

# INVESTIGATING OF EFFECT OF PERSONALITY TRAITS AND SOCIAL CAPITAL ON SOCIAL ENTREPRENEUR INTENTIONS

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## ABSTRACT

*Social entrepreneurship is an attraction in developing countries because it benefits the community in general. In Indonesia, the concept of social entrepreneurship is widely discussed at all levels of society. Business intentions are considered a valuable and practical approach to understanding that a student becomes an entrepreneur, especially in the social field. This study examines the effect of personality traits and social capital on students' intentions in Jakarta to become social entrepreneurs. This study uses quantitative methods, with a total of 100 students surveyed from four universities in Jakarta. The sampling technique uses a random sampling technique. Data processing this research is multiple regression with SPSS 25. The results of multiple regression analysis show a significant influence simultaneously of personality traits and social capital on entrepreneurial intention. The value of  $F$  is 20.561; moreover, the amount of effect simultaneously of personality traits, social-capital on entrepreneurial intention, is 25.1%. However, the values of impact in partial are 20.3% and 15.8%. Some studies only examine the relationship between social capital and entrepreneurship intention, which rarely examines the relationship between social capital and social entrepreneurship intention. Also, the model in this study is a novelty of this study. This research helps several parties involved to increase the effectiveness of actions to promote the creation of social entrepreneurs.*

**Keywords:** Social Entrepreneurship Intentions, Personality Traits, Social Capital.

## INTRODUCTION

Currently, social awareness among young people in indonesia has increased. the evidenced of the achievement of several indonesian social entrepreneurs internationally, including three indonesian social entrepreneurs in the dbs-nus social venture challenge asia 2017 (Vita Ayu, 2018) before, in 2015, indonesian entrepreneurs managed to win first place in the competition. 'what is out there' (wiot) organized by the saudi-spanish center for islamic economy and finance (scief) in spain, june 9, 2015 (Faruq & Anak bangsa, 2015). this movement is a decisive moment to increase the enthusiasm and social awareness of young people in indonesia, especially dki jakarta, to better society. social entrepreneurship or social entrepreneurship is a business that manages with a social vision. considered a future commercial trend, thousands of young indonesians are now running it (sucahyo, 2017). companies dedicated to the social sector in indonesia are in the growth stage. most of these companies aim to help marginalized groups,

solve unemployment problems and reduce poverty (utami et al., 2017). now is the right time to discover if young people want to participate in social entrepreneurship. the definition of social entrepreneur refers to people who realize that there are opportunities to meet unmet needs that the state-managed wellbeing system cannot or cannot reach and collect and use the resources needed to make a difference (thompson, 2008). previous research has only focused on the relationship between personality traits and intentions and business behavior (çolakoğlu & gözükkara, 2016) (karabulut, 2016). still, the effect on social entrepreneurial intentions is rarely analyzed (irengün, o. & arikboğa, 2015). also, several studies analyze social relationships with entrepreneurial intentions (tatarko & schmidt, 2018) (chia & liang, 2016). this study aims to examine the effects of personality traits and social capital on students' intentions to become social entrepreneurs.

