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**THE EFFECT OF ATTITUDE TOWARD SOCIAL
AWARENESS, SOCIAL EMBEDDEDNESS,
EMOTIONAL INTELLIGENCE, AND
SOCIAL INNOVATION ON SOCIAL
ENTREPRENEURIAL INTENTION
AMONG GENERATION Z
IN MALAYSIA**



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SITI SHALIMA BINTI SABRI

UNIVERSITI PENDIDIKAN SULTAN IDRIS

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ABSTRACT

This study aimed to determine the effect of Attitude Toward Social Awareness (ATSA), Social Embeddedness (SE), Emotional Intelligence (EI), and Social Innovation (SI) on Social Entrepreneurial Intention (SEI) among Generation Z in Malaysia. This quantitative study encompassed 420 university students chosen by convenience sampling. Data were gathered through a structured questionnaire and analysed utilizing descriptive statistics and Partial Least Squares Structural Equation Modelling (PLS-SEM). The results indicated that ATSA ($\beta = 0.266$, $t = 3.108$, $p = 0.001$) and SI ($\beta = 0.578$, $t = 6.754$, $p < 0.001$) exerted substantial direct influences on SEI. ATSA was determined to have a substantial impact on SI ($\beta = 0.791$, $t = 23.552$, $p < 0.001$), whereas SE exhibited a moderate effect on SI ($\beta = 0.147$, $t = 2.903$, $p = 0.002$). Furthermore, SI substantially mediated the association between ATSA and SEI ($\beta = 0.458$, $t = 6.398$, $p < 0.001$), as well as between SE and SEI ($\beta = 0.085$, $t = 2.529$, $p = 0.006$). Nonetheless, SE ($\beta = 0.070$, $t = 1.246$, $p = 0.103$) and EI ($\beta = 0.034$, $t = 0.680$, $p = 0.248$) had no significant direct impacts on SEI, nor did EI significantly affect SI or mediate the associations. In conclusion, the results highlight the significance of social awareness and social innovation in influencing social entrepreneurial intention (SEI) within Generation Z, indicating that the development of SEI among Malaysian youth depends on enhancing their social awareness and innovative capabilities. In implication, the finding indicates the need for policymakers and educational institutions to foster socially innovative and socially aware young entrepreneurs through targeted education, financial incentives, and supportive policies.



KESAN SIKAP TERHADAP KESEDARAN SOSIAL, KETERIKATAN SOSIAL, KECERDASAN EMOSI DAN INOVASI SOSIAL KE ATAS NIAT KEUSAHAWANAN SOSIAL DALAM KALANGAN GENERASI Z DI MALAYSIA

ABSTRAK

Kajian ini bertujuan untuk meneliti kesan Sikap terhadap Kesedaran Sosial (ATSA), Keterikatan Sosial (SE), Kecerdasan Emosi (EI) dan Inovasi Sosial (SI) terhadap Niat Keusahawanan Sosial (SEI) dalam kalangan Generasi Z di Malaysia. Kajian kuantitatif ini melibatkan 420 pelajar universiti yang dipilih melalui persampelan mudah. Data dikumpul menggunakan borang soal selidik berstruktur dan dianalisis menggunakan statistik deskriptif serta Model Persamaan Berstruktur Kaedah Kuasa Dua Terkecil Separaan (PLS-SEM). Dapatan kajian menunjukkan bahawa ATSA ($\beta = 0.266$, $t = 3.108$, $p = 0.001$) dan SI ($\beta = 0.578$, $t = 6.754$, $p < 0.001$) mempunyai pengaruh langsung yang signifikan terhadap SEI. ATSA turut memberi pengaruh signifikan terhadap SI ($\beta = 0.791$, $t = 23.552$, $p < 0.001$), manakala SE memberikan pengaruh sederhana terhadap SI ($\beta = 0.147$, $t = 2.903$, $p = 0.002$). Selain itu, SI berperanan sebagai perantara yang signifikan dalam hubungan antara ATSA dan SEI ($\beta = 0.458$, $t = 6.398$, $p < 0.001$) serta antara SE dan SEI ($\beta = 0.085$, $t = 2.529$, $p = 0.006$). Walau bagaimanapun, SE ($\beta = 0.070$, $t = 1.246$, $p = 0.103$) dan EI ($\beta = 0.034$, $t = 0.680$, $p = 0.248$) tidak menunjukkan pengaruh langsung yang signifikan terhadap SEI, dan EI juga tidak memberi pengaruh signifikan terhadap SI atau sebagai perantara. Kesimpulannya, dapatan kajian ini menekankan kepentingan kesedaran sosial dan inovasi sosial dalam membentuk niat keusahawanan sosial dalam kalangan Generasi Z. Kajian ini mencadangkan bahawa pembangunan niat keusahawanan sosial dalam kalangan belia Malaysia bergantung kepada peningkatan kesedaran dan kebolehan inovatif mereka. Implikasinya, dapatan kajian ini mencadangkan agar penggubal dasar dan institusi pendidikan memberi keutamaan kepada pembangunan keusahawanan sosial melalui pendidikan yang disasarkan, insentif kewangan dan sokongan dasar bagi melahirkan usahawan sosial yang berinovatif dan berkesedaran sosial.

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ABBREVIATION

ATSA	Attitude Toward Social Awareness
EI	Emotional Intelligent
MaGIC	Malaysian Global Innovation and Creativity Centre
MEDEC	Ministry of Entrepreneur Development and Cooperatives
MRANTI	Malaysian Research Accelerator for Technology and Innovation
NGO	Non-Governmental Organizations
SE	Social Embeddedness
SEI	Social Entrepreneurial Intention
SME	Small and Medium-sized Enterprise
YIM	Yayasan Inovasi Malaysia





CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter establishes the fundamental structure for the study by describing its essential components and contextualizing the research. The text begins with a summary of the research context, emphasizing the growing significance of social entrepreneurship among Generation Z, especially in higher education institutions. Subsequently, the problem statements elucidate the particular deficiencies and obstacles that this study intends to tackle. The study objectives and questions indicate the aims and enquiries directing the investigation, while the hypotheses present reliable forecasts grounded in theoretical foundations.

A conceptual framework is provided to explain the links among the important variables, offering a guide for the study's analytical methodology. Operational definitions of key constructs are supplied to ensure clarity and establish a consistent



understanding of the terminology employed in the research. The chapter acknowledges the study's limits, providing transparency on its scope and constraints. The study's significance is articulated to highlight its contribution to academic research and practical applications in social entrepreneurship. The chapter finishes with a succinct overview that integrates all these components and primes the reader for the comprehensive examination in the following chapters.

1.2 Research Background

1.2.1 Overview of Social Enterprise: Conventional and Islamic Approaches

Economics is the study of the mechanisms underlying the production, distribution, and consumption of goods and services. It also looks into the plethora of factors influencing such processes, including individual conduct, corporate actions, and government policy. A different fundamental paradigm of economics is the study of decision-making in terms of resource allocation, emphasizing goal attainment such as efficiency, equity, and sustainability (Salleh, Bujang, Andin, & Mazlan, 2022).

The term entrepreneurship is closely related to economics, describing the actions of individuals or organizations that utilize resources to make a profit and maintain development through innovative activities (Wiramihardja et al., 2022). The link between economics and entrepreneurship is absolute since the two disciplines

foster the development of economic and social objectives. In this regard, the development of social entrepreneurship is characterized by the application of business models to address social problems that has attracted considerable interest (Sarif & Ismail, 2021).

Social enterprises, as defined by Abdullah et al. (2022), are institutions that seek market-based approaches to attaining financial sustainability while simultaneously advocating for novel social or environmental agendas. Social enterprises, in their operations, seek to fulfill community demands through the provision of products and services, usually in partnership with marginalized communities (Zulkifle & Aziz, 2023). Regardless of whether they operate as for-profit or non-profit businesses, social enterprises' key priority is the development of social welfare (Rajah, Amran, & Cheah, 2023).

Having founded its principles upon the fundamental principles of social entrepreneurship, Islamic social business has developed as a unique model that incorporates entrepreneurial activities with Shari'ah principles. As stated by Chowdhury et al. (2021), Islamic social businesses are motivated by a vision to advance social welfare in an Islamic way while remaining loyal to Islamic teachings. The organizations attempt to balance economic achievement with moral obligation, thereby reflecting the moral pillar of Islam (Islam et al., 2023). Social entrepreneurs in this field concentrate on skill development, community empowerment, and prevention of social harm, all of which result in improvement in overall societal welfare.

In the last few decades, the profile of Islamic social enterprises has increased noticeably, which incorporates fundamental Islamic principles like zakat (mandatory philanthropic giving), sadaqa (voluntary philanthropic giving), and waqf (endowments for the public interest) into business models (Zainon et al., 2023). This emerging sector reflects the possibility of entrepreneurship being cast in the light of Islamic teaching and social accountability to ensure financial sustainability and moral influence. Islamic social business, therefore, is an encouraging avenue for inclusive and ethical economic development.

Based on the definition that provided by the scholar in view of conventional and Islamic, social enterprise provide several benefits to Malaysia such as social enterprises play a vital role in tackling social and environmental issues within the context of Malaysia. Frequently, their attention is directed towards matters including poverty reduction, environmental preservation, healthcare, education, and other related concerns. Through their actions, individuals make valuable contributions to the general welfare of communities and the environment (Zulkifle & Aziz, 2023). Next, social enterprises often provide innovative approaches to address social and environmental issues, therefore showcasing their commitment to innovation and entrepreneurship. The organization promotes entrepreneurial endeavors and fosters innovation in order to identify sustainable and consequential answers to crucial challenges (Muthurman et al., 2020).

