



Relationship between human capital and social capital towards social entrepreneurial intention among the public university students



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ABSTRACT

The purpose of this research is to examine the relationship of human capital and social capital towards social entrepreneurial intention among public university students in Kota Samarahan, Sarawak. Self-administered questionnaire and assessed by using non-probability quota and judgmental sampling techniques. A total of 314 respondents in both public universities participated in the survey. The findings revealed that the social entrepreneurial human capital and social entrepreneurial social capital were found to be significant with strong correlation and positive relationship with the social entrepreneurial intention scale. Moreover, human capital found to be the strongest effect size rather than social capital. Besides, the perception from both universities towards social entrepreneurial intention is averagely same response. Recommendation for future study also discussed.

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1. Introduction

Social entrepreneurship is an emerging trend that has emerged within the government, non-profit organization and entrepreneurship (Leadbeater, 1997). Lee et al. (2012) stated that the important aspects of social entrepreneurship were that whether these individual has the capability of social capital and human capital in order to overcome the unemployment issues among the students. For the unemployment issues regarding the industrial problems among public university students, serious concern has been raised by policy makers and academicians. To overcome the issues, these students can choose to be self-employed. The students need to possess the knowledge and skill that are important for becoming a social entrepreneur. Social entrepreneur are not only for profitable gained, but it is also helping to reduce the societal problems. High unemployment rate will lead to a country's incompetency and to solve the high unemployment issues; Malaysian government has come out with Ninth Malaysia Plan 2006-2010 (EPU, 2006) which played an important role in developing and encouraging entrepreneurs. Besides, Lee et al.

(2012) also mentioned there are three organizations have been established in this plan which is Ministry of Entrepreneur and Cooperative Development (MECD), Perbadanan Nasional Berhad (PNS) and the SME (Small and Medium Enterprises) Bank. The knowledge of institutions is important to become a social entrepreneur because it will help them in terms of support and networking (Ernst, 2014). Therefore, three traits of social capital that are important to students are perceived knowledge of institutions, perceived network and perceived support in social entrepreneurship. The efforts of government tend to encourage unemployed graduates to be entrepreneurs, utilizing their knowledge and skills instead of continuing to be unemployed (Lee et al., 2012). While Mair and Naboa (2005) have developed an initial social entrepreneurial intention formation model, it has not been validated empirically. Ernst (2014) also has mentioned about the existing empirical research on the social entrepreneurial intention formation do not follow a theory based approached. These independent variables are relevant in this research because it has been tested in past research study by Ernst (2014). In recent years, social entrepreneurship and social entrepreneurs have attracted public attention. The use of term, "social entrepreneur" has almost tripled since 2004 (Bornstein, 2007). While the impact of social entrepreneurship on societal issues has been

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recognized, but only few is known about social entrepreneurs who initiate the efforts.

The research objectives of this research are to examine the relationship between students' human capital and social capital towards social entrepreneurial intention. Other than that, the research objective is to examine the strength of the relationship between human capital and social capital towards social entrepreneurial intention. Finally, to examine the whether any differences between UiTM and UNIMAS students' towards social entrepreneurial intention.

2. Literature review

2.1. Social entrepreneurial intention

The history of intentional studies in entrepreneurship begins by Bird (1988). It was one of the first authors to place the intentions at the heart of entrepreneurship studies and identifying the variable as a core aspect differentiating entrepreneurship from management studies (Ernst, 2014).

Previous study conducted by Mair and Naboa (2005) has determined a reliable predictor of entrepreneurial activity which is intentions. Therefore, understanding on how do social entrepreneurs develop intentions to create a social venture is important to building well-established entrepreneurship literature on the intention formation process. The intention becoming social entrepreneurs involves on individual aspiration and individuals who have high ambition in overcoming the existing social problems by the community.

Thompson (2009) stated that there is no unified definition of entrepreneurial intention. The construct of social entrepreneurial intentions is described as self-acknowledged assurance by a person that they intend to become a social entrepreneur and likely plan to do so at some point in the future (Thompson, 2009).