## LITERATURE REVIEW

### Social Entrepreneurial Intentions

The entrepreneurial behavior model based on intention comes from empirical evidence. The intention-based model remains a theoretical framework that is very relevant for exploring business behavior. From these results, it stated that intention remains the sole cause of business behavior. The condition of the global economic crisis and the slowdown of national monetary growth rates throughout the world urged governments to print new businesses (Pfeifer et al., 2016). The government conducts studies to discover why someone can become an entrepreneur, the factors that influence this can strengthen, and how the number of potential or actual entrepreneurs can be increased to provide more significant economic growth. An intention-based model can offer more information on this topic. From the industry and the public sector, which are currently trying to reduce hiring new employees and reduce job vacancies, graduates of higher education institutions have a strong desire to become entrepreneurs (Lewis et al., 2016). Thompson defines business intentions as preparation and commitment to establish a new company or creator of added value (Thompson, 2009). Ajzen in 1991 stated that the causes of business intentions must include three aspects, namely attitudes towards entrepreneurship, subjective norms, and perceived control over business behavior (Ajzen, 1991). According to some previous research, it is claimed that business literature and social entrepreneurs are different, but entrepreneurship has offered the foundation for knowing social entrepreneurial intentions. Companies in the social field must have an entrepreneurial spirit to make profits. so that it not only depends on giving contributions; Thus, a focus on the making of social and economic value is a significant part of companies dedicated to social enterprises. (Burga & Rezania, 2016). Entrepreneurial intention is the intention of becoming an entrepreneur. Individuals who have entrepreneurial intentions have a strategy to meet the necessary assets, take risks, and build their businesses (Karabulut, 2016). Hmieleski and Corbett argue that business intention intends to create a company with high development goals (Hmieleski & Corbett, 2006). Pruett believes that entrepreneurial intentions are a person's intentions to have their own business (Pruett, 2012). Lee and Wong, defining business desires as the first step in building a sustainable business (Lee & Wong, 2004). Krueger (1993) also describes it as the commitment to begin a new start-up, taking to account the various uncertainties that will occur. Gurbuz and Aykol declared the intention of entrepreneurship as one's ability to carry out business activities in their life choices. (2008). Social entrepreneurial intentions consist of two dimensions, namely trust

and preparation, which provide the basis for the operationalization of entrepreneurial intentions in the social field. (Liang et al., 2015).

### **Personality traits and Social Entrepreneurship Intentions**

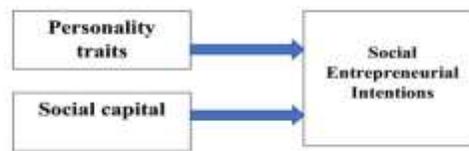
Personality is defined as a pattern of individual characteristics of thoughts, emotions, behavior, and psychological mechanisms (Funder, 2001). The literature considers that the five personality traits and business self-efficacy (ESE) are essential factors at the individual level that determine business intention (Şahin et al., 2019). The five great models of personality traits. Namely are extraversion, openness to experience, neuroticism, sincerity, and approval. Previous studies have shown that personality traits are relevant to predict entrepreneurial intentions and business performance (Brandstätter, 2011). The relationship between the personality and entrepreneurial intentions of the students has attracted the attention of researchers, the locus of internal control, the need for achievement, risk tolerance, and the state of the business alert are dimensions of the personality traits that lead to the person to develop the business intention (Karabulut, 2016). Personality traits have three dimensions: control, the need for achievement, risk tolerance, and business surveillance. Based on these studies, the following hypotheses are proposed:

*H<sub>1</sub>: Personality traits positively influence social entrepreneurial intentions*

### **Social Capital and Social Entrepreneurship Intentions**

Social capital refers to the scale of accessible, informal organizations and the inclusive nature of assets that all individuals have in social networks (Borgatti et al., 2018). Social capital can be divided briefly into individuals and organizations. This research focuses on individual social capital, especially students. The social capital of the individuals can determine the position of the students or individuals in a group. That can affect both the quality and the number of social resources available. Still, there is also the opportunity to use these resources as best as possible (Lins et al., 2017). The definition of social capital is the value that governs the interaction between individuals and institutions that are members, the relational network formed between various social individuals and the entire society. (Camagni, 2017). The social capital dimension of "bridge" and "bonding." Bridging social capital alludes to feeble connections between people by interfacing individuals from various groups and offering admittance to new viewpoints (Syahchari & Kurnia, 2019). Social capital bonding shows solid ties with family and dear companions that can provide enthusiastic help or access to rare assets. In line with that, social capital advantages business enterprise by giving techniques that help in the formation of new companies, increase the acquisition of knowledge and improve the financial performance and reputation of the company (Davidsson & Honig, 2003). Or students who decide on their future vocations, a progressively extensive social capital system, influence their professional intentions, especially their decision to become entrepreneurs (Sharma, 2014). Also, bridging social capital contributes to raising business beliefs (Chia & Liang, 2016). Previous studies rarely focused on social capital and social entrepreneurship intentions. Therefore, it is essential to investigate whether this phenomenon applies to the intentions of social entrepreneurship.