In addition, the establishment of social enterprises contributes to the generation of job opportunities, particularly targeting those from marginalized and underprivileged



backgrounds. The provision of opportunities to those with limited access to the formal labor market has the potential to empower them, therefore contributing to the reduction of unemployment rates and alleviation of poverty (Kamaludin et al., 2021). Furthermore, economic development may be facilitated by the presence of a flourishing social enterprises sector, since it has the potential to generate money and stimulate economic activity.

Moreover, it has the potential to attract investment and international help, therefore fostering economic growth within the area (Zulkifle et al., 2021). Finally, environmental sustainability is a prominent area of concentration for some social enterprises operating in Malaysia. These organizations priorities the preservation of the environment and the adoption of sustainable practices. The efforts made by individuals contribute to the conservation of natural resources and the mitigation of ecological damage (Fridhi et al., 2021).

1.2.2 Social Entrepreneurship

Social entrepreneurship, a sub-discipline of entrepreneurship, has received more attention from entrepreneurship researchers in recent years. The global initiatives undertaken by Ashoka, which was established by Bill Drayton in 1980, aimed at providing initial financial support to entrepreneurs who possess a social vision. Similarly, the Grameen Bank, founded by Professor Muhammad Yunus in 1976, engaged in various activities to combat poverty and empower women in Bangladesh





(Sen, 2006).

Additionally, the Manchester Craftsmen's Guild, established by Bill Strickland in 1968, utilized art as a means to develop community programs in Pittsburgh. These contemporary manifestations can be traced back to the principles of Victorian liberalism, which serve as historical antecedents for these endeavors. Entrepreneurs possess qualities such as innovation, great motivation, and critical thinking skills. When these characteristics are joined with a strong motivation to address societal issues, an individual becomes a social entrepreneur. Social entrepreneurs and social businesses both demonstrate a shared dedication to pursuing a social goal aimed at enhancing societal well-being (Mair & Martí, 2006; Fridhi, 2021).



Social entrepreneurs have high levels of ambition and perseverance as they address significant social issues via the introduction of novel concepts aimed at achieving substantial societal transformation. One of the key advantages in the entrepreneurial process is the close connection to the field. Therefore, it is essential for social entrepreneurs to be vigilant in gathering information to identify potential investment prospects (Fridhi, 2021). Additionally, they must possess a comprehensive understanding of the societal context in which they operate. Moreover, the social entrepreneur is portrayed as a someone with exceptional foresight and exemplary leadership qualities. The individual in question is a highly inventive performer who has been characterized in scholarly works as a "Schumpeterian entrepreneur." This designation implies that he has the ability to identify and implement fresh amalgamations of production elements, whether it via the development of novel





products or services, or the establishment of alternative organizational structures (Teasdale et al., 2022).

The term "social entrepreneurship" refers to the rapidly expanding number of organizations that have developed methods for effectively meeting basic human needs that traditional industries and agencies have failed to provide. Social entrepreneurship blends conventional business's ingenuity with a purpose to transform society. Since its modern method to internationally recognized goals of sustainable development, social entrepreneurship could enhance ideas for more culturally acceptable and economically sustainable strategies and organizational forms. Social entrepreneurship may also encourage established corporations to take on greater social responsibility (Fhiri et al., 2018).



The area of social entrepreneurship is seeing significant growth and encompasses a wide range of industries, including innovation, technology, public policy, community development, social movements, and non-profit organizations. The primary aims of social entrepreneurship include the mitigation of poverty and illiteracy, the enhancement of communal well-being and quality of life, the rectification of social inequities, and the preservation of the environment for future generations (Cardella et al., 2021).

Zulkifle, Aziz, and Sarhan (2020) propose that the rise in social entrepreneurship may be ascribed to three main elements. Primarily, there has been a growing awareness and willingness to addressing urgent societal concerns (Öksüzoğlu





& Çoban, 2021). Secondly, the aforementioned circumstances have catalyzed the emergence of sustainable and innovative methods with the objective of emancipating communities from intricate predicaments such as unemployment, inequitable healthcare availability, poverty, violence, and social marginalization. Significantly, these concerns often arise inside a void when neither the public nor private sectors undertake substantial measures.

The existence of this gap necessitates the exploration of alternate solutions, given that both governmental and commercial institutions may not be completely committed to the creation and provision of services aimed at addressing these urgent problems. In light of the aforementioned issue, this study suggests the implementation of several approaches aimed at improving services by means of public service subcontracts, hence circumventing direct government intervention (Zakirai et al., 2021). This method aims to address the divide by using the capabilities and resources of different sectors, resulting in improved and focused solutions for the highlighted societal issues.

Third, the corporate leaders, with substantial authority and resources, are actively engaged in the cultivation of "international social capital." Social capital refers to the intricate web of networks, interpersonal relationships, and shared values that facilitate cooperative endeavors and reciprocal advantages within a given society. International social capital refers to the global networks and collaborative efforts aimed at addressing societal challenges. These company leaders use their expertise, assets, and networks to contribute to the advancement and prosperity of society. This may include





initiatives related to corporate social responsibility, philanthropic endeavors, or collaborations with non-governmental organizations aimed at supporting education, healthcare, environmental sustainability, and poverty alleviation. There is a growing convergence between business interests and societal well-being, as corporate leaders are becoming more aware of the interconnectedness between economic prosperity and social development (Kelly et al., 2022).

As a consequence, social enterprises' public, private, and volunteer operations intersect. As a result, non-governmental organizations (NGOs) have assumed the lead in addressing social issues. There are now two demands on non-profit organizations. Firstly, for numerous reasons, the public's distrust of organizations, charities, and the government in social service administration requires a focus on efficiency and commercial operations. Initial, trust erosion increases demand for social service openness and accountability. Businesses may gain credibility and effectiveness by implementing efficient business methods. Subsequent, efficient operations maximize social services by using resources wisely. When public trust depends on outcomes, this is vital. Efficiency may lead to cost-effectiveness, enabling services to be expanded or improved without considerable extra spending. Organizations may rebuild public trust in social services by stressing efficiency and business-like practices. This may improve results for communities and people who use these programs (Adnan et al., 2021).

Secondly, reevaluating social entrepreneurship is necessary due to the necessity to adapt existing financing instruments and funding limits. In this setting, social entrepreneurship is crucial, focusing on social and community needs. Beyond





addressing complicated social concerns, it tries to improve non-profit operations. This is done via creative resource allocation, income generating, and sustainable business strategies. Social businesses may utilize limited resources, develop self-sustaining income streams, and improve non-profit effectiveness and lifespan by using entrepreneurial principles. They help non-profits solve current social issues and build long-term financial and operational sustainability. In a world with limited resources and rising social needs, this dynamic approach is essential (Adnan et al, 2018; Zulkifle & Aziz, 2023).

1.2.3 The Global Rise of Social Entrepreneurial Intention Among Generation Z

The growing enthusiasm for social entrepreneurship within Generation Z is a significant worldwide trend, echoing changing values and emerging socio-economic conditions. Generation Z people born between approximately 1997 and 2012 are positioning themselves to be key actors in the entrepreneurial arena, motivated by more than profit, but by a strong desire to improve social and environmental issues through creative business approaches (Morselli, 2021). Relative to earlier generations, Generation Z is characterized by a greater level of social consciousness, proficiency in digital technologies, and receptiveness to emerging business models that combine economic viability with social impact (Dwivedi et al., 2021).

Research has consistently demonstrated that Generation Z has a high propensity for social entrepreneurial intention (SEI), which is understood as the aspiration to



establish businesses aimed at resolving urgent social issues.

This intention is shaped by a set of psychological and contextual variables, such as empathy, moral responsibility, perceived self-efficacy, and the influence of role models and learning experiences (Yusof et al., 2023). Beyond this, global connectedness and social media have performed essential functions in bringing social issues to the attention of Generation Z while, simultaneously, offering avenues to rally resources and make significant difference (Fatoki, 2020). Most nations have noticed this trend, and it has led to the increased integration of social entrepreneurship into curriculum and national innovation agendas by governments and universities. For example, efforts in the United States of America, the United Kingdom, and certain regions in Asia are actively nurturing student that led social enterprises through funding, mentorship, and incubation programs (Tan, 2022).

These programs are not only promoting entrepreneurial mindsets, but they are also enabling the younger generation to conduct real world experiments and solve problems related to inequality, environmental degradation, and public health issues. The rise of social entrepreneurship within Generation Z signifies a paradigm shift in the conventional paradigm of entrepreneurship. No longer is it solely about amassing capital, but also about purpose, inclusiveness, and sustainable social change. As this generation becomes more integrated into the global workforce and entrepreneurial sector, their values are likely to reshape business norms and priorities, thereby bringing about an economic era characterized by more moral underpinnings and social accountability.



1.2.4 Generation Z and the Rise of Social Entrepreneurial Intent in Malaysia

Based on Dimitropoulou's (2021) findings and the Entrepreneurship Index published by CEOWORLD magazine, Malaysia achieved a ranking of 14th out of 100 countries in terms of its entrepreneurial potential. This indicates a noteworthy advancement, while there is potential for more improvement. Malaysia achieved a mean score of 23.6 in many critical domains, including innovation, competitiveness, labor skills, infrastructure, access to financing, and business openness. Notwithstanding the favorable score, there is scope for improvement. This implies that Malaysia has the potential to implement more measures aimed at improving its entrepreneurial ecosystem, hence enabling it to boost its competitiveness relative to nations occupying higher positions in global rankings.



Although this development is regarded as a favorable advancement, it is crucial to acknowledge that Malaysia continues to exhibit a deficiency in innovation, with a score of just 2.48. In order to address this disparity and enhance its standing, Malaysia could contemplate the conversion of a greater number of corporations into social enterprises. Social entrepreneurship is a field that centers on using entrepreneurial strategies to tackle societal problems, hence fostering innovation, embracing risk, and generating beneficial social outcomes (Adnan et al, 2021).



