Antecedents of Intention to become a Social Entrepreneur: Studies in Undergraduate Students in Indonesia

Rosdiana Sijabat¹, Yerik Afrianto Singgalen²

¹Department of Business Administration, Universitas Katolik Indonesia Atma Jaya, Indonesia
²Department of Tourism, Universitas Katolik Indonesia Atma Jaya, Indonesia
rosdiana.sijabat@atmajaya.ac.id

I. Introduction

Entrepreneurship is not limited to economic activity oriented only to commercial profit; there is another approach called social entrepreneurship (Drayton, 2006). Social entrepreneurship is an act of change carried out by a person using entrepreneurial principles and models to meet social needs, overcome social problems and maintain social values, and this is undertaken by social entrepreneurs (Dees & Anderson, 2006). Social entrepreneurs are social investors who use resources and capital to manage business activities aimed at helping the poor with constructive and innovative methods (Dacin, Dacin, & Matear, 2010).

In its development, some researchers began studying social entrepreneurship's specifics (Michelini, 2012; Haugh & Talwar, 2014). Social entrepreneurship is a solution to the economic problems of modern society because social entrepreneurship practices use a business approach that is not fully oriented toward commercial profit (Santos, 2012; Shaw & Bruin, 2013).

Universities have an essential role in fostering an entrepreneurial spirit to solve social problems (such as unemployment and poverty) (Firdaus, 2014). Increasing student interest in entrepreneurship requires attracting and driving factors (Utomo et al., 2019). The development of social entrepreneurship is inseparable from universities’ role in increasing student interest in becoming an entrepreneur (Sooampon, 2018). Specifically, Siswanto (2014) argues that students' interest in entrepreneurship is formed by accumulating knowledge, skills, and attitudes. Hasanah (2019) believes that ideal, directed, and sustainable social entrepreneurship can be carried out through educational activities oriented towards the development of social entrepreneurship among students. As

Abstract

This study empirically examines the antecedents of the intention to become a social entrepreneur by undergraduate students in Indonesia using the theory of planned behavior (TPB) framework. In TPB, the intention of a planned choice or desire is predicted to result from perceived attractiveness, subjective norms, self-efficacy, and personal attitudes. A total of 116 undergraduate students were recruited as respondents in this study, and primary data obtained from respondents were analyzed using structural equation modeling to test the four research hypotheses. This study revealed that the dimensions of perceived attractiveness, subjective norms, self-efficacy, and personal attitude of undergraduate students positively and significantly shaped students' intentions to become social entrepreneurs. Thus, the results of this study provide new understanding and knowledge about the antecedents to becoming a social entrepreneur.

Keywords

Intention; social entrepreneur; planned behaviour; structural equation modeling

DOI: https://doi.org/10.33258/birci.v6i1.7414
the younger generation, students are agents of change who can provide socioeconomic change by providing new opportunities for society. Diandra (2019) shows that creativity and innovation at the core of social entrepreneurship are supported by education, ability, mentality, and development programs. Thus, it can be known that higher education institutions play an essential role in developing social entrepreneurship.

Social entrepreneurship education is starting to get significant attention because more and more academic circles view entrepreneurship as an essential factor in the development and human welfare (Drayton, 2012). In addition, the demand for universities to be more responsive to social needs encourages universities to increasingly strive to show their social impact (UnLtd, 2014). According to UnLtd (2014), higher education institutions are institutes that can build economic well-being and stimulate economic development. Universities in a country can attract the entry of global business to encourage the growth of local businesses and entrepreneurship activities in the country. The increasing interest of the world of higher education in the teaching of social entrepreneurship leads the world of higher education to not only focus on the task of teaching but also carry out a process in which science is built through the transformation of experiences based on a realistic environment (Apostolakis, 2011). Although several existing empirical studies have found predictors of individual entrepreneurial intentions, studies that take the context of students in Indonesia to become social entrepreneurs are still limited. Thus, this study aims to determine the antecedents to becoming social entrepreneurs in Indonesia by undergraduate students in Indonesia. The question answered in this study is what factors influence students’ intention to become social entrepreneurs?

