

# **SOCIAL ENTREPRENEURIAL TRAITS START-UP INTENTION AMONG STUDENT LEADERS**

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## **ABSTRACT**

*Social entrepreneurship has become a new job creation opportunity that creates social value for the community. This paper aims to propose a framework of the relationships between social entrepreneurial traits and start up intention among student leaders. Student leaders are selected because of their roles in leading others to attain objectives in social activities that involve the community. This framework could be useful to develop a planning on how to encourage students to embark into social entrepreneurship.*

**Keywords:** Social Entrepreneur, Start-Up Intention, Leadership, Risk Taking, Innovation Propensity.

## **INTRODUCTION**

Malaysian government encourages efforts to enhance young talent with high-class mentality and values. Nurturing university graduates with holistic entrepreneurship traits are among the key goals to be achieved through educational excellence, quality training, and innovative capabilities in various fields. Producing graduates with such characteristics is important due to the volatile competition in the job market and the high retrenchment rate (Ali Amaran, 2015). Self-employment is now seen as an alternative career choice for the graduates. Therefore, efforts to empower university students in entrepreneurial ventures are crucial, for students to successfully start and grow their business.

In addition to creating job opportunities through various business ventures and enhancing the country's economic development, student engagement in entrepreneurship, particularly in the evolving social entrepreneurship, lead to creation of a more equitable society that positively impacts on social and environmental issues. Social entrepreneurship is a sector that focuses on social objectives as an entrepreneurial activity (Austin et al., 2006; Santos, 2012). This type of business model involves exploitation of business activities to enhance social wealth; it is derived by the motivation to solve social problems and to create social value (Certo & Miller, 2008). In order to involve in such businesses, students need to be creative and innovative in solving social problems through business models (Sutha & Sankar, 2016) and they need to visualize the problems as an opportunity to start a potential business.

The establishment of Malaysia's Global Innovation and Creativity Center (MAGIC) is aimed to enhance social economic growth especially for youths. Through this platform, social entrepreneurs can obtain the advantage of business funding, training and consultations. This initiative is believed to encourage young entrepreneurs to engage in social-related business activities (Yeoh, 2015). However, there are still challenges in operating social entrepreneurship in Malaysia. For example, even though appropriate social entrepreneurship business models are

established, the potential of this sector is less convincing, resulting in difficulty to attract and retain quality talent and workforce. This is evidenced by a report released by MAGIC (2015), which states that about 74% of social entrepreneurs were having problem to acquire human talent and workforce (representing 68%) in sustaining their business. Hence, some efforts need to be taken to attract youth, especially university graduates to consider social entrepreneurship as an opportunity for career paths.

In conjunction with that, this conceptual paper proposes a framework on traits of social entrepreneurs' start-up intention among university student leaders. Student leaders are selected because of their roles in leading others to attain objectives in social activities that involve the community. Hence, student leaders have high potential in assisting the execution of the education plans that supports environment and entrepreneurship culture on campus, as stated in the Malaysian Higher Education Sector Blueprint – Higher Education Sector (Radin et al., 2016).

## **SOCIAL ENTREPRENEUR**

Social entrepreneur is based on the entrepreneurship literature. An entrepreneur could become a social entrepreneur by exerting social value in the company's vision. Social value is quantification of the relative importance of changes in marginalized community such as food, shelter, education and wealth creation (Certo & Miller, 2008). The aim of social entrepreneur is to maximize social impact to a significant segment of society at large (Mohiuddin et al., 2013) and has been acknowledged as the change agent. Examples of well-known social entrepreneurs are Bill and Melinda Gates, who generated wealth through commercial activities to help and support various communities (Boluk & Mottiar, 2014). Nga & Shamuganathan (2010) claim that social entrepreneurs adopt a wider viewpoint on value creation in comparison to their commercial counterparts. The emergence of social entrepreneurship has gained attention in diverse fields, particularly in business and social value studies. Nevertheless, until recently, there is lacked of agreement on the key elements or traits of social entrepreneurs (Certo & Miller, 2008; Nga & Shamuganathan, 2010). Therefore, this study will fulfil the gap by proposing social entrepreneurial traits as the antecedents of social enterprise start-up intention based on review of the entrepreneurship literature. These traits are innovation propensity, leadership, and risk-taking propensity.

## **START-UP INTENTION**

Start-up intentions denotes to a decision to start a new business (Linan & Chen, 2009). The decision refers to a likelihood of pursuing a self-employment career (Pruett et al., 2009). Intention to start-up an entrepreneurial venture could be shaped by motivational factors and personality traits, such as the Big Five Personality (Nga & Shamuganathan, 2010). Despite an effort towards maturity in the body of commercial entrepreneurship literature, studies for developing a better understanding of the social entrepreneurship is still evolving. Therefore, this study adopts variables from the commercial entrepreneurship literature to delineate its applicability in the assessment of social entrepreneur's traits among student leaders.