Figure 1.1*The World's Most Entrepreneurial Countries (2021)*

Rank	Country	Score	Innovation	Competitiveness	Labour Skills	Infrastructure
1	United States	42.88	2.19	2.58	45.73	38.74
2	Germany	41.05	1.94	1.81	49.24	55.27
3	United Kingdom	35.8	1.43	1.56	49.37	64.25
4	Israel	34.25	6.1	6.65	16.4	15.05
5	United Arab Emirates	31.01	3.07	2.61	32.6	38.27
6	Poland	29.75	1.13	1.38	49.52	72.57
7	Spain	29.01	5.01	5.4	19.95	18.51
8	Sweden	28.16	2.42	3.48	41.36	28.72
9	India	25.47	2.03	2.11	49.16	47.46
10	France	25.34	4.4	5.68	22.73	17.6
11	Australia	25.05	2.71	3.08	36.95	32.49
12	Estonia	24.64	4.39	4.18	22.78	23.91
13	Ireland	24.37	3.88	3.91	25.74	25.59
14	Malaysia	23.6	2.48	2.8	40.28	35.65
15	Saudi Arabia	22.98	5.74	3.71	17.43	26.93
16	South Korea	22.43	3.2	3.64	31.26	27.45
17	Canada	21.8	1.42	1.82	49.61	54.91
18	Philippines	21.62	2.57	2.38	38.9	42.01

Figure 1.1 indicates Malaysia's rank as the world's 14th most entrepreneurial nation in 2021 with a total score of 23.6. Despite the fact that Malaysia has relatively high labor competencies (40.28) and a moderate degree of competitiveness (2.8), there is a significant issue that results from the extremely low innovation score of 2.48. This



rate lags well behind global innovation leaders such as Israel (6.1), the United States (2.19), and even regional peers such as South Korea (3.2) and Saudi Arabia (5.74). This significant disparity reflects a systemic deficit in Malaysia's innovation ecosystem that, if not arrested, will hamper the country's long term entrepreneurial growth and global competitiveness.

The information shows that Malaysia's performance in encouraging innovation driven entrepreneurship does not meet expected standards. Although it has a competent workforce, this potential is not being maximally tapped owing to weak innovation architecture and minimal research and development expenditure. Malaysia therefore urgently requires structural reform to achieve an even more conducive environment for innovation, one that facilitates frontier research, promotes linkages between research institutions and industry, and reduces regulatory obstacles to imagination and experimentation (Suhaimie et al., 2020).

In light of these shortcomings, incorporating social entrepreneurship within Malaysia's economic model offers a promising revolutionary avenue. Social enterprises, as mission oriented and innovation centered organizations, offer an attainable way of cultivating creativity while concurrently resolving pressing social problems. These organizations are often forced to work within limitations that necessitate innovative problem-solving skills, resourcefulness, and tremendous innovative capacities, which have the potential to enhance and revitalize Malaysia's conventional entrepreneurial environment (Zulkifle & Aziz, 2023).



The shift to the establishment of social enterprises is not merely a change in strategy but rather an unavoidable evolution. This change is an intentional step away from profit driven models to purpose driven ventures, which naturally see innovation as a means to societal benefit. Through the provision of enabling measures for social enterprises by promoting favorable policies, access to finance, and incubation programs, Malaysia is able to catalyze a new wave of innovation that will be inclusive and sustainable.

Malaysia needs to focus on integrating social entrepreneurship education into the curriculum, especially for Generation Z, which is socially aware and technologically advanced. Teaching students the theoretical foundations and practical applications of social entrepreneurship will not only equip the future leaders with creative problem-solving skills but also align corporate objectives with priority social issues (Lingappa et al., 2022). This alignment establishes a more robust and ethically based entrepreneurial culture that views innovation as a means to serve humanity, rather than market concerns alone (Ukil et al., 2023).

Furthermore, a knowledgeable student population serves as a valuable resource for the development of future social entrepreneurs, who possess the ability to initiate constructive transformations by means of inventive business strategies. By implementing well designed educational programmers and strategic initiatives, students may be effectively cultivated into proactive individuals who actively contribute to the development of a thriving and sustainable business ecosystem in Malaysia (Wahid et al., 2023). This change in educational paradigm has the potential to address the



highlighted gaps and usher in a new age of socially conscious entrepreneurship, which is equipped to solve intricate societal problems with creativity and intentionality (Simmou et al., 2023).

Apart from that, due to a variety of factors, today's youngsters have the motivation and willingness to engage in social entrepreneurial initiatives. The engagement of youngsters in the social initiative has contributed to the society and served the poor. Their self-assurance, extroversion intuition, and risk-taking attitude drive them (Rizal et al., 2020). While others are impacted by their innovative mindset, networks, mentorship, culture, and prior social action. With the help of family and friends, young people fearlessly pursue social entrepreneurial ventures. Due to their understanding of technology, they move quickly and can take advantage of opportunities in a less stressful, more efficient way (Information Resources Management Association, 2017).

Other than that, the young people are key players in developing socially creative solutions to the "complex challenges" of the planet (Lewis, 2016). Due to the fact that they are undergoing transformation themselves, their participation in social entrepreneurship endeavours is a game changer. They make suggestions and efforts to develop the community and drive about social transformation. At this point, individuals see the necessity to contribute to the societal problem's solution (Rizal et al., 2020). Hence, the primary objective of the study is to examine the inclination of generation Z to pursue social entrepreneurship. The objective is to explore the Generation Z goals and enthusiasm in participating in social entrepreneurship initiatives.





Next, this study applies two theories. The first theory is Theory of Planned Behaviour developed by Ajzen (1991), which contained three variables that might influence how an individual's intention is formed, including behavioural attitude, subjective norm, and perceived behavioural control. These three aforementioned factors (attitude, social norm and perceived behavioural control) have been tested on students in higher education institutions and they have indeed shown significant relationship with Social Entrepreneurial Intention (Al-Jubari et al., 2018; Osman, 2020; Mohd Noor et al., 2021). Apart from that, the second theory is the Diffusion of Innovations Theory, formulated by Everett Rogers in 1962, provides a conceptual framework elucidating the mechanisms, motivations, and temporal dynamics behind the dissemination of novel ideas, technologies, goods, or behaviours within a given population or social structure (Dearing & Cox, 2018).



Based on the findings of the research, it was seen that the Generation's Z intents to develop innovative approaches to social entrepreneurship were influenced by many aspects. These elements included the level of attitude towards awareness, social embeddedness, and emotional intelligence. In order, to enhance the understanding of Generation Z regarding social entrepreneurship, it is imperative for governmental bodies, non-governmental organizations (NGOs), and educational institutions at all levels to emphasize the multifaceted nature of this business approach. This entails highlighting that social entrepreneurship not only focuses on generating revenue, but also actively addresses both financial gain and socioeconomic needs (Zulkifle et al., 2021).



Generation Z, sometimes referred to as "Digital Natives," is a highly dynamic and technologically proficient demographic group. Individuals in this cohort were born throughout the time frame of 1995 to 2012, which puts them within the age range of 11 to 29 years old at now (Barhate & Dirani, 2021). This demographic is distinguished by their forward-thinking mentality, advanced educational attainment, and continual exposure to a vast array of digital resources (Tjiptono et al., 2020).

The study will primarily concentrate on students belonging to Generation Z, with a special emphasis on those aged 18 to 30 years (Harari et al., 2022). This specific segment of the Generation Z population is special interest owing to their distinct amalgamation of being on the verge of maturity while being extensively engaged in the realm of academia. Due to their youthful nature, creative mindset, independent disposition, ambitious drive, and inherent aptitude for negotiating, it is probable that they will demonstrate heightened attributes of technological proficiency, self-driven motivation, and a proclivity for entrepreneurial pursuits (Akbar & Gunawijaya, 2022).

It is important to acknowledge that the flexibility and technological proficiency of individuals within this age demographic may have a substantial impact on their approaches to education, job goals, and problem-solving (Nguyen Ngoc et al., 2022). Moreover, the individuals' familiarity with a swiftly changing digital environment may enhance their capacity for creativity and entrepreneurial pursuits (Benítez-Márquez et al., 2022). This study has the potential to provide significant findings on the attributes and actions of this specific segment of Generation Z. These findings might have noteworthy implications for educational institutions, companies, and businesses aiming



to effectively interact with and comprehend this particular demographic.

1.2.5 Social Enterprise in Malaysia

Amanah Ikhtiar Malaysia (AIM) has been promoting social entrepreneurship in Malaysia since 1986. As Malaysia embarks on an economic transition process to become a more strong and resilient economy, the Malaysian Social Enterprise Blueprint 2015-2018 was announced, with an emphasis on creating a mass of successful social companies to secure the sector's long-term growth (Adnan et al., 2021). As a result, this has resulted in commercial prospects for social entrepreneurs in the field of innovation. Next, in Malaysia, the phrase "social entrepreneurship" is still relatively infancy and the use of this practice is not extensively prevalent among local entrepreneurs (Wahid et al., 2023). However, the development of collaboration, non-profit organizations, and government can identify its execution.

Moreover, the fact that the government, non-governmental organizations, and the general public are still unable to remove difficulties connected to unfair practices in social entrepreneurial poor. As a result, social entrepreneurial activities have been adopted by the formation of clubs, institutions, private firms, and small and big groups to tackle social problems (Adnan et al., 2018).

Since 2021, the former Ministry of Entrepreneur Development and Cooperatives has been in charge of social business development in Malaysia





(MEDAC). Previously, the Malaysian Global Innovation and Creativity Centre (MaGIC) and Yayasan Inovasi Malaysia (YIM) were significant agencies in cultivating a suitable entrepreneurial climate for the growth of social enterprises, as well as other initiatives such as software startups. MaGIC was amalgamated with Technology Park Malaysia in 2021 and renamed MRANTI (Malaysian Research Accelerator for Technology and Innovation) to focus on research and technology commercialization acceleration (Rahim, 2020).