II. Research Method

Social entrepreneur intention (SEI) refers to pursuing a social mission by starting a business or launching a social enterprise (Urban, 2020; Tiwari, Bhat, & Tikoria, 2017). This intention is a form of individual belief that they intend to become social entrepreneurs and consciously plan to do so in the future (Usman, Masood, & Khan, 2021). According to Entrialgo and Iglesias (2016), SEI is a motivational factor that influences entrepreneurial behavior, which indicates the efforts individuals plan to put that behavior into practice. This intention manifests the individual’s desire and determination to be involved in creating new ventures (Tran & Von Korflesch, 2016). Igwe et al. (2016) define social entrepreneurship as a form of hope for a time in the future a person will be involved in launching an organization aimed at solving social problems. From these various definitions, social entrepreneurship intention has a cognitive psychological element of an individual. Tiwari, Bhat, and Tikoria (2017) argue that entrepreneurial intentions are an important phenomenon and one that has attracted substantial cognitive research. It deals with the psychological behavior of human beings that persuades them to accumulate knowledge, understand ideas, and execute social business plans to become social entrepreneurs.

The development of studies on social entrepreneurship in Indonesia is contextual. The results of previous studies show that various aspects are essential to identify related to the intention to become a social entrepreneur. In this study, the research model follows Tran and Von Korflesch (2016), who built a conceptual model of SEI by deriving from the SDGs. Their study refers to the intent model in the literature on entrepreneurship in general and social entrepreneurship. The conceptual model offered by Tran and Von Korflesch (2016) describes attraction, subjective norms, and perceived self-efficacy will influence the
intention to become a social entrepreneur in two ways. These factors can directly affect intentions and, on the other hand, can also form attitudes that later influence a person's intention to become a social entrepreneur. The conceptual framework in this study is shown in Figure 1.

Based on the results of the identification and classification of factors that influence the intention to become a social entrepreneur, the research hypothesis constructed based on the context of this study consists of six hypotheses as follows:

Hypothesis 1: The perceived attractiveness dimension of social entrepreneurship affects the intention to become a social entrepreneur.

Hypothesis 2: The subjective norms dimension positively affects the intention to become a social entrepreneur.

Hypothesis 3: The perceived self-efficacy dimension positively affects the intention to become a social entrepreneur.

Hypothesis 4: The personal attitude dimension of students has a positive effect on the intention to become a social entrepreneur.

**III. Research Method**

This research is quantitative with a causal approach to testing the built hypothesis. Quantitative research tests the theories used in research by examining the relationship between variables to be measured in value so that it can be analyzed using statistical procedures (Creswell, 2014). This quantitative research will use numerical data as a tool used to analyze and conduct research studies, especially regarding what has been studied, and quantify and generalize the sample results to the population (Sekaran & Bougie, 2016). The hypothetical test will be carried out using the Partial Least Square (PLS) Structural Equation Model (SEM) method because this research is a predictive study (Hair et al., 2019). PLS-SEM estimates complex models with many constructs, indicator variables, and structural paths (Hair et al., 2019). PLS-SEM is also a causal-predictive approach that emphasizes prediction in estimating statistical models containing causal explanations (Hair et al., 2019).
IV. Result and Discussion

In this study, 43 percent of the respondents were men (n = 50), and 57 percent were women (n = 66); the total number of respondents was 116. Most respondents were between the ages of 18 and 19 (n = 53; 45.7 percent) and 20-21 years (n = 42; 36.2 percent). Around 88 percent of respondents have received Social Entrepreneurship courses, which is 102 people. Of the 116 respondents, 64.7 percent came from families with businesses that had been running for more than one year (n = 75), but only 12.5 percent had social enterprises (n = 15). More than half of the respondent's parents had their businesses (n = 66; 56.9 percent), while the rest mostly worked as private employees (n = 36; 31 percent) and civil servants (n = 10; 8.6 percent).