2.2. Human capital

In the area of individual-based research, human capital involves the understanding of two factors which are specific knowledge and skills (Ernst, 2014). Besides that, based on some other researchers the formal education can be seen as the basis for knowledge and skills regarding entrepreneurship and the experiences also can lead the relevant capabilities (Davidsson and Honig, 2003). Overall, human capital can be described as the shape of knowledge and skills from prior experience and education (Teixera and Forte, 2009). Ernst (2014) also stated that not only the fact that someone attended a course or worked in an industry is important, but the level of expertise and knowledge they feel they gained from doing this much more important to be considered.

2.2.1. Perceived skills

Previous studies mention relevant skills for social entrepreneurship and there is a split between entrepreneurial and social factors. It was supported by Drayton (2005) where it is crucial for social entrepreneur to have socially oriented skills when becoming a change maker in society.

2.2.2. Knowledge and experiences

Many previous studies on the origins of social entrepreneurship mention about knowledge and experience. It is considered that perceived knowledge and experience to be the main source of this research (Corner and Ho, 2010). Previous study also has indicated that experience is necessary for social entrepreneurship, from two areas which are in entrepreneurship and also in the relevant social field.

2.3. Social capital

Social capital has numerous definitions, typologies and application but the similarities of all definitions regarding social capital is it has something to do with interaction between an individual and other people and institutions or organizations (Hackl, 2009). Linan and Santos (2007) describe it as social capital is buildup of relationship, either formal or informal which are generated by individuals who are trying to obtain an expected reward in the market. Ernst (2014) emphasize that there are three constructs of social entrepreneurial social capital which are perceived knowledge of institution, perceived network and perceived support.

2.3.1. Perceived knowledge of institutions

Institutions or local entities are usually considered as a part of social capital that are refers to the familiarities with institutions supporting the establishment and growth of social enterprises (Cohen and Fields, 1999).

2.3.2. Perceived network in social entrepreneurship

According to Muller (2011), an entrepreneurial network or networking can be built out of various intersections and different students could perceive the value of a network differently. Thus, the students served as a source to assess the utility of the network.

Johannisson (2000) also explained that network have a special role in entrepreneurship as they are used to develop new ideas, pursue visions and collect resources, rather than simply reduce uncertainty.

2.3.3. Perceived support in social entrepreneurship

Perceived support is the expected encouragement and assistance of the one's close surroundings in becoming a social entrepreneur such as encouragement by friends or families (Ernst, 2014).

2.4. Theoretical framework and hypothesis

Basically, this research looks for empirical evidence that could be used to explain the relationship between the antecedents and social entrepreneurial intention. Thus, a theoretical framework has been formulated. The theoretical framework as shown in Fig. 1 represents undergraduate students' intention on becoming a social entrepreneur. Based on research problems and objectives, the following hypotheses were developed as shown in Table 1.

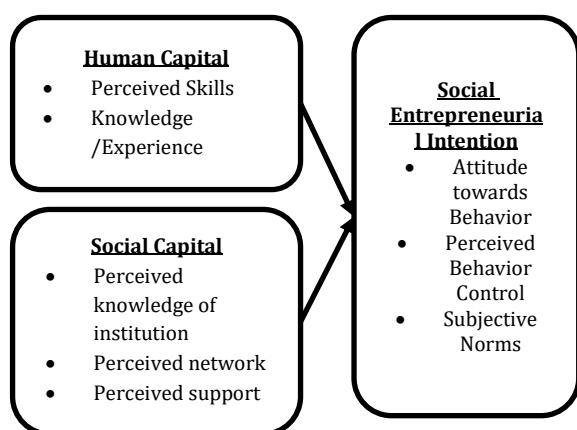


Fig. 1: Theoretical framework (Ernst, 2014)

Table 1: Hypothesis

	Hypothesis
1	Social entrepreneurial human capital has the positive relationship on the social entrepreneurial intention.
2	Social entrepreneurial social capital has the positive relationship on the social entrepreneurial intention.
3	There is a positive strength of relationship between the dimensions of human capital and social capital.
4	There is a significant difference among UiTM and UNIMAS students towards social entrepreneurial intention.

3. Methodology

The target respondent for this research is the students from UiTM Sarawak and UNIMAS. Sampling frame is not applicable for this research because the sampling technique used in selecting samples in this research is non-probability technique (Lee et al., 2012). Quota and judgmental sampling method is used for data collection and 7 Point of Likert Scale was used to assess respondents' level of agreement. G-Power analysis software 3.1.9.2 is used to determine the sample size of this research, the effect size of "f square" 0.15, α error prob 0.05, power (1- β err prob) 0.8 with a number of 2 predictors, based on the result from G*Power, 68 respondents is the minimum sampling size for this research. Therefore,

a total of 600 questionnaires were distributed among the target population but only 314 survey questions were given back and can be used to analyze. Roscoe (1975) suggested that sample size more than 50 and less than 500 are appropriate for most studies.