According to the British Council's study on the State of Social Enterprise in Malaysia (2018), there were 20,749 social businesses in the nation, with cooperatives accounting for the vast bulk of them (Zulkifle & Aziz, 2023). There are 414 registered social companies that registered with the MEDAC database in 2020 generated RM100 million in annual revenue and produced nearly 3,500 employment possibilities (Adnan et al., 2021). The actual number of social companies in Malaysia is unknown and impossible to calculate. This is mostly due to the fact that Malaysia lacks an act or regulation to assure their registration. Despite the students' average aspiration to be social entrepreneurs, a research study done in Malaysia discovered a significant degree of social entrepreneurship engagement. In contrast, students at public universities are more active in social entrepreneurship than students at private colleges (Radin et al., 2016).

Furthermore, the social entrepreneurship landscape in Malaysia exhibits a rating of ninth out of ten nations, suggesting its involvement in the sector while also highlighting potential for further development and improvement relative to other





countries. In a more optimistic context, the nation demonstrates its commendable standing as the fifth ranked country out of a total of 44 nations, showcasing its exceptional suitability as a conducive setting for female social entrepreneurs. The score indicates Malaysia's notable endeavors in establishing a conducive environment for women involved in social entrepreneurship. This demonstrates a dedication to promoting gender inclusion and offering a space for female led innovation and social influence within the entrepreneurial sphere. The aforementioned rankings together serve to underscore Malaysia's current standing and future prospects within the global social entrepreneurship sphere (Zulkifle et al., 2020).

1.2.6 Social Entrepreneurship Blueprint 2030 (SEMy2030)



The Social Entrepreneurship Blueprint 2030 or SEMy2030 was launched by former Prime Minister Datuk Seri Ismail Sabri Yaakob to provide a new national direction for the development of social entrepreneurship in Malaysia (Sejahan, 2022). Apart from that, SEMy2030 outlines five objectives that align with aspirations, strategies and initiatives set under the Shared Prosperity Vision 2030, the National Entrepreneurship Policy 2030 and the 12th Malaysia Plan (Utusan Borneo Online, 2022; Ariffin et al., 2022; Samsuddin et al., 2022; Zulkifle & Aziz, 2023). Other than that, the main objective of the Action Plan is to create an efficient regulatory and governance structure to guarantee that social enterprises in Malaysia are accountable and responsible while also fostering trust among the populace and the private sector (Hamid, 2022).



The advancement of social entrepreneurship in Malaysia may be effectively pursued via the implementation of a strategic strategy that places emphasis on the importance of clear and well executed policies. The significance of ensuring coherence and supportiveness in the alignment of many government policies pertaining to social entrepreneurship is underscored. Furthermore, it underscores the need of implementing thorough monitoring and evaluation protocols for efforts aimed at fostering the growth of social entrepreneurship, in order to ascertain its efficacy and influence. Collectively, these endeavors provide the fundamental basis for developing a supportive environment that cultivates the advancement and prosperity of social entrepreneurship in Malaysia (Ariffin et al., 2022).

Besides, there are also specifies activities have been design in order to raise knowledge of the idea of social entrepreneurship, which is feasible and has a good effect on enhancing communal life. SEMy2030 also outlines focused measures to enhance skills and social enterprise competences to make sure that social enterprises can expand and become more competitive. The development of facilities for access to local and global markets as well as the delivery of training in technology adaption and more structured digitization, as well as the growth of access to financial assistance. Additionally, SEMy2030 establishes a new business definition which is more inclusive and in accordance with the traits of social enterprise on a global scale (Samsuddin et al., 2022).

The government has shown its dedication to enhancing assistance and fostering development prospects for established social entrepreneurs via the implementation of



targeted measures (Moroter, 2023). Firstly, this statement indicates a clear desire to conduct a comprehensive examination and perhaps make revisions to the registration framework and certification procedure pertaining to social companies. This statement suggests the need for a thorough analysis of the administrative protocols and criteria that social businesses are obligated to comply with in order to get formal acknowledgment.

Furthermore, it is the intention of the government to establish a collaborative partnership with the Ministry of Entrepreneur and Cooperatives Development (MECD) in order to implement these improvements. This task often entails collaborating closely with the ministry in order to identify potential areas for improvement in the registration and certification procedures, with the aim of enhancing efficiency, simplifying processes, and increasing accessibility for existing social businesses. The primary objective is to provide a regulatory framework that is more favorable and effective in enabling the growth and impactful contributions of social entrepreneurs within the socio economic context (Shafie et al., 2023).

Next, the framework plan establishes ambitious objectives for the development of social businesses in Malaysia. The objective is to construct a maximum of 10,000 registered social enterprises and increase the collective turnover of these registered entities to RM2.6 billion by the year 2030. This demonstrates a significant dedication to expanding the social business industry inside the nation. At now, there exists a total of 414 legally registered social companies, which have combined produced RM100 million in sales. The current cohort of registered social companies serves as a



fundamental basis upon which the government intends to construct and enhance its initiatives. The established objectives for the year 2030 demonstrate an ambitious but attainable aim, highlighting the government's will to substantially augment the influence and scope of social entrepreneurs inside the Malaysian economy (SEMy2030, 2022).

Finally, the government would grant income tax deductions for three years to non-profit organizations that offer jobs to the unemployed, ex-offenders, drug addicts, and persons with impairments. Companies that control the environment would also receive income tax exemptions, according to Tan Sri Noh Omar who is the former minister of entrepreneurship and cooperative development (Yahaya, 2022). Therefore, the effort may result in fewer unemployed among graduates, ex-offenders, drug addicts, and persons with impairments and also decrease poverty statistic in Malaysia. Apart from that, it will increase in social enterprise trend in 2030, which will have a direct impact on Malaysia achieving the developed nation status that Malaysians desire.

1.2.7 Comparing the entrepreneurial ecosystems and important enabling factors for SMEs, cooperatives, and social enterprises.

Figure 1.2

Comparison of various entrepreneurship ecosystems and the key enablers for social enterprise, cooperatives and MSMEs

	Social Enterprises	Cooperatives	MSMEs
Policies	Not Available (X)	Available (✓)	Available (✓)
Lead Agency	Not Available (X)	Available (✓)	Available (✓)
Regulatory Framework	Not Available (X)	Available (✓)	Available (✓)
Centralised Information	Fragmented (X in circle)	Available (✓)	Available (✓)
Market Access	Fragmented (X in circle)	Available (✓)	Available (✓)
Capacity Building	Fragmented (X in circle)	Available (✓)	Available (✓)
Financial Infrastructure	Not Available (X)	Available (✓)	Available (✓)
Financial Safety Net	Not Available (X)	Available (✓)	Available (✓)

Legend:
✓ Available
X Not Available
X Fragmented

Finding both the unique traits and common issues of the entrepreneurial ecosystems and major enablers for social enterprises, cooperatives, and SMEs (Small and Medium-sized enterprise) in Malaysia is crucial to understanding them. In contrast to the more established cooperatives and SMEs, social enterprises are still relatively new in Malaysia. Even when social entrepreneurs use business to solve social and environmental problems, they have particular challenges including limited knowledge and insufficient resources (Adnan et al., 2021). Since the Cooperative Societies Enactment of 1922, cooperatives have been based on communities and have as their



primary goal the mutual benefit of its members. On the other side, while being mostly motivated by profit, SMEs make a substantial contribution to employment and economic growth.

Social enterprises in Malaysia are now in a phase of development and require strong support systems in order to flourish. Crucial factors that facilitate or make possible the achievement of a goal include policies implemented by the government, availability of financial resources, programs that enhance skills and capabilities, and initiatives that provide entry to markets. Government initiatives, such as the Social Enterprise Accreditation (SE. A) and funding programs by institutions like MRANTI (Malaysian Research Accelerator for Technology and Innovation) are crucial in fostering the growth of social companies. Nevertheless, significant obstacles persist, including a lack of awareness regarding social business models and inadequate assistance from the ecosystem (SEMy2030, 2022).

Cooperatives in Malaysia derive advantages from a robust ecosystem that is supported by long-standing regulation and government support. Their primary focus is on achieving collective ownership and democratic decision-making, with the ultimate goal of improving the socio-economic well-being of their members. The sustenance of cooperatives has heavily relied on government assistance in the form of policies, money, and training initiatives. The cooperative movement's power resides in its capacity to mobilize community resources and promote mutual assistance among its members (Andrew et al., 2024).





Small and medium-sized enterprises (SMEs) play a crucial role in Malaysia's economy, making substantial contributions to both the country's gross domestic product (GDP) and employment. The SME ecosystem is distinguished by a broad range of industries, strong financial backing from institutions like SME Bank, and comprehensive government regulations intended to encourage growth and innovation. Common challenges encountered by small and medium-sized enterprises (SMEs) encompass limited availability of funding, strong market rivalry, and adherence to regulatory requirements. Nevertheless, the persistent assistance provided by organizations such as the National SME Development Council and numerous capacity-building programs contributes to solving these difficulties (Tahir et al., 2018).

Although social enterprises, cooperatives, and SMEs are part of the overall entrepreneurial ecosystem, they have specific requirements and encounter unique obstacles. Social enterprises require focused assistance to improve their social impact and sustainability over time. Cooperatives gain advantages from powerful community connections and government support, although they must consistently engage in innovation to remain vital. Small and medium-sized enterprises (SMEs) necessitate a favourable business climate that provides them with opportunities to obtain funding, utilize technology, and access markets in order to stimulate economic expansion (Chan et al., 2021).

