Social Entrepreneurial Intention among Final Year Undergraduates of the Faculty of Management Studies and Commerce, University of Sri Jayewardenepura, Sri Lanka

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Abstract

The purpose of this research is to find out the social entrepreneurial intention of final year undergraduates of the Faculty of Management Studies and Commerce, University of Sri Jayewardenepura, Sri Lanka. Independent variables of the study are, namely; attitude towards becoming a social entrepreneur, subjective norms on becoming a social entrepreneur and perceived behavioural control on becoming a social entrepreneur whereas the dependent variable is social entrepreneurial intention. The conceptual model used in this research is based on the Theory of Planned Behaviour by Ajzen (1991). A total of 270 students from the final year undergraduates participated in this study by responding to a structured questionnaire prepared after a comprehensive literature review. Data was analyzed by performing correlation analysis and multivariate regression analysis upon ensuring reliability and validity using Statistical Package for the Social Sciences. Findings of the study indicate that there is a positive association between the independent variables and the dependent variable. Attitude towards becoming a social entrepreneur is identified as the most influencing factor on the social entrepreneurial intention of final year undergraduates of the Faculty of Management Studies and Commerce, University of Sri Jayewardenepura, Sri Lanka. It is further identified that there is a positive impact on social entrepreneurial intention among final year management undergraduates in terms of attitude towards becoming a social entrepreneur, perceived behavioural control on becoming a social entrepreneur, and subjective norms on becoming a social entrepreneur. The study suggests strengthening the entrepreneurial culture in Sri Lanka particularly as an initial step in strengthening social entrepreneurial intention and thereby the social entrepreneurial behaviours.

Keywords: Social Entrepreneurship, Entrepreneurial Intention, Social Entrepreneurial Intention, Theory of Planned Behaviour
INTRODUCTION

Research Background

Entrepreneurship, today is receiving a continuous interest all over the world (Mair & Marti 2006). It is a driving factor of economic development of any developing and developed nation. Thus, it has been identified as the engine of the economic growth with many positive antecedents such as innovations, employment generation, poverty reduction and speeding up the structural changes of the economy (Drucker 1985; Kirchhoff & Philips 1988; Schumpeter 1936).

Social entrepreneurship can be considered as one of the concurrent research fields in entrepreneurship and as a form of entrepreneurial activity, social entrepreneurship can be considered as beneficial to the whole society more in addressing burning social issues (Ernst 2011). Social Entrepreneurship concept is defined as incorporating a wide range of activities: enterprising people dedicated in creating differences; social purpose business ventures committed to adding for-profit motivations to the nonprofit sector; newforms of donor individuals supporting venture capital-like ‘investment’ portfolios; and nonprofit organizations that are reinventing themselves by drawing on lessons learned from the corporate platforms (Mair et al. 2006).

Furthermore, it targets unmet social needs by the government or other enterprises. As a result of that, the concept of social entrepreneurship has enhanced the interest among scholars and policy makers currently, as a part of sustainable entrepreneurship concept due to its contribution and importance to the economic development of a country.

Although, social entrepreneurship concept is a somewhat popular and an emerging concept in the world, social enterprises have not been sufficiently recognized in Sri Lanka yet. In addition, community believes that social and welfare facilities should be provided by the government, mostly free of charge, and hence, individual or private sector involvement is not required (Weerawardena & Mort 2006). As a result, the responsibility has passed over to the government to address the burning social issues in most of the countries. Thus, the state of social entrepreneurial behaviours, and also the intention of people to involve in such behaviour amidst these circumstances denote a stance of ambiguity, and have created a lot of research demands.
Meanwhile, considering the intention to behaviours, many a researchers have attempted to find out intention of individuals for different types of behaviours while entrepreneurial behaviours are quite prominent among them. However, there is a dearth of studies in both local and global contexts aimed at understanding the social entrepreneurial behaviours and social entrepreneurial intention(SEI), especially focusing on the student populations such as undergraduates who are deemed to be the immediate next generation to develop a country. Hence, the main focus of this research study is to contribute to the field of social entrepreneurship considering the intention towards social entrepreneurship or in other words; the SEI among the final year undergraduates of the Faculty of Management Studies and Commerce (FMSC), University of Sri Jayewardenepura (USJP) in Sri Lanka.

In addition, Ambat and Damita (2015, p. 112) claims that most literature agrees on entrepreneurial intention can be determined by using Theory of planned behaviour (TPB) by Ajzen (1991) and recent literature on Miranda et al. (2017, p. 114) too support this view. Thus, its original three predictors attitudes towards a behaviour, social norms and perceived behavioural control have been adopted in predicting SEI in this study.