4. Findings and discussion

The finding in Table 2 indicates that human capital and Social Entrepreneurial Intention among public university students in Kota Samarahan, Sarawak has a strong and positive correlation relationship. The result as shown in Table 3 is strong with $r = 0.641$ which indicates the strength of the relationship between each dimension are strong, and positive correlation relationship (p value = 0.000) is significant at the 0.01 level (2-tailed). The objective of this study was answered as the result shows that social entrepreneurial intention among public university students in Kota Samarahan, Sarawak is influenced by human capital element.

Table 2: Frequency table based on demographic characteristic profile

Variables	Items	F	(%)
Gender	Male	78	24.8
	Female	236	75.2
	≤ 20 years old	32	10.2
Age	21-23 years old	238	75.8
	24-25 years old	40	12.7
	26 and above	4	1.3
University	UiTM	183	58.3
	UNIMAS	131	41.7
	Muslim	206	65.6
	Buddhist	13	4.1
Religion	Cristian	90	28.7
	Hindu	4	1.3
	Others	1	.3
	Malay	191	60.8
	Bidayuh	23	7.3
	Chinese	20	6.4
Race	Iban	44	14.0
	Melanau	9	2.9
	India	3	1.0
	Others	24	7.6
Course or module taken	Entrepreneurial Education	298	94.9
	Social Entrepreneurial Education	16	5.1

Table 3: Pearson's correlation coefficients for human capital and social entrepreneurial intention

Human Capital	Pearson Correlation Sig. (2-tailed) N	Social Entrepreneurial Intention
		0.641** 0.000 314

Notes: **Correlation is significant at the 0.01 level (2-tailed)

Thus, hypothesis 1 is accepted. Previous research by Ali et al. (2015) has proved that by having necessary skills will lead towards entrepreneurship. Ernst (2014) also supported this finding by stated that the human capital such as knowledge, experience and skills has strong indirect effect toward social entrepreneurial intention. Besides that, human capital is considered as a basis

for social entrepreneurship (Murphy and Coombes, 2009).

4.1. The relationship between students' social capital and social entrepreneurial intention

Based on the Table 4, the finding has proved that social entrepreneurial social capital and social entrepreneurial intention among public university students in Kota Samarahan, Sarawak has a strong and positive correlation relationship. The result is strong with $r = 0.631$ which indicates the strength of the relationship between each dimension are strong, and positive correlation relationship (p value = 0.000) is significant at the 0.01 level (2-tailed).

The objective of this study was answered as the result shows that social entrepreneurial intention among public university students in Kota Samarahan, Sarawak is strongly influenced by social capital factor. Thus, hypothesis 2 is accepted. According to Linan (2008), business entrepreneurship as a career path becomes more attractive when one's surroundings support this career choice.

Table 4: Pearson's correlation coefficients for social capital and social entrepreneurial intention

Social Capital	Pearson Correlation Sig. (2-tailed)	Social Entrepreneurial Intention
		0.631** 0.000 N 314

Notes: **Correlation is significant at the 0.01 level (2-tailed)

4.2. The strength of the relationship among students' human capital, and social capital towards social entrepreneurial intention

Regression analysis was used to assess the strength of association among the variables and being measured by the coefficient of determination, r^2 (Malhotra, 2010). The linear regression test of the model as shown in Table 5 disclosed that R Square of the model is 0.489. It illustrates that 48.9% of the variance in the Social Entrepreneurial Intention has been significantly explained by Human Capital and Social Capital in this research. Meanwhile, the remaining 51.1% cannot be explained. That means there were explained by other factors that can determine their social entrepreneurial intention.

Table 5: Regression analysis for social entrepreneurial intention

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.699 ^a	0.489	0.486	0.60707

a. Predictors: (Constant), mean social capital, mean human capital

b. Dependent variable: Mean social entrepreneurial intention

Table 6 showed the findings of significant value for each variable. The result shows all the independent variables had relationship with the dependent variable. According to Sekaran and Bougie (2016), the significant below of $p < 0.05$ is

generally accepted conventional level in social science research. The finding shows all p -value for each independent variable are below 0.05.