Essential factors that contribute to a successful ecosystem include government support, availability of funding, development of skills and knowledge, opportunities to enter the market, and the establishment of cooperative networks. Government policies





that acknowledge and assist the different requirements of social businesses, cooperatives, and small and medium-sized enterprises (SMEs) are essential, in addition to legal frameworks and tax incentives. Having access to a variety of financing sources, such as grants and impact investments, is crucial for achieving growth (Fkun et al., 2023).

Additionally, constant training and development that is customized to the specific requirements of these industries is also necessary. Efforts that enable small and medium firms (SMEs) to enter and operate in markets, both domestically and globally, are crucial. This includes implementing public procurement rules that support these businesses and implementing measures to simplify trade processes for SMEs. Establishing robust networks and partnerships among stakeholders cultivates a conducive ecosystem, encompassing governmental entities, the corporate sector, educational institutions, and non-governmental organizations (Gamage et al., 2020).

Critically comparing the ecosystem enablers available to social enterprises, cooperatives, and MSMEs based on the comparative framework reveals considerable variation in developmental infrastructure and institutional support. From the figure provided, social enterprises are systematically under-served in nearly all categories of ecosystem support. Unlike cooperatives and MSMEs, social enterprises lack a formal policy recognition, lead agency, and regulatory environment. The lack of institutional support generates an identity gap, thus restricting legal recognition and access to structured funding or government procurement contracts. The lack of a lead agency further exasperates the issue, leading to compartmentalization of responsibility among



ministries and producing unbalanced or inadequate support (Zainuddin, 2025).

While cooperatives and MSMEs benefit from centralised information systems, market access initiatives, and periodic capacity-building programmes, social enterprises have dispersed access. They can enjoy ad-hoc training and small-scale market entry activities, but in the absence of centralization, these do not scale. This fragmentation is a significant obstacle to visibility, coordination, and ecosystem growth. Moreover, financial infrastructure and safety nets which are strong for cooperatives and SMEs are non-existent for social enterprises. Without access to specialized loans, grants, or crisis cushioning programs, social enterprises continue to be extremely vulnerable, particularly in times of economic recession (Baporikar, 2022).

The relative disadvantage is also highlighted by the long-term policy and legal structures under which cooperatives have been established, starting with the Cooperative Societies Enactment of 1922 and the SME Masterplan for SMEs. These have established institutional support structures, enabling cooperatives to grow and contribute significantly to GDP and employment. The social enterprise sector, however, is still largely dependent on non-governmental initiatives like MRANTI and continues to exist on the fringes of national economic planning.

Therefore, to correct this imbalance, the social enterprise sector must be institutionally addressed with utmost urgency. This includes creating a regulatory environment, a lead agency, and the inclusion of social enterprises in national development plans. Drawing from the cooperative and SME ecosystem experience, the



government must accord top priority to policy recognition, streamlining of support services, and the provision of targeted financial instruments. In addition, ecosystem mapping, twin social and financial goal driven capacity building, and a centralized database are essential in order to fully operationalize this integration (Tortia et al., 2020).

Hence, this study will prioritize social enterprises because of their growing importance and different issues within the entrepreneurial ecosystem in Malaysia. Social enterprises not only focus on achieving financial viability but also attempt to tackle urgent social and environmental problems, making them a crucial field of research for promoting equitable and sustainable development.



1.3 Problem Statements

Malaysia lags behind in terms of entrepreneurship, particularly in the sector of social enterprise (SE) (Nawi et al., 2021). Although, in Malaysia SE is expanding and made a great contribution to the people and environment where the several social companies that actively promotes social ideals and deal with social and environmental problems in the locality. But several issues that facing SE in Malaysia such as, lack of awareness on SE, lack of social capital, low emotional intelligence (British Council, 2018). A fundamental issue underlying these challenges is the decreased levels of social entrepreneurial intention, especially within Generation Z (ESCAP, 2019; Zakirai et al., 2021; Nik Hassan et al., 2021; Che Nawi et al., 2022; Zulkifile & Aziz, 2023).



Social entrepreneurial intention, characterised as the personal desire and commitment to initiate companies that tackle societal challenges (Mair & Noboa, 2006), is essential in influencing whether young individuals engage in social entrepreneurship. Notwithstanding the diligent efforts of the government and conventional media initiatives, a significant disparity in understanding and advocacy of social entrepreneurship continues to exist, as seen by the varying proportions of social enterprises.

The deficiency described poses a significant obstacle for social businesses, hindering their ability to recruit essential human resources, including volunteers and workers. As a result, this limitation restricts their potential for development and influence on society. The State of Social Enterprise in Malaysia study, the ninth in a series of surveys conducted by the British Council throughout the world, made this important discovery that the greatest financial hurdle for most social companies (64%) is a lack of awareness about current and viable social business models (British Council, 2018; Nik Hassan et al., 2021). The matter at hand necessitates a thorough examination in order to ascertain the fundamental factors and formulate efficacious approaches to bridge this knowledge deficit, so guaranteeing the enduring expansion and triumph of social entrepreneurship endeavors in Malaysia.

Although acknowledged for its significance in promoting social entrepreneurship, social innovation in Malaysia encounters numerous substantial hurdles that impede its progress and effectiveness. Numerous young prospective social entrepreneurs, especially from Generation Z, encounter difficulties in converting their

awareness of social challenges into inventive and implementable solutions. This disparity frequently arises from restricted access to knowledge, mentorship, and institutional support systems vital for fostering innovative ability (Mulgan et al., 2007; Mazzei & Steiner, 2021).

Moreover, there exists a deficiency in the alignment between community requirements and entrepreneurial initiatives, resulting in disjointed or unsustainable innovation endeavours (Phills et al., 2008). The underutilisation of digital media and creative platforms exacerbates this issue, hindering youth from collaboratively developing innovative societal solutions. In the absence of a robust ecosystem that promotes creativity, experimentation, and risk-taking, social innovation fails to serve as an effective conduit between individual potential and entrepreneurial ambition, hence compromising its mediating function in the advancement of Malaysia's social enterprise sector.

Figure 1.3

Percentage of social enterprises established by year



Figure 1.3 shows that, depicts the evolving trend in the establishment of social enterprises (SEs) in Malaysia from the years preceding 1998 to 2018. Between 1998 and 2010, the expansion of SEs was negligible, with establishment rates typically remaining below 5%. An evident increasing trend commenced in 2011, culminating in a peak of 20% in 2016. This increase likely indicated heightened focus on social entrepreneurship, driven by global trends, constrained funding initiatives, and ephemeral promotional activities by the government and NGOs (Che Nawi et al., 2022).

After 2016, the rise drastically slowed, dropping to 14% in 2017 and then to 7% in 2018, despite the encouraging growth. This drop indicates a failure to sustain progress and exposes structural deficiencies within Malaysia's social enterprise ecosystem. A key factor is the limited awareness and comprehension of social entrepreneurship within the public, especially among Generation Z (British Council,



2018; Zakirai et al., 2021). Awareness projects frequently exhibited deficiencies in depth, consistency, or integration within the national education system, leading to ephemeral interest and involvement.

Furthermore, the government's absence of consistent support and policy stability contributed to this decline. Although several preliminary programs may have generated interest, the lack of enduring tactics, including mentorship initiatives, financial support, and capacity-building activities, hindered the establishment of a robust and innovative social enterprise sector. This emphasises a lost opportunity to use initial advantages and stresses the pressing necessity for cohesive, multi-sectoral initiatives to guarantee the sustainability of social entrepreneurship in Malaysia (Zakirai et al., 2021).



Next, the Generation Z in Malaysia has significant obstacles when it comes to adopting social entrepreneurship. The presence of limited social capital (Adnan et al., 2018; Haron, 2020; Adnan et al., 2021; Shan & Tian, 2022; Daskalopoulou et al., 2023), characterized by (1) limited access to social networks (Hassan & Shahzad, 2022) where social entrepreneurs who do not have sufficient social capital may have a difficult time gaining access to networks and developing partnership. It's possible, for instance, that social entrepreneurs who come from less affluent families do not have access to the same social networks as those who come from more wealthy ones (Kumar & Tiwary, 2020).





Next, (2) lack of trust (Xie et al., 2021) where lack transparency where social entrepreneurs that limit access to information in their operations and judgement may find it difficult to create trust with the people who are important to their organizations. For instance, if a social entrepreneur is not honest about the way in which they utilize their resources or the way in which they make choices, stakeholders may doubt the motivations and intentions behind the social entrepreneur's actions (Islam et al., 2020).

In addition, (3) lack of access to business support and advice (Mazzei & Steiner, 2021) where the impression of entrepreneurship as a high-risk endeavor with limited potential for success, along with a lack of adequate education, serves as a constraint on the pool of talented individuals interested in pursuing social entrepreneurship (Amri, 2020). The ability to get essential business assistance and guidance, whether via informal or official means, continues to pose a challenge for several entrepreneurs belonging to Generation Z (Adnan et al., 2021). This obstacle has a direct effect on their strategic understanding and potential for development. In order to overcome these obstacles, it is imperative for governmental and private entities to establish focused assistance initiatives, such as mentorship programs and financial aid, with the aim of enabling the Generation Z to effectively navigate the intricate realm of social entrepreneurship (Seyoum, 2021). This will ultimately cultivate innovation and sustainable outcomes within the context of Malaysia.