Therefore, this study attempts to bridge the research gap in the field of SEI of final year undergraduates in FMSC, USJP, Sri Lanka and suggest a social entrepreneurial intention model in the Sri Lankan context.

**Problem Statement**

Accordingly, this research study addresses the broad research problem, which is, what is the level of SEI among final year undergraduates of the FMSC, USJP, Sri Lanka.

**Objectives of the Study**

Based on the broader research problem one general objective and three other specific objectives are formulated as depicted in the next section of the paper.

Consequently, the general objective of this research study is, to examine SEI of the final year undergraduates of FMSC, USJP.

Moreover, the specific objectives are as follows:

- To identify the association between attitude towards becoming a social entrepreneur (ATB-SE) and SEI among the final year undergraduates of FMSC, USJP.
To identify the association between subjective norms on becoming a social entrepreneur (SN-SE) and SEI among the final year undergraduates of FMSC, USJP.

To identify the association between perceived behavioural control on becoming a social entrepreneur (PBC-SE) and SEI among the final year undergraduates of FMSC, USJP.

**Significance of the Study**

Sri Lanka is considered as a developing country in South Asia. The country needs to overcome many challenges like lack of innovation, having a limited number of educated entrepreneurial citizens as well as lack of social entrepreneurs.

Further, Social Entrepreneurship has been considered as a generator of national prosperity and competitiveness. Therefore, global interest in developing social entrepreneurship and SEI seem to be rapidly growing.

A dynamic economy, despite people’s obsession with their trials and tribulation of life leading to human suffering yet it is possible to find needed solutions which requires a larger number of keen young people who are able to become social entrepreneurs. Since, education is key to effect changes in young people’s attitudes, skills and culture; this study selects it research context as final year undergraduates who are perceived to be received and receiving a sufficient amount of education. Given the scarcity of empirical evidence relating to social entrepreneurship as well as SEI among undergraduates, this study sets out to bridge this huge research gap of examining the level of SEI among final year undergraduates of FMSC, USJP, Sri Lanka. Thereby, this research may act as an informative tool in facilitating the global interest in developing social entrepreneurship in strengthening the national prosperity and competitiveness.

Further, evidence of the importance of psychological factors and SEI upon the career orientation of higher education students is under-researched in the Sri Lankan context. This study is an attempt to understand various aspects that refer to SEI of young students of higher education systems especially on the issues of becoming a social entrepreneur. Hence, this research could be important for undergraduates on deciding their future education and career path apropos of this new concept. They could identify their capabilities that will help them to understand their intention to become a social entrepreneur.
This study is also important for policy makers on development and implementation of policies related to the field of social entrepreneurship in the education sector, corporate sector et cetera in regional and national levels.

**LITERATURE SURVEY**

**Social Entrepreneurship**

Various researchers have defined the concept of entrepreneurship in different ways. Onuoha (2007) defines entrepreneurship as the practice of starting new organizations or revitalizing mature organizations, particularly new businesses generally in response to identified opportunities. Garavan (1994) explained the concept of entrepreneur as a person responsible for setting up a business or an enterprise. Social entrepreneurship is defined as a process of social value creation in which resources are combined in new ways to meet social needs, stimulate social change, or create new organizations to sustain social benefits (Fowler 2000). Social entrepreneurship is emerging as an innovative approach for dealing with complex social needs. Social entrepreneurs are persons who create and manage innovative entrepreneurial organizations addressing social issues (Prabhu 1999).

**Entrepreneurial Intention**

Entrepreneurial intention is defined as the interest of a person to start a new business which depends on two factors, desirability and practicability of an individual (Douglas & Shepherd 2014). Given that any behaviour is led by intention (Ajzen 1991), SEI could be considered as one approach to understand the social entrepreneurial process or particularly its behaviour. It further suggests that intentions could provide a significant direction towards selecting the type of business if individuals become entrepreneurs, in the case of the research; the social entrepreneurs.

Since, large kinds of researchers have different views on measuring the entrepreneurial intention, there are different models for this purpose. Some of them are; Shapero’s Entrepreneurial Event Model (Shapero & Sokol 1982), TPB (Ajzen 1991), Entrepreneurial Attitude Orientation (EAO) model (Robinson et al. 1991), Intention Basic Model (Krueger & Carusd 1993), Entrepreneurial Potential Model (Krueger & Brazeal 1994), Davidsson Intention Model (Davidsson 1995) etcetera.
By considering all the models available, the study is focused on the TPB, the model by Ajzen (1991) which is well developed and well validated in social psychology, to predict intention (Kruger et al. 2000, p. 413) given that social entrepreneurship is considered as a planned behaviour (Ernst 2011).

