

Determinants of Social Entrepreneurship Intention

Subjects: Social Work

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Social entrepreneurship had been acknowledged as an important solution to highlight various social issues, which many are compounded by the COVID-19 pandemic.

Keywords: social entrepreneurship intention ; youth

1. Introduction

Given its ability to generate innovations, create job opportunities and the development of engines of economic growth, entrepreneurship has been acknowledged as a key intervention in developing nations to alleviate poverty ([Baron and Shane 2008](#)). Additionally, entrepreneurship is also recognized as an important strategy for empowering and developing youth.

According to [Jilenga \(2017\)](#), entrepreneurship is not limited to profit-making business, although profit is necessary for a long-term business, profit is not always the main objective. Entrepreneurs can benefit the community and address social issues while also making a profit. This explains the recent emergence of social entrepreneurship as a new social innovation mechanism. In regards to creating jobs, standard of living, and social inclusion, the new social innovation mechanism and principles seek to enhance the welfare of individuals, communities, and regions ([OECD 2011](#)). [Haverkort \(2016\)](#) defines a social enterprise as a business that specifically highlights social needs by the goods and services or the engagement between the business and the underprivileged individuals. [Nasir and Subari \(2017\)](#) addressed that social entrepreneurship was discovered by studies, being one of the primary methods for enhancing people's socioeconomic well-being. Specifically, social enterprises offer values to solve societal issues and enhance the quality of life in communities by allocating all profits to their social mission. It was also suggested that entrepreneurs and small enterprises with social objectives are able to bridge the gaps in rural areas and environmental issues with products or services developed via the social enterprise model.

2. Social Entrepreneurship

The concept of social entrepreneurship was introduced by Bill Drayton⁷. Through Bill Drayton's work at the Ashoka Foundation⁸, he helped social entrepreneurs all over the world by offering them financial support. As a result of initiatives created by policies that primarily addressed the problems of the oppressed and the poor, thousands of lives have been transformed ([Alvord et al. 2004](#)). Social entrepreneurs lead social enterprises with innovation ([Dees 1998b](#)) by tackling social issues ([Johnson 2000](#)) whilst simultaneously generating public wealth ([Wallace 1999](#)). [Weerawardena and Sullivan-mort \(2001\)](#) indicate that social entrepreneurship encourages businesses to develop a long-lasting competitive advantage that will enable them to carry out their social missions. A social entrepreneur is someone who shows prosocial traits, like assertiveness, positive social motivation, moral authority, and ethical behavior ([Dees 1998a](#)).

In total, three factors explain the emergence of social enterprise. First, there is a strong interest in resolving social issues. It has led to the continuous innovative and sustainable solutions to challenging social issues ([Santos 2009](#)) and liberate communities from struggles ([Thompson et al. 2000](#)). For instance, unemployment, inequality in health care and access to education ([Catford 1998](#)), poverty, crime, and exclusion from society ([Blackburn and Ram 2006](#)). However, it was perceived that the public sector had failed to address the problems effectively, but at the same time, the private sector appeared uninterested in taking on the responsibilities more actively ([Darby and Jenkins 2006](#)). Third, the rise of social capital globally has been facilitated by business leaders in the social sector ([Shaker et al. 2008](#)) and created wealth for society ([Wallace 1999](#)). Subsequently, [Perrini and Vurro \(2006\)](#) concluded that social enterprises, private, public, and voluntary philanthropic or social activities overlap. However, social enterprises are seen as more sensitive to the needs of the most disadvantaged segments of society than traditional non-profit organizations, which place emphasis on donation or charity.

According to [Nicholls and Cho \(2006\)](#), the concept of social entrepreneurship in the geographic region is diverse. According to [Kerlin \(2006\)](#), these variances result from the many factors that model and reinforce the territory in each location. Studies also have highlighted a number of best practices, such as the Szimbiózis Foundation in Hungary ([Lipták et al. 2022](#)), Masala Wheels, Project B, and Pit Stop Community Café in Malaysia ([Wong Abdullah et al. 2022](#)).

3. Social Entrepreneurship Intention

The concept of someone who has the intention to become an entrepreneur is known as entrepreneurial intention. However, the focus of social entrepreneurship intention is mostly on the person's intention to pursue a career in social entrepreneurship. [Bosma et al. \(2016\)](#) stated that over the last decade, practitioners, politicians, and academics have all shown a greater interest in social entrepreneurship. Individuals' actual behaviors or activities tend to be aligned with their personalities. [Nga and Shamuganathan \(2010\)](#) explored the personality traits of social entrepreneurs. They asserted that certain personality traits, such as agreeableness, openness, and conscientiousness, have an impact on social entrepreneurship.

[Radin A. Rahman et al. \(2016\)](#) conducted a study to determine the level of entrepreneurial intention and social entrepreneurship among Malaysian higher education students. It was found that even though they showed a greater interest in social entrepreneurship programs, it was found that students in higher education institutions had relatively mild entrepreneurial intentions. It is believed that Malaysian university students are more passionate and interested in social issues and activities. This is consistent with the long-term global trend of activism among university students. The students have the potential to generate novel and innovative social entrepreneurial solutions. They were partially influenced by their awareness level, which is the attitude toward social entrepreneurship, the influence, the subjective norm, and the program on social entrepreneurship, which is the perceived behavioral control ([Jabar and Asung 2016](#)). The university can assist the students in understanding that social entrepreneurship involves the development of a business that focuses on meeting both financial and social goals, rather than focusing on profitmaking ([Jabar and Asung 2016](#)). Therefore, universities ought to put effort to raise awareness of social entrepreneurship's value for society so that students would be more likely to choose social entrepreneurship as a career when they graduate ([Radin A. Rahman et al. 2016](#)).

