

# STRATEGIC DOMAINS OF SOCIAL ENTREPRENEURSHIP AMONG STUDENTS IN MALAYSIAN HIGHER EDUCATION INSTITUTIONS

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## ABSTRACT

*Social entrepreneurship education strategically focuses on the development of social entrepreneurship culture, especially among students In Higher Education Institutions (HEIs) in Malaysia. Previous studies have pointed out that the social entrepreneurial tendency among HEI students remains at a moderate level. In addition, low awareness on social entrepreneurship, as well as limited access to human capital and financial resources (Malaysia Social Enterprise Blueprint, 2015-2018), are some of the factors which discourage students from carrying out social entrepreneurial activities. Hence, the objectives of this study are: i) to determine the level of strategic domains of social entrepreneurship namely entrepreneurial personality, human capital and social capital among HEIs students; and ii) to determine the differences in the domains of entrepreneurial personality, human capital and social capital based on students' duration of experience in social entrepreneurial activities at HEIs. The survey method was used on a total of 742 HEI students who were involved in social entrepreneurial activities. Proportionate stratified sampling was applied according to university category. The findings indicates that the level of social entrepreneurial personality and human capital was higher than social capital, based on students' experience in social entrepreneurial activities. Moreover, the results show that there is a significant difference between entrepreneurial personality, human capital and social capital according to the duration of students' experience in entrepreneurial activities. The longer the students were actively involved in social entrepreneurial activities (3 years and above), the more likely they are to possess the traits of entrepreneurial personality, human capital and social capital. The findings of this study have implications on the effective development of social entrepreneurship among HEI students and reinforces the usability of the Entrepreneurial Event Theory (Shapero, 1982). It also implies that the existing strategic domains of social entrepreneurship should be improved from time to time through various activities in order to progress towards new social innovations.*

**Keywords:** Social Entrepreneurial Strategic, Entrepreneurial Personality, Human Capital, Social Capital, Experience, Student, Higher Education Institution (HEI).

## INTRODUCTION

The effectiveness of a practice or system largely depends on the resources available. Strategic integration focuses on the practices and physical resources which drive the socioeconomic progress of a country (Azriyah et al., 2016). Only a few studies have been conducted in the strategic entrepreneurship field (Parvaneh & Emadoddin, 2014). In this context, practice refers to the implementation of social entrepreneurial activities based on the existing

knowledge and skills possessed by an individual. Social entrepreneurial practices depend on individual behaviour which is often based on entrepreneurial personality traits. On the other hand, physical resources focus on support systems for social entrepreneurial activities which may come in the form of consultation services or financial assistance. By combining the aspects of strategic management and entrepreneurship, the strategic integration of social entrepreneurship consists of several domains namely, entrepreneurial personality, knowledge and skills (human capital), as well as a support system (social capital) which are capable of inculcating the social entrepreneurial culture in Malaysia. Social entrepreneurial trends are gaining increasing global attention and Malaysia is not an exception. However, a generally accepted concept of social entrepreneurship is still missing. Various definitions of social entrepreneurship based on different contexts and demographics have been obtained from the literature (Dees, 1998; Peredo & McLean, 2006; Shaw & Carter, 2007; Dacin et al., 2010), ethnic and religiosity (Ayob, 2018). It can be concluded that the concept of social entrepreneurship is defined as a process that involves the identification and exploitation of existing opportunities through innovative approaches to continually resolve certain social issues. Meanwhile, social entrepreneurial activities primarily focus on social orientation (society) goals instead of business profits.

Many definitions on entrepreneurial personality (Ernst, 2012), human capital (Ernst, 2012; Rauch et al., 2005; Davidsson & Honig, 2003; Becker, 1993) and social capital (Nahapiet & Ghoshal, 1998) have been given by previous researchers. Based on their views, these three concepts have been refined according to the suitability of the activities and the role of the students as the executor of the activities. Entrepreneurial personality is associated with the tendency of students to possess a combination of business and prosocial entrepreneurial characteristics in order to become a social entrepreneur. Entrepreneurial orientation includes elements of proactivity, risk-taking and innovation. Meanwhile, prosocial orientation is measured in terms of empathy and social responsibility. In addition, human capital refers to the potential of an individual's ability to master knowledge, skills and self-efficacy for managing a social entrepreneurial activity. Moreover, social capital is associated with consultation services and financial assistance owned by the social entrepreneurial network. Hence, the combination of entrepreneurial personality, human capital and social capital results in a strategic integration of social entrepreneurship. The implementation of this study is guided by the Entrepreneurial Event Theory (Shapiro, 1982) which claims that individual perception is based on perceived desirability, perceived feasibility and the propensity to act. In the context of this study, perceived desirability to become an entrepreneur is measured through personality development. Furthermore, perceived feasibility refers to available resources such as financial ability and consultation. Finally, the propensity to act is related to the student's ability to predict his or her own behaviour in social entrepreneurial activities associated with the development of human capital. Entrepreneurial events leading to the further exploration (Krueger, 1993) refer to social entrepreneurial activities of HEI students in the context of this study.