**Theory of Planned Behaviour**

TPB predicts an individual's intention to engage in a behaviour at a specific time and place. It posits that individual behaviour is driven by behaviour intentions, where behaviour intentions are a function of three determinants, namely; an individual's Attitudes towards behaviours, Social norms, and Perceived behavioural control (Ajzen 1991). There are many factors that affect SEI. However, Mair and Noboa (2006) argued that several unique aspects of the social entrepreneurial context require an adaptation of the traditional measures used in the TPB and entrepreneurial intentions models.

In many studies, it is proven that attitude: favorable evaluation on a respective behaviour (Ajzen 1991) has a crucial impact toward the SEI. In fact among other factors attitude plays the major role in explaining SEI (Mair & Marti 2006). Social norms is the perceived social pressure to engage or not to engage in a behaviour. Social norms are depending on social background (Yousaf et al. 2014) and the opinions of parents, partners, friends and important others might be influential in business entrepreneurial intention (Geldern et al. 2008). Perceived behavioural control refers to people's perceptions of their ability to perform a given behaviour. Perceived behavioural control was originally formulated as the perceived ease or difficulty in performing a particular behaviour by Ajzen (1991).

**Empirical Findings**

In a recent study of measuring academic entrepreneurship in Spain using the Ajzen model as the theoretical base, explains a variance of 56.8 percent of entrepreneurial intention, with 49 percent of entrepreneurial attitude and 34.2 percent of the PBC (Miranda et al. 2017). Buana (2016) indicates tendency of entrepreneurial intentions of the students being relatively unstable with poor correlations. Further, Linan and Chen (2009) explains 55.5 percent of the variance
in entrepreneurial intention from attitudes and PBC while social norm reflects a result as a non-predictor of intention due to cultural implications in different countries.

**Gap**

Accordingly, it is apparent that there are mixed results in even studies on entrepreneurial intention and dearth of literature on assessing the level of SEI and the factors determining SEI and their related associations. Thus, this study expects to fill the gap in literature by using the conceptual model presented in the following section.

**METHODOLOGY**

**Conceptual Framework and Hypotheses**

The researcher has adopted Ajzen’s TPB model as the theoretical base in developing the conceptual framework (Figure 1: Conceptual Framework). After the comprehensive literature review carried on considering the objectives and the conceptual framework three hypotheses are formulated in compiling the study.

**Hypotheses**

- Hypothesis 1: There is an association between ATB-SE and SEI among the final year undergraduates of FMSC, USJP.
- Hypothesis 2: There is an association between SN-SE and SEI among the final year undergraduates of FMSC, USJP.
- Hypothesis 3: There is an association between PBC-SE and SEI among the final year undergraduates of FMSC, USJP.

**Population and Sample**

The study concerns both male and female final year undergraduates of FMSC, USJP, Sri Lanka as the population. According to the Student Statistic Report issued by the Administrative Office of the university, there are 1255 final year students in the academic year 2017. Stratified sampling method has been used for sampling. Sample size has been calculated as 23.4 percent from the total population including both males and females from each and every department in the FMSC. Accordingly 294 respondents were selected as the sample of this study. There were 270 responses and the non-response was 8.1 percent. The study used both primary data as well
as secondary data for the analysis purpose. Primary data collection was done by distributing a structured questionnaire prepared based on a comprehensive literature review and especially referring to the work of Linan and Chen (2009). As the secondary data collection, the study mainly focused on statistics available at the Administrative Office of USJP, previously published research articles etcetera.

**Conceptual Framework**

![Conceptual Framework Diagram]

**Independent Variables**

- Attitude towards becoming a Social Entrepreneur
- Subjective Norms on becoming a Social Entrepreneur
- Perceived Behavioural Control on becoming a Social Entrepreneur

**Control Variables**

- Age
- Gender
- Education

**Dependent Variable**

Social Entrepreneurial Intention

Figure 1: Conceptual Framework
DATA ANALYSIS

At the end of the data collection all the questionnaires were manually screened and incompleted questionnaires which were not considered suitable for analysis was removed and treated for missing values. Then the data was entered to Statistical Package of Social Sciences (SPSS) software to perform the analysis. Further to that, the reliability and validity of the data were ensured by conducting the Cronbach alpha test and factor analysis respectively.

Table 1 shows the main descriptive statistics related to the variables according to the 270 respondents.