4.1 Measurement Model

PLS-SEM analysis begins with evaluating the measurement model or also called the outer model. Measurement analysis of this model was performed to ascertain how well the items (questions) were loaded in the specified construct (Hair et al., 2019). The model in this study used reflective indicators. The assessment of the outer reflective model involves checking the reliability of individual items (reliability of indicators), the reliability of each of the latent variables, internal consistency (Cronbach alpha and composite reliability), the validity of the construct (loading and cross-loading), the validity of convergence (extracted mean-variance, (AVE)) and the discriminant validity (Fornell-Larcker criterion, outer loading).

The outer model analysis is carried out by calculating outer loading, namely the bivariate correlation between the indicator and its construct, the construct's reliability, or the indicator's reliability. The outer loading value ranges from 0 to 1, where the outer loading should be more than 0.70. The outer loading value is more than 0.7, as it may indicate that the construct describes more than 50% of the indicator variance. (Hair et al., 2019). Nevertheless, outer loading values between 0.4 to 0.7 can also be maintained if AVE and CR are met; indicators with outer loading below 0.40 should permanently be eliminated (Hair, Ringle, & Sarstedt, 2011; Becker, Klein & Wetzels, 2012). Table 1 shows all outer loading indicator values above 0.7, and some indicators have outer loading below 0.7, but all are still more than 0.4. This value indicates that the construct can describe more than 50% of the variants of its indicators.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicator</th>
<th>Loadings</th>
<th>Cronbach’s Alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude toward Social entrepreneurship (ASE)</td>
<td>ASE1</td>
<td>0.581</td>
<td>0.627</td>
<td>0.796</td>
<td>0.572</td>
</tr>
<tr>
<td></td>
<td>ASE2</td>
<td>0.798</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ASE3</td>
<td>0.861</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social entrepreneurship Intention (ITSE)</td>
<td>ITSE1</td>
<td>0.747</td>
<td>0.723</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ITSE2</td>
<td>0.663</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ITSE3</td>
<td>0.773</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ITSE4</td>
<td>0.765</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived attractiveness toward Social (PAS)</td>
<td>PAS1</td>
<td>0.691</td>
<td>0.691</td>
<td>0.827</td>
<td>0.545</td>
</tr>
<tr>
<td></td>
<td>PAS2</td>
<td>0.832</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PAS3</td>
<td>0.735</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PAS4</td>
<td>0.614</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived self-efficacy</td>
<td>PSE3</td>
<td>0.648</td>
<td>0.695</td>
<td>0.825</td>
<td>0.614</td>
</tr>
</tbody>
</table>
Next is to examine the internal consistency, that is, the ability of the indicator to explain the latent construct based on the inter-correlation of the indicator. Internal consistency can be seen from the values of Cronbach alpha and composite reliability (CR). Internal consistency values range from 0 to 1, where higher values indicate a higher degree of reliability. The value of Cronbach alpha and CR values between 0.60 and 0.70 is considered "acceptable in exploratory research," and values between 0.70 and 0.90 are considered "satisfactory to good." (Hair et al., 2019). Table 1 shows that the Cronbach alpha and CR values have met the expected threshold, which is greater than > 0.6, meaning that all indicators have represented the research construct or have met the reliability criteria.

Next is discriminant validity testing, which examines how the research construct is empirically different from other constructs in structural models (Hair et al., 2019, p. 6). Discriminant validity is tested based on the cross-loading factor value by comparing each construct's root AVE root value with the construct's correlation with other constructs. If the AVE root value of each construct is higher than the correlation of that construct with other constructs, then the validity of the discriminant has been met. The test results of the discriminant validity in Table 2 show that each variable's entire AVE square root value has a higher value than the correlation value between variables. The expected Fornell Larcker Criterion value is more than 0.70.