The Generation Z in Malaysia has distinct problems within the realm of social entrepreneurship, namely pertaining to their relatively low emotional intelligence (EI) (Kamarozaman et al., 2022; Md Jani et al., 2022; Levitats et al., 2022; Santa et al.,





2022; Goodlet et al., 2022). The acquisition of effective stakeholder engagement, empathy, and relationship-building skills is of utmost importance when it comes to tackling intricate social challenges (Kamarozaman et al., 2022). Nevertheless, the Generation Z's low emotional intelligence (EI) may provide challenges, namely in terms of their ability to empathize with marginalized communities. This phenomenon has the potential to impede individuals' comprehension of stakeholder requirements and their ability to engage in efficient communication (Campbell et al., 2020). Furthermore, the possession of strong decision-making abilities is crucial in the context of social entrepreneurship, since it involves working with few resources. Inadequate decision-making has the potential to hinder the progress of sustainable enterprises. The significance of effective communication is similarly essential, since it plays a crucial role in fostering relationships and facilitating scalability (Yener, 2020).



Furthermore, the possession of resilience is crucial in effectively navigating the challenging aspects inherent in the realm of social entrepreneurship (Rajah et al., 2023). The capacity to effectively regulate emotions and demonstrate adaptability in response to changing circumstances is of paramount importance for the achievement of the Generation Z in this particular domain (Darmanto & Pujiarti, 2020). Lastly, lack of adaptability where the capacity to move fluidly and nimbly to change conditions, evolving stakeholder requirements, and dynamic market conditions is a requirement for successful social entrepreneurship. Individuals that lack the capacity to adapt may have a difficult time remaining relevant, expanding their businesses, and making an influence that will persist (Zhang et al., 2022).



1.4 Research Objectives

1. To examine the effect of attitudes towards social awareness on social innovation.
2. To examine the effect of social embeddedness on social innovation.
3. To examine the effect of emotional intelligence on social innovation.
4. To examine the effect of social innovation on social entrepreneurial intention.
5. To examine the effect of attitudes towards social awareness on social entrepreneurial intention.
6. To examine the effect of social embeddedness on social entrepreneurial intention.
7. To examine the effect of emotional intelligence on social entrepreneurial intention.
8. To examine the mediating role of social innovation in the relationship between attitudes toward social awareness and social entrepreneurial intention.
9. To examine the mediating role of social innovation in the relationship between social embeddedness and social entrepreneurial intention.
10. To examine the mediating role of social innovation in the relationship between emotional intelligence and social entrepreneurial intention.



1.5 Research Questions

1. What is the effect of attitudes towards social awareness on social innovation?
2. What is the effect of social embeddedness on social innovation?
3. What is the effect of emotional intelligence on social innovation?
4. What is the effect of social innovation on social entrepreneurial intention?
5. What is the effect of attitudes towards social awareness on social entrepreneurial intention?
6. What is the effect of social embeddedness on social entrepreneurial intention?
7. What is the effect of emotional intelligence on social entrepreneurial intention?
8. What is the effect of social innovation mediate the relationship between attitudes toward social awareness and social entrepreneurial intention?
9. What is the effect of social innovation mediate the relationship between social embeddedness and social entrepreneurial intention?
10. What is the effect of social innovation mediate the relationship between emotional intelligence and social entrepreneurial intention?





1.6 Research Hypotheses

H₁: There is a significant positive effect of attitudes towards social awareness on social innovation.

H₂: There is a significant positive effect of social embeddedness on social innovation.

H₃: There is a significant positive effect of emotional intelligence on social innovation.

H₄: There is a significant positive effect of social innovation on social entrepreneurial intention.

H₅: There is a significant positive effect of attitude towards social awareness on social entrepreneurial intention.

H₆: There is a significant positive effect of social embeddedness on social entrepreneurial intention.

H₇: There is a significant positive effect emotional intelligence on social entrepreneurial intention.

H_{8a}: Social innovation mediates the relationship between attitudes toward social awareness and social entrepreneurial intention.

H_{8b}: Social innovation mediates the relationship between social embeddedness and social entrepreneurial intention.

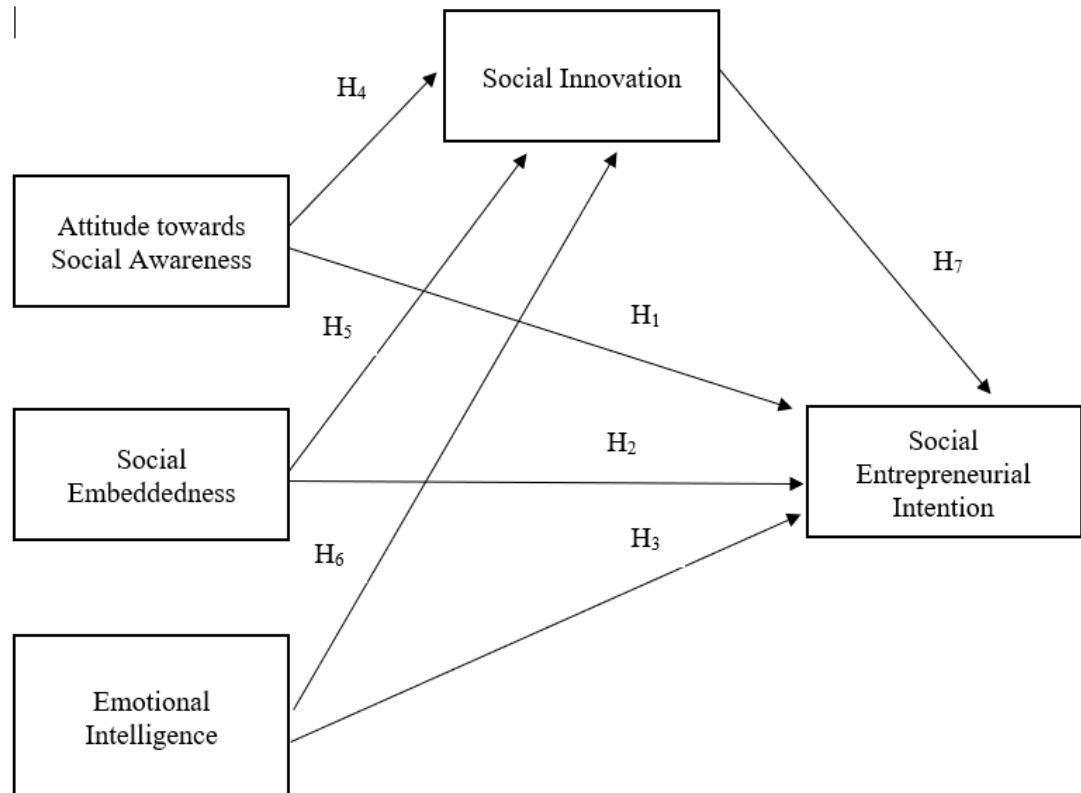
H_{8c}: Social innovation mediates the relationship between emotional intelligence and social entrepreneurial intention.



1.7 Conceptual Framework

Figure 1.4

Conceptual Framework of Research



Based on Figure 1.4, there is one dependent variable that has been proposed which is Social Entrepreneurial Intention (SEI). After that, there is one mediator variable have been proposed which is Social Innovation (SI). Finally, there are three independents in this research which are Attitude towards Social Awareness (ATSA), Social Embeddedness (SE) and Emotional Intelligence (EI). Therefore, this study aims to examine the views and motivations Generation Z in Malaysia, with a special focus on their engagement with social entrepreneurship.

The variable of (SEI) is fundamental to the present study. The objective of this study is to ascertain the extent to Generation Z in Malaysia have a distinct purpose and ambition to actively participate in the field of social entrepreneurship. This encapsulates their aspiration to build and manage enterprises that not only ensure financial viability but also emphasize the resolution of social and environmental issues. This demonstrates their inclination and dedication to affecting a constructive influence on society via entrepreneurial pursuits.

SI refers to the process of developing and implementing new ideas, strategies, and initiatives that aim to address social challenges and improve societal well-being (Marini Govigli et al., 2020). It involves social innovation is positioned as a mediator variable and plays a crucial function in this study. The aforementioned factors, namely attitude towards social awareness, social embeddedness, and emotional intelligence, play a crucial role in the process of mediating the creation of social entrepreneurial aspirations. In this particular context, the term "social innovation" pertains to the process of conceiving and executing inventive and efficient resolutions to essential societal problems.

The study seeks to examine the relationship between the intention to participate in social entrepreneurship and the production of innovation solutions to societal challenges, with social innovation serving as a mediating variable. This facilitates a more comprehensive analysis of the determinants that influence the inclination of Generation Z to not only articulate a desire for social entrepreneurship, but also to actively generate concrete innovations that contribute to the improvement of society

(Wang, 2022).

Moreover, the inclusion of social innovation as a mediating variable is consistent with the wider academic conversation in the field of social entrepreneurship research (Cunha et al. (2022), John et al. (2024), Wang (2022), Hassan et al. (2022) & Hidzir et al. (2024)). This conversation acknowledges that the overall effectiveness of entrepreneurial goals is contingent upon their capacity to produce significant and enduring resolutions to social problems. Social innovation serves as the intermediary between intention and concrete results, offering vital insights on the efficacy and practical implications of social entrepreneurship efforts targeting Generation Z in Malaysia (Cardella et al., 2021).

Apart from that, this study examines how attitude towards social awareness, social embeddedness, emotional intelligence and impact social innovation, which affects social entrepreneurial intention through the mediation process. Each of these independent variables is essential for promoting innovative solutions to social problems, thereby increasing the probability of engaging in social entrepreneurship.

A positive attitude on social awareness motivates individuals to actively pursue and tackle social problems, resulting in the development of innovative resolutions (Zulkifle & Aziz, 2023). For instance, an individual with a strong consciousness of environmental concerns may notice the excessive amounts of rubbish in their local area. Motivated by this consciousness, they may initiate a social entrepreneurship endeavour focused around recycling and education on sustainability. The initiative could



encompass the establishment of recycling stations, coordination of community clean-up events, and facilitation of workshops on sustainable living habits. The endeavour not only tackles the environmental problem but also promotes awareness and teaches the community, demonstrating how a proactive approach to social awareness may result in significant benefits for society.