Based on these studies, the following hypotheses are proposed: Hypothesis 2: social capital positively influences social entrepreneurial intentions.



**FIGURE 1**  
**RESEARCH FRAMEWORK**

## RESEARCH METHODOLOGY

The population in this study was 50 universities in DKI Jakarta. In comparison, the samples taken were four universities, each of which took up to 25 respondents, so that the total number of respondents was 100 people. The sampling technique uses a random sampling technique, which consists of taking a random sample. The questions on the questionnaire enclosed were created with the Likert scale 1-5. The Likert scale was used commonly in Indonesia to that measure attitudes, opinions, and perceptions. Considering the several hypothesized associations with which the constructs are interrelated, we utilized multiple regression to test our model. We started by assessing the measurement models, validity, and reliability. We are teste our hypotheses using SPSS software. We used lagged multiple regressions to test the model. The independent variable predicted the dependent variable. In this research, the independent variable is the personality traits, social capital, while the dependent variable is the entrepreneurial intention.

### Data Analysis

#### Personality Traits Variable (X1)

Based on the results of data collection through questionnaires, the variable Personality traits (X1) as one of the factors that influence social entrepreneurial intentions has the following processed statistics:

N	Valid	100
	Missing	0
Mean		48.81
Std. Deviation		8.978
Minimum		33
Maximum		69
Sum		3075

#### Social Capital Variable (X2)

Based on the results of data collection through questionnaires, the variable Social capital (X2) as one of the factors that influence social entrepreneurial intentions has the following processed statistics:

N	Valid	100
	Missing	0
Mean		49.83
Std. Deviation		10.242
Minimum		32
Maximum		75
Sum		3139

### Social Entrepreneurial Intentions Variable (Y)

Based on the results of data collection through a questionnaire, the social entrepreneurial intentions (Y) variable, which is a bound variable, has the following statistical processing:

N	Valid	100
	Missing	0
Mean		51.98
Std. Deviation		8.257
Minimum		36
Maximum		70
Sum		3275

## RESULT

The results of multiple regression analysis show a significant influence simultaneously of personality traits and social capital on social entrepreneurial intention. The value of F is 20.561; furthermore, the amount of effect in simultaneously personality traits and social capital on social entrepreneurial intentions is 25.1 %. However, the values of impact in partial are 20.3% and 15.8%. This research has recommended that each of the independent variables has supported each other. The effect of significance has nearly the same value when they run joint together and separate.

	Sum of Squares	df	Mean Square	F	Sig.
Regression	925.152	2	125.056	20.561	0.000(a)
Residual	1.068.732	100	1.254		
Total	1.993.884	102			

*a Predictors: (Constant), personality traits, social capital,*  
*b Dependent Variable: social entrepreneurial intention*

## CONCLUSION

Personality traits have three dimensions: locus of control, the need for achievement, risk tolerance, and business surveillance. The first dimension of personality traits is that the internal control locus can have social entrepreneurial intentions and choose to be an entrepreneur. Decisions and actions can influence the success of your business. A strong desire to achieve high performance is the impulse of a person to succeed as an entrepreneur. The second dimension of personality traits, namely risk tolerance, is the main characteristic of an entrepreneur in dealing with risk. Someone who can tolerate risk means having high entrepreneurial intentions. An entrepreneur must be brave to take risks when building and managing his business. The third dimension of personality traits is business surveillance to influence entrepreneurial intentions. They can get business opportunities to develop and manage their own business. Individuals who have entrepreneurial intentions can be progressively fruitful when they build their businesses. According to the investigation results, the place of control, the requirement for accomplishment, chance resistance, and entrepreneurship affect entrepreneurial intentions. As such, personality traits influence entrepreneurial intentions. Personality traits have a positive effect on entrepreneurial intentions. The impact of social capital can be widespread in today's transition economies. The dimensions of social capital linking can deliver a basis for evolving bridge social capital; Thus, future research can emphasize how various forms of social capital advantage socio-business performance during the different phases of organizational development. This study is designed to contribute to academics and potential entrepreneurs. Academics can examine personality traits, social capital, and other factors that influence business intentions by conducting additional studies.

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