In order to effect social entrepreneurship intention, which would result in social entrepreneurship behavior, it is essential to comprehend and explore the factors that motivate an individual's intention. Thus, the following section will review theories and models that have been offered to explain social entrepreneurship intention.

4. Social Entrepreneurship Intention in Emerging Markets

Malaysia was recognized as one of the leading emerging economies in Asia ([Chan 2014](#)). Based on a study in another set of key emerging markets, the BRIICS countries (Brazil, Russia, India, Indonesia, China, and South Africa), by [Sengupta et al. \(2017\)](#), 123 research papers on social entrepreneurship were found after a few exclusions were made. The studies were found to discuss the concept of social entrepreneurship according to five sub-concepts, namely, social entrepreneur, social capital, social welfare, collective endurance, and economic value creation. The [MSCI \(2022\)](#) Emerging Market Index factsheet for 30 December 2022 identified 24 emerging market countries, namely Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey, and United Arab Emirates. The following **Table 1** provides the measures of the countries' Entrepreneurial Intentions from the Global Entrepreneurship Monitor (GEM) website. The measure indicates the percentage of 18–64 population (individuals involved in any stage of entrepreneurial activity excluded) who are latent entrepreneurs and who intend to start a business within three years.

Table 1. Emerging markets entrepreneurial intentions.

Country	Entrepreneurial Intention	Year (Most Recent Data Available)
Brazil	53.00	2021
Chile	50.29	2021
China	21.42	2019
Colombia	20.87	2021
Czech Republic	13.73	2013

Country	Entrepreneurial Intention	Year (Most Recent Data Available)
Egypt	55.29	2021
Greece	9.58	2021
Hungary	8.07	2021
India	18.14	2021
Indonesia	26.00	2020
Korea	26.72	2021
Kuwait	57.50	2020
Malaysia	17.61	2017
Mexico	16.30	2019
Peru	39.70	2018
Philippines	37.11	2015
Poland	2.85	2021
Qatar	50.37	2021
Saudi Arabia	18.02	2021
South Africa	19.96	2021
Taiwan	15.50	2020
Thailand	31.51	2018
Turkey	31.30	2021
United Arab Emirates	35.86	2021

Kuwait reports the highest level of entrepreneurial intentions with 57.5% and Poland reports the lowest with 2.85%. Malaysia's 17.61% is lower than the group's average. This suggests that there is still more developmental work needed to drive entrepreneurship in the country. However, the most recent available data for Malaysia is from 2017 and GEM is yet to report social entrepreneurship intentions specifically. [Ayob et al. \(2013\)](#) investigated the Social Entrepreneurial Intention among business undergraduates in Malaysia using a research framework adapted from [Shapero and Sokol \(1982\)](#) and [Krueger and Brazeal \(1994\)](#). The study found that exposure to social entrepreneurship and perceived feasibility are both positively correlated with the perceived desirability of initiating social entrepreneurship activities, which then significantly influence their intention to form social enterprises. It was found that empathy influenced social entrepreneurial intention in developing/emerging countries, but this was not the case for the developed countries ([de Sousa-Filho et al. 2020](#)). This could be a result of the increased social issues in emerging countries, which expose people to more situations that stimulate their empathy. [Akter et al. \(2019\)](#) suggested four critical success factors for social businesses, which are social goals, collaboration, simplicity, and starting from home. [Del Giudice et al. \(2019\)](#) pointed out that emerging countries have huge growth potential through social entrepreneurship and innovation. Furthermore, [Rosca et al. \(2020\)](#) found women are more particularly important as social entrepreneurs because they are highly motivated by social issues with which they are directly related. [Al-Qudah et al. \(2021\)](#) stressed on the importance of social entrepreneurship for emerging economies as their study found a positive relationship between social entrepreneurship and sustainable development. Youth entrepreneurial intention in emerging economies was found to be positively influenced by high proactiveness and internal locus of control and self-esteem ([Nungsari et al. 2021](#)). Youth entrepreneurs engage in fewer startup activities in countries with weaker capital market systems, but higher levels of financial support from families enable youth entrepreneurs to overcome the capital market gaps ([Manolova et al. 2019](#)). Next, according to [Crupi et al. \(2021\)](#), the outbreak of COVID-19 is redefining, for many aspects, entrepreneurial dynamics in general and for social innovation as well as social entrepreneurship specifically. The findings highlighted the change from the usual bottom-up pattern to more top-down-initiated social innovation and social entrepreneurship activities in China. This also supports the need for exploring the changes to social entrepreneurship dynamics in other emerging markets such as Malaysia.

5. Social Entrepreneurship Intention Model Formation

The earliest work to propose a specific model for social entrepreneurship intention was by Mair and Noboa (2006). The model was proposed based on earlier works explaining entrepreneurial intention (Shapero and Sokol 1982; Krueger 1993; Krueger and Brazeal 1994; Krueger et al. 2000), all of which can be seen to be supported by the Theory of Planned Behavior (TPB) (Ajzen 1991). Specifically, Mair and Noboa (2006) proposed the following four determinants for SE intention: Empathy, Moral Obligation, Self-Efficacy, and Perceived Social Support. Next, based on the model by Mair and Noboa (2006), Hockerts (2017) offered his model by including “Prior Experience with Social Organizations” as a new determinant for SE intention.

Specifically, Hockerts (2017) proposed experience with the types of issues that social entrepreneurs strive to solve as a catalyst for behavioral intention. Additionally, the variables suggested by Mair and Noboa (2006) were adapted as mediators to the relationship between experience and intention. His model also suggested that having access to and participation in social organizations also promotes the formation of social entrepreneurship intention.

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