## **INNOVATION PROPENSITY**

In the profit-oriented business environment, innovation trait indicates that entrepreneurs can act as innovators to transform the economy. Other studies also have shown that innovation is

a primary motive to start a business (Marvel et al., 2014; Rosli et al., 2012). For example, an opportunity to innovate and be in the forefront of new technology was frequently given as a reason for starting a business or organisation. In a similar way, innovativeness is also considered to have the same role in social entrepreneurship to create social change (Mair & Martí, 2006). Previous studies have recognised innovation as a key aspect of social entrepreneurship (Marvel et al., 2014). By applying this trait, social entrepreneurs must adapt and engage in a process of continuous innovation to achieve the missions that are closely related to the idea of change. In other words, social entrepreneurs can be considered as revolutionaries who continuously find creative and innovative ways to materialize their social value effort. Therefore, it is suggested that student leaders with innovation propensity traits is associated with social entrepreneurship start-up intention. Therefore, it is suggested that:

*H<sub>1</sub>: There is relationship between innovation trait and social enterprise start-up intention*

### **RISK TAKING PROPENSITY**

Risk taking propensity trait refers to a behaviour that determines the tendency and willingness of an individual to take on risk when entering business. Risk taking propensity matters in the situation when there is no guarantee that the business will succeed. Stewart & Roth (2001) asserted that the risk-taking propensity of an entrepreneur is greater than a manager. Further, Brown & Hanlon (2014) showed risk-taking attitude among entrepreneurs is correlated with entrepreneurial success and their findings posited the importance of risk-taking trait to enhance business growth and sustainability.

In the social entrepreneurship environment, risk-taking has been applied in business; yet, in a limited effort (Mort et al., 2003). Social entrepreneurs have tendency to act boldly and have tendency to put more effort despite of less resources received. The uniqueness of social entrepreneur is they are not afraid of failure and understand the risk tolerances of their stakeholders and use this to spread the risk to those who are better prepared to accept it (Dess, 1998). Therefore, student leaders with risk-taking propensity trait is associated with social entrepreneurship start-up intention. This study suggests the following hypothesis;

*H<sub>2</sub>: There is relationship between risk-taking propensity and social enterprise start-up intention*

### **LEADERSHIP**

Social enterprises refer to organisations or ventures whose primary mission is to create positive social change and to enhance community development for the needed group (Prabhu, 1999). In order for social entrepreneurship to succeed, leaders must effectively manage conflicting demands that arise from dual commitments to improving social welfare and achieving commercial viability (Smith et al., 2012). Failure to do so will cause social entrepreneur to lose their focus either on social-mission or economic purposes. Moreover, social entrepreneur may also be involved in conflicts between members representing social or commercial organisations, respectively (Smith et al., 2012). Thus, the leadership of social entrepreneur has a key role in determining and shaping the business's direction for success.

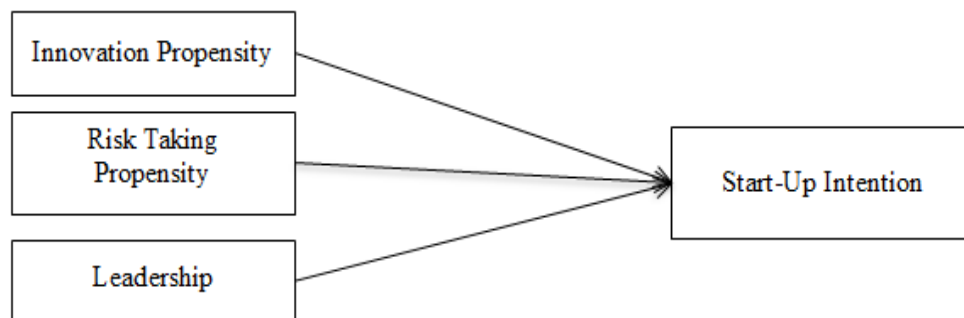
Social entrepreneurship within a social action context has been studied in terms of the catalytic leadership with the mission of change. Nevertheless, the existence and nature of

relationships between social entrepreneurial leadership trait and social enterprise start-up intention are still limited in the literature. Therefore, this study postulates that;

*H<sub>3</sub>: There is a relationship between leadership trait and social enterprise start-up intention*

### CONCEPTUAL FRAMEWORK

A proposed framework for social entrepreneur start-up intention is derived based on reviews of leadership, risk-taking propensity and innovation propensity variables in Figure 1.



**FIGURE 1**  
**A PROPOSED FRAMEWORK FOR SOCIAL ENTREPRENEURSHIP START-UP INTENTION**

### METHODOLOGY

The study will use quantitative approach with questionnaire survey in collecting the data. Questionnaire items will be adopted from the entrepreneurs and social entrepreneur literature. The target of respondents consists of student leaders in Malaysian universities. Student leaders, whom represents the unit of analysis of the proposed study, refers to students' representative council, or leaders and committee members of organization/clubs in the universities. Student leaders could have a higher sense of community; therefore, social mission could become their main agenda. This is in line with the social entrepreneurship concept of social value creation. Regression analysis will be conducted to examine relationships between social entrepreneur traits of innovation propensity, risk taking propensity, leadership and social entrepreneurship start up intention.

### CONCLUSIONS

Social entrepreneurship start-up intention among university student leaders is one of the platforms for graduates to venture into social-related job creation opportunity. In addition, social entrepreneurship also plays an important role in enhancing the social economy into a more equitable and sustainable economy. Despite the challenges faced by the social entrepreneurship, there is a need for a continuing effort to nurture future social entrepreneurs. This can be done by looking at the opportunity to identify those potential social entrepreneurs among university graduates, who represent future leaders in the job market. In order to realize this, a proposed framework and hypotheses have been developed to examine the relationship between social

entrepreneur traits and start-up intentions among university student leaders. The proposed framework will be tested with empirical data for validation.

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