## **PROBLEM STATEMENT**

The diversity of strategies in exploring the potential of students as social entrepreneurs has attracted the attention of many local and foreign researchers including Mair & Noboa (2005), Youssry (2007), Nga & Shamuganathan (2010), Ernst (2011), Ayob et al. (2013), Norasmah & Haryaty (2014), Radin (2016), and Radin et al. (2017). The findings, however, were reported to be at a moderate level. This has led to a number of possible factors affecting the personality (entrepreneurial personality), skill and knowledge development (human capital), and availability

of support systems (social capital) among HEI students. This phenomenon can also be explained through the trend of social entrepreneurship activities in Malaysia which is still in its infancy at 0.22 percent (General Entrepreneurship Monitor, 2009). This suggests that social entrepreneurship is sorely lacking in Malaysia (Bosma & Levie, 2010). The low level of awareness on social entrepreneurship, as well as limited access to human capital and financial resources (Malaysia Social Enterprise Blueprint, 2015-2018) have further reduced social entrepreneurial tendencies among students.

Every entrepreneurial event determines potential and inclination based on feasibility and desires (Shapiro & Sokol, 1982). Thus far, no studies have examined variables such as entrepreneurial personality, human capital, social capital in social entrepreneurship context. This research is relevant as the findings would be helpful to empower Technical and Vocational Education and Training (TVET). The objectives of this study are: i) to determine the level of strategic domains of social entrepreneurship namely entrepreneurial personality, human capital and social capital among HEIs students; and ii) to determine the differences in the domains of entrepreneurial personality, human capital and social capital based on students' duration of experience in social entrepreneurial activities at HEIs.

## RESEARCH METHODOLOGY

The survey method used in this study involved 2,748 students from 30 HEIs. 742 students were selected based on random stratified sampling according to 4 university categories namely research universities, comprehensive universities, focused universities and private universities. The number of samples exceeded the minimum sample set using the Cochran formula (1977). The research instrument used in this study was a 5-point Likert questionnaire divided into two sections. The research instrument was modified and adapted from Dohmen et al. (2011), Wakabayashi et al. (2006) for the entrepreneurial personality construct. In addition, Linan (2008), Hill (2009), and Urban (2013) were used to measure the human capital construct while the social capital construct was measured using instruments by Linan et al. (2011). The face and content validity of this study was evaluated by seven experts who have extensive experience in social entrepreneurship education, community development, youth development and are active in social entrepreneurship. A pilot study was conducted on 85 students from both public and private universities around Klang Valley, Malaysia. In terms of reliability, a cronbach alpha's coefficient for entrepreneurial personality (0.86), human capital (0.95) and social capital (0.82) was obtained through the pilot study. According to Kline (2011), these instruments are very good and relevant when the alpha value exceeds to 0.80.

## RESULTS AND DISCUSSION

To answer the first objective, the level of social entrepreneurial strategic domains namely entrepreneurial personality, human capital and social capital was evaluated using mean score and standard deviation (Table 1). This three level of interpretation (high, moderate and low) by Pallant (2010) is required in order to understand students' tendencies about social entrepreneurial domains. The overall analysis indicates the level of social entrepreneurial personality (mean=3.88, standard deviation=0.59) and human capital (mean=3.87, standard deviation=0.58) was high among HEI students. While, it was moderate level among HEI students of social capital domain (mean=3.59, standard deviation=0.74). Therefore, studies on the level of social entrepreneurial domains are still limited. This is in line with the findings from previous studies

which concluded that the level of social entrepreneurial personality among university students (Nga & Shamuganathan, 2010; Ernst, 2012; Dacul, 2017). Human capital is considered as a basis for social entrepreneurship (Murphy & Coombes, 2009). Thus, human capital has a stronger effect than social capital among public university students in Sarawak, Malaysia (Mohd et al., 2017).

