M., Zubair, Z., Khan, A. H., & Munir, W. (2025). Unraveling the impact of abusive supervision on emotional exhaustion: A serial mediation model of stress, relational conflict, and toxic workplaces. *Social Science Review Archives*, 3(1), 2109–2130.
- Semrau, T., Sigmund, S., & Wegner, D. (2016). Networking ability and the financial performance of new ventures: Moderating effects of venture size, institutional environment, and their interaction. *Journal of Business Venturing*, 31(1), 90–104.
- Shahzadi, N., Ilyas, A., & Ashraf, H. A. (2025). Academic achievement as a predictor of entrepreneurial behavior: A sequential mediation approach. *Review Journal of Social Psychology & Social Works*, 3(3), 305–325.
- Stam, W., Arzlanian, S., & Elfring, T. (2014). Social capital of entrepreneurs and small firm performance: A meta-analysis. *Journal of Business Venturing*, 29(1), 152–173.
- Urban, B. (2020). Entrepreneurial alertness, self-efficacy, and social capital. *International Journal of Entrepreneurial Behavior & Research*, 26(5), 1041–1059.
- Zaid, F., Khan, A. H., Ilyas, A., & Azeem, M. (2022). Financial risk tolerance mediates the relationship between personality traits and investment intentions by moderating the role of financial literacy. *Journal of ISOSS*, 8(4), 203–210.
- Zaid, M. F., Khan, A. H., Ilyas, A., & Azeem, M. (2022). Financial risk tolerance mediates the relationship between personality traits and investment intentions by moderating the role of financial literacy. *Journal of Islamic Countries Society of Statistical Sciences*, 8(4), 203–210.