Simultaneously, the entrepreneur incorporates elements of environmental sustainability and social responsibility into their programme, motivated by a profound understanding of the broader social and economic consequences of teenager unemployment (Halid et al., 2023). They integrate training in sustainable business practices and green technologies to guarantee that the teenagers not only acquire employable skills but also contribute to the community's environmental and social well-being (Shayan et al., 2022). This comprehensive approach not only addresses environmental concerns but also educates and raises awareness within the community, illustrating the potential for impactful social innovations to result from a proactive approach to social awareness.

Social embeddedness pertains to the extent to which individuals are interconnected within their social networks and communities. Having a strong integration allows individuals to have access to a wide range of valuable resources, information, and support, which are essential for creating creative solutions to societal issues (Czernek-Marszałek, 2020).





For instance, a person who is very integrated into their rural community can observe that local farmers face challenges in terms of accessing markets. By utilising their robust community connections, this individual has the ability to rally local assets and assistance in order to create a cooperative that facilitates direct connections between farmers and urban markets. The individual's social embeddedness facilitates this social entrepreneurial activity, which not only offers a practical solution to the farmers' dilemma but also promotes a sense of community and shared purpose.

In addition, by utilising their robust community connections, the entrepreneur forms partnerships with nearby firms, educational institutions, and non-profit organisations to offer resources and possibilities for the programme. They facilitate the acquisition of internships, apprenticeships, and job placements for young individuals by leveraging the community's combined resources and networks (Kennedy et al., 2022).

Next, individuals with a high level of emotional intelligence are more capable of comprehending and controlling their own emotions as well as the emotions of others. This enables them to recognise societal demands and create empathic and efficient solutions (Antonopoulou, 2024). For example, a person with a high level of emotional intelligence is able to identify and understand the emotional and psychological requirements of vulnerable young people in their local area.

Therefore, this individual could perhaps innovate by establishing a social entrepreneurship enterprise that provides mentorship and counselling services





specifically tailored for these young individuals. The initiative has the potential to create a secure environment for emotional assistance and individual growth, effectively and creatively meeting the requirements of young people. This strategy, which is emotionally intelligent, not only addresses urgent psychological needs but also promotes long-term social effect by empowering young people.

Furthermore, the entrepreneur possesses a comprehensive understanding of the emotional and psychological consequences that unemployment has on young individuals, encompassing sensations of despair and diminished sense of personal value. They select to generate a social innovation by launching a mentorship and skill building programme. This programme provides individualised counselling, career counselling, and emotional assistance to assist young people in developing self-assurance and resilience (Bufali et al., 2023).



Next, the understanding of how different elements influence social entrepreneurial intention through the mechanism of social innovation depends strongly on the idea of mediation. This study explores how social innovation acts as a mediator in the connection between attitude towards social awareness, social embeddedness, emotional intelligence, and social entrepreneurial intention. The study discusses how social innovation converts these preceding variables into a more robust intention to participate in social entrepreneurship by analysing these mediation routes.

Firstly, individuals with a strong commitment to social awareness actively pursue and apply creative ideas to address social problems. Individuals with a high level





of social problem awareness are more inclined to be inspired to discover and implement innovative methods to tackle these challenges (Vo et al., 2022). The success and beneficial impact of these ideas serve as additional inspiration for individuals to pursue a career as social entrepreneurs. Observing the notable transformations resulting from their endeavours strengthens their dedication to persisting in their efforts to tackle societal problems. The unwavering determination to create new and effective solutions for societal issues fosters a strong commitment to engage in social entrepreneurship (Talukder & Lakner, 2023).

Secondly, social embeddedness facilitates the acquisition of essential resources and support structures that are vital for promoting social innovation (Turyahikayo et al., 2021). Having strong integration within social networks enables individuals to get access to a wide range of knowledge, skills, and support, which are crucial for the creation and execution of innovative solutions to social issues (Baltoi, 2020). Strong community links assist these social innovations, which in turn improve individuals' confidence and intention to participate in social entrepreneurship. The assistance and resources provided by their social networks in still individuals with a sense of capability and empowerment to start and maintain social entrepreneurial endeavours, therefore enhancing their intentions to be entrepreneurial (Bobyreff, 2021).

Thirdly, emotional intelligence plays a crucial role in fostering social innovation as it empowers individuals to develop a deep understanding of social problems and devise efficient remedies (Binsaeed et al., 2023). Individuals possessing a high level of emotional intelligence are more capable of understanding and sharing the feelings of





their communities. This enables them to develop creative methods to meet the demands of their communities. The ability to innovate not only tackles critical social problems but also increases an individual's desire to participate in social entrepreneurship (Satar et al., 2024). The concrete effect of their innovative concepts strengthens their confidence in their capacity to create change, therefore enhancing their drive to engage in social entrepreneurship initiatives (Li et al., 2023).

Social innovation serves as a mediator, revealing how attitude towards social awareness, social embeddedness, and emotional intelligence lead to a greater desire to participate in social entrepreneurship. This mediation model illustrates that a favourable attitude towards social awareness directly influences the impulse for innovation. Social embeddedness facilitates the provision of essential support and resources for innovation. Emotional intelligence improves the capacity to generate significant social advances.

In addition to that, these innovations further strengthen the motivation to engage in social entrepreneurship as individuals observe the beneficial influence they might have. This mediation model facilitates the identification of the routes via which different factors exert effect on social entrepreneurial intents and emphasises the crucial role of social innovation in this process. An in-depth knowledge of these mediation effects can provide valuable insights for developing strategies to foster social entrepreneurs that possess the ability to tackle intricate societal problems by implementing innovative and sustainable solutions.





Furthermore, this study examines the (ATSA) of Generation Z in Malaysia. This independent variable focuses on the cognitive and emotional judgments of these students on the importance of being socially aware. The objective of this study is to comprehend individuals' thoughts and perspectives about the significance of acknowledging and comprehending societal challenges. This variable assesses individuals' degree of consciousness and recognition of the significance of social awareness in facilitating constructive transformation through social entrepreneurship.

The concept of (SE) pertains to the collective ideas, attitudes, and expectations that are prevalent within the Generation Z in Malaysia. This study examines the degree to which individuals belonging to Generation Z see their social networks, as fostering and endorsing their engagement in socially integrated activities and projects. This variable encompasses the societal impact and norms that determine individuals' attitudes and behavior in relation to social entrepreneurship.

The (EI) is an independent variable that focuses on the self-perceived capability of Generation Z in Malaysia to proficiently handle and control their emotions within the realm of social entrepreneurship. This study investigates individuals' level of confidence in using emotional intelligence as a strategic tool for making decisions, fostering relationships, and resolving problems within the context of social businesses. This measure evaluates the extent to which individuals see themselves as having control over their emotional reactions in social entrepreneurial contexts.





This study aims to investigate the complex relationship between ATSA, SE, EI, SI, and SEI among Generation Z in Malaysia. The objective of this study is to provide a thorough comprehension of the elements that influence individuals' inclinations towards social entrepreneurship. This will eventually contribute to a more knowledgeable and focused strategy in empowering and mobilizing this generation for impactful social change via entrepreneurship.

Two theories have been applied in this study which are Theory Planned Behaviour and Innovation Diffusion Theory. The Theory of Planned Behaviour posits that the intention to engage in a certain behaviour is influenced by the interplay of three key factors such as attitude, social norms, and perceived behavioural control. Significantly, intention is often seen as a crucial factor in determining actual behaviour.

In simple terms, there exists a positive relationship between an individual's level of intention to participate in a behaviour and their likelihood of actually carrying out that behaviour (Ajzen, 1991).

The Theory of Planned Behaviour (TPB) posits that an individual's attitude towards a certain behaviour plays a crucial role in shaping their intention to partake in that behaviour (Wang & Zheng, 2020). This research examines the comprehensive assessment made by Generation Z on the significance and pertinence of social awareness, as well as its correlation with social entrepreneurship. Individuals that possess a favourable outlook on social awareness, so expressing a conviction in its importance, are more inclined to exhibit a heightened desire to participate in social entrepreneurship. Therefore, the first independent variable that have been proposed is





attitude toward social awareness.

Furthermore, social norms are a manifestation of the perceived social pressure or approval/disapproval that surrounds a certain behaviour, highlighting the importance of social embeddedness (Wach et al., 2021). This scenario concerns the perception of societal expectations and encouragement for active engagement in social entrepreneurship among Generation Z. If members of Generation Z see that their friends, family, and society as a whole place importance on and promote the integration of social involvement in entrepreneurial endeavours, it is probable that they will exhibit a greater inclination to partake in social entrepreneurship. Therefore, the second independent variable that have been proposed is social embeddedness.



In addition, perceived behavioural control is a construct that pertains to an individual's subjective assessment of the level of ease or difficulty associated with engaging in a particular behaviour. In the context of emotional intelligence, it encompasses an individual's impression of their ability to effectively exhibit behaviours related to emotional intelligence (Yasir et al., 2021). This research examines the correlation between the confidence of individuals belonging to Generation Z and their capacity to demonstrate emotional intelligence, a crucial competency for successful engagement in social entrepreneurship. There is a positive correlation between individuals' perceived control over the development of emotional intelligence and their likelihood of expressing a desire to participate in social entrepreneurship. Therefore, the third independent variable that have been proposed is emotional intelligence.





Next, the mediating variable (SI) for this study have been relate with the Innovation Diffusion Theory. The Diffusion of Innovation Theory (DoI) is a sociological framework that aims to elucidate the mechanisms, rationales, and pace at which novel concepts, technologies, or innovations disseminate within a given social system or society. The first development of this concept may be attributed to Everett Rogers in the year 1962. The theory postulates that the adoption and spread of innovations follow a systematic process that encompasses many phases and involves the involvement of diverse categories of persons or adopters. The adopter groups include innovators (also known as early adopters), the early majority, the late majority, and laggards (Robertson, 1967).