### Table 2. Fornell Larcker Criterion

<table>
<thead>
<tr>
<th>Construct</th>
<th>ASE</th>
<th>ITSE</th>
<th>PAS</th>
<th>PSE</th>
<th>SN</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASE</td>
<td>0.756</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITSE</td>
<td>0.594</td>
<td>0.739</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAS</td>
<td>0.689</td>
<td>0.659</td>
<td>0.722</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSE</td>
<td>0.619</td>
<td>0.704</td>
<td>0.698</td>
<td>0.784</td>
<td></td>
</tr>
<tr>
<td>SN</td>
<td>0.543</td>
<td>0.518</td>
<td>0.588</td>
<td>0.560</td>
<td>0.752</td>
</tr>
</tbody>
</table>

### 4.2 Structural Model

The structural model analysis is carried out by evaluating the path coefficient, R2 (predictive strength), Q2 (prediction consistency), and f2 (effect size). Table 3 presents the results of the value of the path coefficient describing the relationship between exogenous and endogenous latent variables. H1, which states the positive influence of attitude towards social entrepreneurship (ATSE) on social entrepreneur intention (ITSE), is acceptable because the t-value > t-table (8.100 > 1.658) with α: 5%, with the influence of ATSE on ITSE which is positive of 0.594. Furthermore, perceived attractiveness towards social entrepreneurship (PAS) also has a significant influence on social entrepreneur intention (ITSE), with a t-value of 3.468 1.658 (α: 5%), the direction of PAS's influence on ITSE is also positive; thus, H2 is accepted. Perceived self-efficacy plays a vital role in influencing social entrepreneur intention (ITSE), as can be seen from the t-value greater than the t-table (2.444>1.658), H3 received. Unlike other hypotheses, H4 was rejected, and subjective norms did not significantly influence ITSE (1.525<1.658).
Table 3. Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path Direction</th>
<th>b-Value</th>
<th>t-Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>PAS -&gt; ITSE</td>
<td>0.238</td>
<td>2.439</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>SNE -&gt; ASE</td>
<td>0.230</td>
<td>2.081</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3</td>
<td>ASE -&gt; ITSE</td>
<td>0.275</td>
<td>2.813</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4</td>
<td>PSE -&gt; ITSE</td>
<td>0.482</td>
<td>8.029</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

R² measures the overall effect and variance described in the endogenous construct for structural models and is thus a measure of the model's predictive accuracy (Hussain et al., 2019). The reference value of R² is R² = 0.75 is considered substantial, R² = 0.50 is considered moderate, and the value of R² = 0.26 is considered weak. Table 4 shows R² (predictive strength), where PAS, SN, and PSE describe 51% of ASE variance. These findings show that four independent constructs substantially explain 51.3% of the variance from ITSE, which means that four latent constructs cause about 51% of ITSE changes in the model. Therefore, the obtained R² falls into the moderate category. R² for PAS, SN, PSE, and ASE is 35.3%, explaining 35.3% of the variance from ITSE and is in the weak category.

Referring to Hussain et al. (2018) and Hair et al. (2019), Q² statistics is a measure of the quality of the PLS line model. Criterion Q² recommends that conceptual models can predict endogenous latent constructions. The measured Q² value in SEM must be greater than zero for a given endogenous latent construct. The Q² value of PAS, SN, and PSE to explain the ASE is 0.460, while the Q² of pas, SN, PSE, and ASE in ITSE is 0.413 (Table 4). These two Q² values are greater than 0.00 for the sake of concluding that it means that the structural model analyzed has sufficient consistency and predictive relevance.

Table 4. Values of R² and Q²

<table>
<thead>
<tr>
<th>Endogenous Constructs</th>
<th>R²</th>
<th>Q²</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASE</td>
<td>0.510</td>
<td>0.460</td>
</tr>
<tr>
<td>ITSE</td>
<td>0.353</td>
<td>0.413</td>
</tr>
</tbody>
</table>

The measure of effect (f) is used to assess the relative impact of the predictor construct on endogenous builds (Hair et al., 2019). The value of f² is equal to 0.02, then the small size of the influence (small effect), f² is equal to 0.15, then the influence and f² are equal to the value of 0.35, then the magnitude of the influence (Hair et al., 2019). The analysis results show that the effect size of ASE, PAS, and SN is included in the medium and large categories because they are more than 0.02 (Hair et al., 2016).