Table 1: Descriptive Statistic for Main Four Variables

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEI</td>
<td>270</td>
<td>4.05</td>
<td>1.301</td>
</tr>
<tr>
<td>ATB-SE</td>
<td>270</td>
<td>4.82</td>
<td>1.215</td>
</tr>
<tr>
<td>SN-SE</td>
<td>270</td>
<td>3.77</td>
<td>1.289</td>
</tr>
<tr>
<td>PBC-SE</td>
<td>270</td>
<td>4.40</td>
<td>1.040</td>
</tr>
</tbody>
</table>

Source: Survey data 2017

According to the mean score of the variables, they are all spread between 3.77- 4.82. Thus, it indicates all variables of the study have scored moderately. Mean value for SEI is 4.05, which suggests that, SEI is relatively neutral among final year undergraduates, FMSC, USJPSri Lanka and most of the respondents have no strong idea regarding becoming a social entrepreneur. That could be the reason for having a neutral mean value for the variable of SEI.

The lowest mean score of 3.77 is represented by the variable of SN-SE. First four questions are about how friends, closest relatives, teachers and persons are important to respondents to pursue the decision of becoming a social entrepreneur and the next four questions are on to what extent the thoughts of those parties are taken into consideration by the respondents. According to the scholar’s view, social norms are considered as the most difficult variable to adjust.
Correlation Analysis

The correlation analysis was done in order to address the specific objectives of the study such as identifying the association between the independent variables and dependent variable.

Table 2: Correlation Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>SEI</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATB – SE</td>
<td>.561 **</td>
</tr>
<tr>
<td>SN - SE</td>
<td>.453 **</td>
</tr>
<tr>
<td>PBC - SE</td>
<td>.534 **</td>
</tr>
</tbody>
</table>

**p<.01; *p<.05

Source: Survey data 2017

As per the Table 2 all the three types of correlations coefficients are significant and positive. ATB – SE denotes a coefficient value of 0.561, SN- SE 0.453 and PBC-SE of 0.534.

Multiple Regression Analysis

In addition to the above correlation analysis, the multiple regression analysis was performed in order to identify the impact of the variables of the study addressing the three hypotheses. The generated results are shown in Table 3.

The multiple regression model with three independent variables and three control variables generated significant results (p<0.01) resulted in a coefficient of determination of 42.4 percent and an f value of 67.001. As shown in the Table 3, ATB-SE, SN-SE and PBC-SE have significant (p<0.01) positive regression weights, indicating respondents who are having higher scales on these variables were expected to have higher SEI.

Based on the regression analysis results, ATB-SE can be identified as the most influencing variable on SEI of final year FMSC, USJP undergraduates in Sri Lanka, since it has the highest beta value of 0.375 to the SEI among other independent variables. Moreover, ATB-SE, SN-SE and PBC-SE together explain 42 percent of total variance of SEI.
Table 3: Multiple Regression Analysis

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Coefficient</th>
<th>T</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>0.027</td>
<td>0.093</td>
<td></td>
</tr>
<tr>
<td>ATB-SE</td>
<td>0.375**</td>
<td>6.288</td>
<td>1.447</td>
</tr>
<tr>
<td>SN-SE</td>
<td>0.229**</td>
<td>4.371</td>
<td>1.255</td>
</tr>
<tr>
<td>PBC-SE</td>
<td>0.308**</td>
<td>4.244</td>
<td>1.570</td>
</tr>
</tbody>
</table>

Adjusted $R^2$: 0.424

F: 67.001**

Sig: .000

N: 270

**p<.01; *p<.05

Source: Survey Data 2017

Testing Hypothesis 1

- H1: There is a significant association between ATB-SE and SEI among the final year undergraduates of FMSC, USJP.

According to the results of Pearson’s correlation analysis, the correlation coefficient between ATB-SE and SEI is 0.561, whereas 0.375 according to the multiple regression analysis which are significant at 99 percent ($p < 0.01$). Accordingly, the data support the hypothesis that there is a significant positive association between ATB-SE and SEI.

Testing Hypothesis 2

- H2: There is a significant association between SN-SE and SEI among the final year undergraduates of FMSC, USJP.

According to the results of Pearson’s correlation analysis, the correlation coefficient between SN-SE and SEI is 0.453, whereas 0.229 according to the multiple regression analysis which are significant at 99 per cent ($p < 0.01$). Hence, significant positive association is identified.
Testing Hypothesis 3

- **H₃**: There is a significant association between PBC-SE and SEI among the final year undergraduates of FMSC, USJP.