Table 6: Standardized coefficient base on beta value

Model 1	Coefficients ^a		
	Standardized Coefficients Beta	t	Sig.
(Constant)		5.091	0.000
Mean Human Capital	0.399	7.442	0.000
Mean Social Capital	0.370	6.894	0.000

a. Dependent Variable: Mean Social Entrepreneurial Intention

Human Capital represents the highest Beta Value of 0.399 followed by Social Capital 0.370. This estimation of Beta Value notifies the amount of increase in Social Entrepreneurial Intention that would be predicted by a one unit increase in the predictor namely human capital, and social capital. Thus, it shows that human capital leads to the most critical effect size towards social entrepreneurial intention followed by social capital. The significant value for all variables are below than 0.05 (significant value at p -value < 0.05) which means that all variable is positively strong relationship. Thus, hypothesis 3 is accepted.

4.3. The differences between UiTM and UNIMAS students towards social entrepreneurial intention

The result in Group Statistics Table (Table 7) shows the means of social entrepreneurial intention between UiTM and UNIMAS students. Means of social entrepreneurial intention for UiTM and UNIMAS students are 4.71 and 4.78 respectively, and it can be concluded that the perception towards social entrepreneurial intention averagely the same response. Meanwhile, to identify the significant difference based on Research Objective 5 (To identify whether is there any differences between UiTM and UNIMAS students towards social entrepreneurial intention), the researcher needs to refer to Independent Sample t-Test. Based on Table 8, as for the social entrepreneurial intention, the Levene's Test for Equality of Variance has a probability of 0.644 greater than 0.05, it can be concluded that the population variances are relatively equal. The two-tailed significance for social entrepreneurial intention indicates that $p = 0.475$, $p > 0.05$ and therefore p -value is insignificance (p -value is significance at $p < 0.05$), which can be concluded there is no significant difference between UiTM and UNIMAS students towards social entrepreneurial intention. Hypothesis 4 is rejected and accepts the null hypothesis.

5. Conclusion and recommendations

The correlation analysis finding has been found that all the dimensions consist of social

entrepreneurial human capital and social capital are positively related to social entrepreneurial intention.

Table 7: Group statistics

	University	N	Mean	Std. Deviation	Std. Error Mean
Mean SEI	UiTM	183	4.7149	0.83927	0.06204
	UNIMAS	131	4.7842	0.85855	0.07501

Table 8: Independent samples test

		Levene's Test for Equality of Variances		T-Tests for Equality of Means	
		F	Sig.	t	Sig. (2-tailed)
Mean SEI	Equal variances assumed	0.214	0.644	-0.715	0.475
	Equal variances not assumed			-0.712	0.477

Specifically, social entrepreneurial human capital is found to having a strong relationship towards social entrepreneurial intention based on Guttman's Rule of Thumb with $r = 0.641$, and followed by social entrepreneurial social capital with $r = 0.631$. Social entrepreneurial human capital is found to have the highest effect size among other dimensions. In addition, the 48.9% variance explained the effect of those dimensions towards social entrepreneurial intentions. From the t-test result, it shows that there are no differences among both UiTM and UNIMAS students towards their perception on social entrepreneurial intention. In terms of practical perspective, since the findings indicates that human capital has the highest strength of relationship as compared to social capital. More activities and programs need to be designed among university students as to enhance their perceived skills, knowledge and experiences. While, this study uses its findings to make initial suggestions for social entrepreneurial education. However, the findings cannot make the claim of establishing a full education programs or course structure. Besides that, the policy maker also plays important roles concerning the integration of social entrepreneurship education beyond singular courses on an adult educational level.

As the recommendations for future research, the researcher would like to suggest this study should also involve other universities to generalize the study in Malaysia. A core next step would be to take the validate model in this study and run an international comparison study. The researcher would like to recommend the future research to adding more on variables that can examine intention and by adding be mediator, moderator, and also control variable. Future study may consider investigating the social entrepreneurial behavior of the target respondents, which can enhance the research contribution collectively. The researcher would also interested to suggest using a qualitative approach to explore the phenomenon that could address the problems in a real context of Malaysian university students related to social entrepreneurial field.

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