In Table 5, the influence of the ASE variable on ITSE is 0.545, which is in the large category of influence. This finding is in line with Yousaf, Shamim, and Raina (2014), where ASE is most influential on the formation of ITSE, while the influence of PAS on ITSE is included in the medium category. The influence of PAS and SN on social entrepreneurship intentions has a small value of 0.050 and 0.003, respectively.

Table 5. Effect Size

<table>
<thead>
<tr>
<th>Constructs</th>
<th>f²</th>
<th>Effect Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITSE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASE -&gt; ITSE</td>
<td>0.545</td>
<td>Large effect</td>
</tr>
<tr>
<td>PAS -&gt; ASE</td>
<td>0.186</td>
<td>Medium effect</td>
</tr>
<tr>
<td>PSE -&gt; ASE</td>
<td>0.050</td>
<td>Small effect</td>
</tr>
<tr>
<td>SN -&gt; ASE</td>
<td>0.003</td>
<td>Small effect</td>
</tr>
</tbody>
</table>
4.3 Discussion

The intention to start a business, including social enterprises, is the first important step in the process of becoming a social entrepreneur (Abedelrahim, 2020; Ozaralli & Rivenburgh, 2019). Therefore, this study examines the intention to become a social entrepreneur, which is predicted to be influenced by PAS, SN and PSE, and ASE on students' intentions to become social entrepreneurs (ITSE). To empirically examine the causal relationship of the variables, a conceptual research model was formed consisting of exogenous and endogenous variables, which was developed based on the SDGs using the PLS-SEM approach. The results of the structural model show that the intention to become a social entrepreneur by students who are respondents to this study is relatively good.

The structural model analysis first showed that PAS had a positive effect (β = 0.275) on ITSE. This finding implies that students are desirably to become social entrepreneurs because the role of a social entrepreneur is considered attractive. Students desire to become social entrepreneurs can emerge as an internalized form. Within the framework of the SDGs, therefore, it is essential to emphasize the perceived desire factor as the level of attraction and attitude towards social entrepreneurs (Politis et al., 2016; Abedelrahim, 2020). Previous scientific papers concluded that PAS positively affects the attraction to becoming a social entrepreneur (Paunescu et al., 2028; El Harbi, Anderson, & Mansour, 2009; Clercq et al., 2012). In this study, the positive regression coefficient from PAS to ITSE shows that students have social entrepreneurial desirability to become social entrepreneurs as predicted in the SDGs (Ahuja, 2021).

The relevance of subjective norms is described in the SDGs, and subjective norms predict entrepreneurial intentions (Jung et al., 2020; Su & Hui, 2021). This is confirmed by the structural equation analysis, where SN was shown to influence ASE positively and significantly with a β = 0.482. These findings show that the subjective norms that exist around the students who are respondents play a role in shaping how students see themselves and can affect self-efficacy and attitudes, which ultimately affect the possibility of forming intentions to become a person, in this case, becoming a social entrepreneur (Wannamakok, Chang & Täks, 2020). Previous studies also found the same thing when subjective norms increased. It would strengthen the effect of attitudes towards entrepreneurship and entrepreneurial intentions (Tsai et al., 2016).

The following variable is perceived self-efficacy, a person's belief that he can perform well-designated tasks (Memon, Soomro, & Shah, 2019). Self-efficacy plays a vital role in forming an individual's perception of a situation and how they respond to a specific situation. Self-efficacy describes a person's belief in himself and the ability to successfully perform various roles and activities related to social entrepreneurship, including developing business ideas in the form of social entrepreneurship. In this study, perceived self-efficacy toward social entrepreneurship was found to have a positive and significant effect on the intention to become a social entrepreneur with a β = 0.275. From these findings, it is concluded that perceived self-efficacy (PSE) has an essential role in social entrepreneurship in understanding the formation of social entrepreneurship intentions among the students studied. This self-efficacy perspective thus shows that students or respondents in this study can determine whether to become social entrepreneurs based on their assessment of their ability to achieve these goals (Neneh, 2020).