According to the results of Pearson’s correlation analysis, the correlation coefficient between PBC-SE and SEI is 0.534, whereas 0.308 according to the multiple regression analysis which are significant at 99 per cent (\(p<0.01\)). Accordingly, the data support the hypothesis that there is a significant positive association between PBC-SE and SEI. Summary results are depicted in Table 4: Hypotheses Summary

**Table 4: Hypotheses Summary**

<table>
<thead>
<tr>
<th>No.</th>
<th>Hypotheses</th>
<th>Correlation Analysis</th>
<th>Regression Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁</td>
<td>There is a significant association between ATB-SE and SEI among the final year undergraduates of FMSC, USJP.</td>
<td>Supported</td>
<td>Supported</td>
</tr>
<tr>
<td>H₂</td>
<td>There is a significant association between SN-SE and SEI among the final year undergraduates of FMSC, USJP.</td>
<td>Supported</td>
<td>Supported</td>
</tr>
<tr>
<td>H₃</td>
<td>There is a significant association between PBC-SE and SEI among the final year undergraduates of FMSC, USJP.</td>
<td>Supported</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Sources: Compiled by the author

**Discussions**

The general objective of this research study is, to examine the individual SEI level of the final year undergraduates of the FMSC in USJP, Sri Lanka. The intention level of respondents was measured by using the descriptive test and mean value of the sample data set. The mean value of this study was 4.05. It denotes that there is mostly a neutral level of SEI of the final year undergraduates of FMSC in USJP. According to the findings of descriptive analysis of Achleitner, et al., (2007), they have also found that the SEI is at a low level in Germany.
The study results supported that associations are positive between the dependent variable (SEI) and the independent variables (ATB-SE, SN-SE, PBC-SE). According to the results of correlation analysis, there is a significant positive relationship between ATB-SE and SEI with 0.561 correlation coefficient and the regression analysis denote a significant positive associations of 0.375. Similar results can be found in studies of Mair and Marti (2006), Ernst (2011), Linan and Chen (2009) and Miranda et al. (2017).

Results of correlation analysis indicate significant positive relationship of 0.453 and regression analysis depicts a significant positive impact of 0.229 between SN-SE and SEI. Koe et al. (2014), Ernst (2011) and Rezai et al. (2016) support the empirical findings. Moreover, significant positive relationship between PBC and SEI with 0.534 is reported in correlation analysis whereas 0.308 impact in regression analysis. Similar findings are observed in the studies of Ernst (2011), Linan and Chen (2009) Kruger et al. (2000) and Koe et al. (2014) and Ajzen (1991).

**CONCLUSION AND RECOMMENDATIONS**

Based on the results obtained from the analysis of the study, SEI level among final year undergraduate of FMSC, USJP is at mostly a neutral level and ATB-SE accounts for the most significant association with SEI among the independent variables. Therefore, attitudes should be addressed at the first place when increasing SEI of final year undergraduates.

Meanwhile, Ernst (2011) leads a pressing question, how can the level of social entrepreneurship be accelerated? The social entrepreneurship can only grow if the quality and quantity of entrepreneurs grow as well as entrepreneurial thinking pattern also would grow. Hence, people get familiar with the entrepreneurial culture and get a proper awareness and understanding about the entrepreneurship concepts. After that social entrepreneurship can be promoted since it is useless promoting social entrepreneurship without having an entrepreneurial culture in the country.

According to the study findings the following recommendations are forwarded to improve SEI among final year undergraduates in FMSC in USJP. First of all, it is really very necessary to build up an entrepreneurial culture before focusing attention about social entrepreneurial culture among final year undergraduates of FMSC, USJP, thereby in the university system and later addressed to the country as a whole.
Referring to this stance, in order to make students aware about the social entrepreneurship, it can be included in the university curriculum as a subject or as a part of the entrepreneurship subjects. However, in the present context, students are studying social entrepreneurship as a part of the sustainable entrepreneurship in a few universities. But, the students have passively received its benefits and it is not insistent with for such an important topic. Also, social entrepreneurship can be incorporated into other social science subjects such as economics, marketing at a higher education level. Conducting forums, experience sharing sessions with successful social entrepreneurs within the universities will enhance the positive attitudes of students towards social entrepreneurship.

Government needs to give special attention for the social enterprises and also need to promote and encourage that type of businesses in the country. It is because people are thinking that social welfare conditions need to be fulfilled by the government and they are rejecting responsibilities relating to social matters. Furthermore, formulating strong policies, increasing investments and education in social entrepreneurship aspect, increasing the awareness by social entrepreneurial programs can be conducted by the government as a supportive service to social entrepreneurship. These will lead to develop a positive attitude towards social entrepreneurial intention among the undergraduates and the country as a whole.

Researcher suggest future research could be conducted to measure the Social Entrepreneurial Behaviour as well, as an extension to the proposed model of SEI in order to completely address and implement the recommendations forwarded.

REFERENCES