Social Entrepreneurial Domains	Entrepreneurial personality	Human capital	Social capital
Mean Score	3.88	3.87	3.59
Standard Deviation	0.59	0.58	0.74
Level	High	High	Moderate

Meanwhile, one-way MANOVA analysis was used to answer the second research objective by research question namely, is there any significant difference between the domains of entrepreneurial personality, human capital and social capital based on students' duration of experience in social entrepreneurial activities at HEIs? The domains of entrepreneurial personality, human capital and social capital in this context were set as dependent variables, while the duration of student experience in social entrepreneurial activity was set as a free variable. The initial test assumptions were achieved through the results of normality, linearity, univariate and multicollinearity tests with all prerequisites fulfilled. The Box's M test achieved a value of 0.09 which exceeded 0.05 ( $p > 0.05$ ) whereas the Levene test revealed the alpha values of the three dependent variables namely, entrepreneurial personality (0.58), human capital (0.09) and social capital (0.03) which were also not significant ( $p > 0.05$ ). In addition, the uniformity of variant-covariant was achieved and this shows that there was no assumption violation for the prerequisites of the MANOVA analysis.

The results obtained showed that the wilks' lambda value obtained for the duration of experience was 0.958 with a significant level of 0.000 ( $p < 0.05$ ). Thus, there are significant differences in the domains of entrepreneurial personality, human capital and social capital according to the different duration of experience among HEI students. When the findings for each domain were examined, the three factors which are entrepreneurial personality, human capital and social capital fulfilled Bonferroni's correction (significant level of 0.017) aimed at reducing Type 1 error. Thus, the analysis shows that there was a significant difference in the entrepreneurial personality domain based on duration of experience  $F(3, 738) = 4.690$ ,  $p = 0.00$ . There was also a significant difference in the human capital domain based on duration of experience  $F(3, 738) = 6.072$ ,  $p = 0.00$ . On the other hand, there was a significant difference in the social capital domain based on the duration of experience  $F(3, 738) = 6.002$ ,  $p = 0.00$ . The duration of experience had a small impact on the development of entrepreneurial personality (1.9%), human capital (2.4%) and social capital (2.4%). Moreover, the mean score from the descriptive analysis shows that students' experience exceeding 3 years has a higher impact on the development of entrepreneurial personality (mean=3.88, standard deviation=0.589), human capital (mean=3.87, standard deviation=0.580) and social capital (mean=3.59, standard deviation=0.740) compared to experiences ranging between less than 1 year, 1 to 2 years and 2 to 3 years.

Studies on the differences in entrepreneurial personality, human capital and social capital in the context of social entrepreneurship based on the experience of HEI students are still limited (Ernst, 2012; Radin, 2016). However, the researcher used the previous findings in the context of

business entrepreneurship to support the findings of this study. Norasmah & Hariyaty (2014) found that students involved in social entrepreneurship programmes for less than a year have lower levels of social entrepreneurship than those involved in the programmes for more than a year. Otherwise, thinking creatively about strategic options and alternative ways to compete (Zumalia et al., 2016). Based on the perception of social entrepreneurs, Moorthy & Annamalah (2014) ascertained that the experience factor is the third most determining factor for an individual to become a social entrepreneur in Malaysia.

## CONCLUSION

The results of this study have empirical implications on the usability of the Entrepreneurial Event Theory (Shapero, 1982) to explain the social entrepreneurial domains through perceived desirability, perceived feasibility and the propensity to act. The findings show that the longer the students are engaged in social entrepreneurial activities, the more likely they are to possess the personality traits of entrepreneurs and potential to become a social entrepreneur. This results in a higher level of efficiency in handling social entrepreneurial activities and the optimal use of resources in social capital. The university administration will be able to identify and plan the best approaches for inculcating social entrepreneurial values among students by taking into account the existing strategic domains of social entrepreneurship. This study also shows that the findings are relevant to improve social capital through the networks in Malaysia. Future researchers can verify the strategic domains of social entrepreneurship by performing in-depth research on the various aspects discussed in this study.

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