Within the SDGs, attitude is the best driving force for forming intentions. A person's attitude plays a vital role in research on human behavior (Aydogmus, 2021). Next is ASE's association to become a social entrepreneur (ITSE). The results of the structural equation analysis showed that ASE had a positive and significant effect on ITSE with a β = 0.238. These findings are also supported by studies, such as Vamvaka et al. (2020), which found
that students have a proactive attitude that makes them tend to have a higher level of social entrepreneurship. This group has an attitude that forms awareness and beliefs about how to do a new business and is inclined to plan something to do as their future (Linan & Chen, 2009; Aydogmus, 2021). The results of this study are partly supported by Jena's research (2020) which found that a positive attitude toward social entrepreneurship education can form a higher intention towards a career as a social entrepreneur.

The intention to start a business, including social enterprises, is the first important step in the process of becoming a social entrepreneur (Abedelrahim, 2020; Ozaralli & Rivenburgh, 2019). Therefore, this study examines the intention to become a social entrepreneur, which is predicted to be influenced by PAS, SN and PSE, and ASE on students' intentions to become social entrepreneurs (ITSE). To empirically examine the causal relationship of the variables, a conceptual research model was formed consisting of exogenous and endogenous variables, which was developed based on the SDGs using the PLS-SEM approach. The results of the structural model show that the intention to become a social entrepreneur by students who are respondents to this study is relatively good.

Within the SDGs, attitude is the best driving force for forming intentions. A person's attitude plays a vital role in research on human behavior (Aydogmus, 2021). Next is ASE's association to become a social entrepreneur (ITSE). The results of the structural equation analysis showed that ASE had a positive and significant effect on ITSE with a $\beta = 0.238$. These findings are also supported by studies, such as Vamvaka et al. (2020), which found that students have a proactive attitude that makes them tend to have a higher level of social entrepreneurship. This group has an attitude that forms awareness and beliefs about how to do a new business and is inclined to plan something to do as their future (Linan & Chen, 2009; Aydogmus, 2021). The results of this study are partly supported by Jena's research (2020) which found that a positive attitude toward social entrepreneurship education can form a higher intention towards a career as a social entrepreneur.

V. Conclusion

Research on the intention of social entrepreneurship at the student level in higher education has not been carried out too much, especially in Indonesia, because social entrepreneurship courses have not been taught much in universities in Indonesia. Therefore, this research contributes to adds new insights to the literature by testing conceptual models of factors that influence and give rise to students' intention to become social entrepreneurs in Indonesia. This study concluded that the perception of attractiveness towards social entrepreneurship (perceived attractiveness towards social entrepreneurship), subjective norms, perceptions of self-efficacy, and attitudes significantly positively affect the formation of student intentions to become social entrepreneurs.

This research has limitations. This study uses convenience sampling, which is focused on undergraduate students in Indonesia. However, information about universities that teach social entrepreneurship courses is minimal. Therefore, researchers can only identify certain universities that have information on teaching social entrepreneurship courses. In the future, the research focus can be expanded with a population sample of undergraduate and graduate students only by trying to get more information about teaching social entrepreneurship courses. Therefore, this study's results are limited in representativeness and generalizability. Another limitation of this study is that it only tests the direct effect of each predictor variable on students' intentions to become social entrepreneurs. Therefore, similar research in the future may include other factors that directly and indirectly affect students' intention to become social entrepreneurs.
References


Journal of Economics and Development.


Tiwari, P., Bhat, A. K., & Tikoria, J. (2017). The role of emotional intelligence and self-