The Diffusion of Innovation Theory (DoI) elucidates framework has many essential components. Firstly, innovators refer to the first persons who embrace and accept an idea. Individuals of this kind generally exhibit a proclivity for adventure, a propensity for taking risks, and a keen enthusiasm for embracing new concepts. Within the scope of this research, it is plausible to consider these individuals as potential early adopters of social entrepreneurship efforts within the Generation Z cohort (Dearing & Cox, 2018). Secondly, early adopters may be defined as persons who embrace inventions subsequent to the inventors but before to the mass of the public (Mamun, 2018). They have a significant role in disseminating the invention to a broader demographic. Within the scope of this research, the persons under consideration may pertain to the Generation Z demographic who actively engage in social entrepreneurship, therefore assuming the potential roles of both exemplars and proponents for their peers.





Thirdly, the early majority segment exhibits a delayed adoption of innovations in comparison to both inventors and early adopters. Individuals have a propensity to seek further empirical support and increased confidence prior to embracing novel concepts. Within the given environment, this demographic subset of Generation Z may include a significant proportion of individuals who exhibit an inclination towards social entrepreneurship. However, their level of interest and engagement in this field may be contingent upon the availability of comprehensive knowledge and enough support mechanisms (Tariq et al., 2017).

Fourthly, the late majority, similar to the early majority, has a tendency to embrace advances subsequent to the bulk of the population. They exhibit a greater degree of scepticism and adopt a more conservative stance in their approach. Within the scope of this research, the persons under examination may pertain to the Generation Z demographic who initially exhibit reluctance towards engaging in social entrepreneurship endeavours. However, it is plausible to assert that with appropriate interventions, these individuals might be persuaded to participate in such initiatives (Al-Razgan et al., 2021).

Moreover, laggards, as a distinct group, are characterised by their delayed adoption of innovations. Individuals often exhibit resistance towards change and may only embrace innovative practises when compelled by circumstances. Within the given environment, these people might potentially be representative of Generation Z members who exhibit a lower inclination towards social entrepreneurship and may need significant endeavours to foster their involvement (Makhdoom et al., 2019).





Furthermore, communication channels refer to the many methods through which information on the innovation is distributed. Various outlets such as mass media, social networks, educational institutions, and other platforms may be included. The identification of the most efficacious communication channels for disseminating information about social entrepreneurship to Generation Z is of paramount importance in this research (Zhang et al., 2015).

Lastly, the time dimension pertains to the duration required for the adoption of an invention among various sectors of the population. It is crucial to possess knowledge on the specific timelines associated with the process of adoption in order to effectively develop interventions that are tailored to the needs of the target population (Dearing & Cox, 2018).



1.8 Operational Definition

1.8.1 Social Entrepreneurship

Social entrepreneurship involves finding, launching, and managing enterprises that combine social impact goals with sustainable economic models to solve social issues. It uses entrepreneurial abilities to create social value while maintaining financial viability, with an emphasis on long-term beneficial change in communities and society (Hossain & Islam, 2022).



In this study, Social Entrepreneurship as the deliberate and inventive initiatives undertaken by Generation Z higher education students, aged 18 to 30, to establish and operate enterprises that tackle social challenges by integrating a robust social mission with sustainable economic practices. It demonstrates their dedication to addressing societal issues through entrepreneurial endeavours that emphasise social value creation while ensuring business sustainability, motivated by their social awareness, purpose-oriented approach, and technological expertise.

1.8.2 Social Entrepreneurial Intention

Social Entrepreneurial Intention (SEI) is the strong desire and commitment to launch a new social enterprise to solve social issues. A cognitive mentality guides people to balance social value creation with commercial viability by combining a social mission with a sustainable economic model. SEI creates innovative, purpose-driven ventures to solve societal problems. This goal is driven by personal ideals, empathy, and social awareness to create sustainable, community-beneficial solutions. Social entrepreneurship promotes creating enterprises that combine social goals with sustainable economic foundations (Yang et al., 2023).

In this study, social entrepreneurial intention is the mindset and approach of those with the skills, will, and desire to create and run a firm that tackles social concerns and improves society. Social entrepreneurs have a sense of obligation to their communities and work to create lasting social impact. Social entrepreneurs must be



brave, resourceful, and persistent to achieve their mission. Social entrepreneurs must also care deeply about their social innovation and positive social change effects.

1.8.3 Generation Z

Generation Z is the first 21st-century babies. Practitioners and academics define this developing consumer segment differently in the literature. Generation Z, or "Digital Natives" (born 1994–2012) aged between 12 until 30 years old. Generation Z consumers are tech-savvy, sociable, and individualistic. This market segment is educated, mobile, and connected to massive data. Generation Z is creative, independent, ambitious, and good at bargaining, with a penchant for entrepreneurship (Tjiptono, Khan, Yeong, & Kunchambo, 2020).



In this study, defines Generation Z as persons born from the 1990s to the 2010s, currently enrolled in higher education, and aged between 18 and 30 years. This demographic is distinguished by an improved social awareness, an inclination towards purpose-oriented employment, a robust entrepreneurial attitude, and technological adeptness. The research examines this cohort to investigate their attitudes, behaviours, and intentions concerning social innovation and social entrepreneurship in the realm of higher education.





1.8.4 Social Innovation

A complicated process that involves introducing new goods, processes, or programmes that fundamentally alter the social system in which they take place in terms of resource and authority flows as well as beliefs. Such effective social inventions have a long shelf life and a significant reach (Pappas, 2017).

In this study, social innovation involves creating and implementing new ideas, practices, and materials to solve social problems and improve society. Social innovators must think creatively and innovate regularly to solve social problems. It also involves the ability to plan and implement creative activities or materials and the flexibility to adopt new practices into daily work.



1.8.5 Attitude Towards Social Awareness

Attitude towards social awareness pertains to an individual's cognitive inclination to acknowledge and to understand the societal dimensions of existence. It entails being conscious of the emotions, encounters, temperaments, and undertakings of others, while also possessing empathy and sensitivity towards societal concerns (Pandey et al., 2021).

In this study, an individual's worldview, views, and predispositions about social issues and dynamics determine their attitude towards social awareness. This attitude includes awareness and comprehension of social concerns, inequalities, and needs, as





well as the necessity of being educated and engaged. It shows how much a person values social issues and is eager to help society.

1.8.6 Social Embeddedness

Humans are fundamentally social beings who determine their attitudes and acts based on their social placement in relation to those of other people (Cyr et al., 2022).

In this study, social embeddedness is how connected, integrated, and active people are in their campus, community, and culture. Flexibility, social connection, understanding, cultural awareness, and group engagement are included. It involves friendship, social skills, and understanding others.



1.8.7 Emotional Intelligence

The capacity to monitor one's own and others' thoughts and emotions, to distinguish among them and to utilize this knowledge to guide one's thinking and actions (O'Connor et al., 2019).

In this study, capacity to recognize, analyses, and manage one's own and others' emotions is called "emotional intelligence." It includes self-awareness since persons with it know their moods and influences. Empathetic people with great emotional





intelligence can put themselves in others' situations and respond appropriately.

1.9 Research Limitations

While this study offers interesting insights into the elements that influence the intention of the Generation Z in Malaysia to engage in social entrepreneurship, it is important to acknowledge its limitations. The first primary limitation is limited generalizability to broader groups or contexts due to its narrow focus on a specific demographic, such as the Generation Z in Malaysia. The specific cultural, social, and economic elements peculiar to Malaysia may have an influence on the features, attitudes, and behaviours of the Generation Z in the country.



Consequently, the generalizability of the study's findings to other generations or populations across various countries or areas may be limited. The Generation Z in Malaysia could show various views towards social awareness and perceptions of social norms regarding social embeddedness. These attitudes may be influenced by Malaysian cultural values and social norms, which may differ from those observed in other generations or populations across different nations. Hence, it is important to exercise caution when extrapolating the findings of this study to other populations or contexts, as the specific cultural, social, and economic factors at play should be taken into account.





Secondly, the study also depends on data that is self-reported, a method that is sensitive to bias and may not provide a true picture of individuals' thoughts and intentions. This cognitive bias has the tendency to either overstate or underestimate variables, particularly those that are considered socially acceptable, such as SI, ATSA, SE, EI, and SEI. Recall bias, a cognitive bias characterised by difficulties in recollecting past events or behaviours, can also exert an influence on self-reported statistical data. This can result in inaccuracies in the response. Self-reported data may not comprehensively capture individuals' complex perspectives and intents. Surveys or questionnaires may not easily capture subconscious or implicit elements. Researchers require caution and acquire a comprehensive understanding of the biases and limitations associated with self-reported data when evaluating the outcomes of the study.



Thirdly, the fact that the research is cross-sectional means that the data is gathered at a particular point in time, which provides a picture of the relationship between the variables being studied. Although this method may identify relationships between variables, it is unable to establish a cause-and-effect relationship. The study has the potential to identify a significant correlation between social innovation and entrepreneurial ambitions among the Generation Z in Malaysia. However, it is important to note that the study is missing the ability to evaluate if social innovation directly influences changes in entrepreneurial intents, as there may be other influential elements at play.

In contrast, longitudinal research would track individuals over an extended period, gathering data at various times. This approach would enable researchers to





monitor changes in ATSA, SE, EI, SI and SEI, thereby establishing a causal relationship between each of these variables. Longitudinal studies offer stronger evidence of causality as they can establish a logical sequence, indicating that alterations in one variable are likely to be the source of changes in another. Hence, although the cross-sectional study has the capacity to ascertain associations, a longitudinal study could provide a deeper understanding of the long-term impact of ATSA, SE, EI, SI and SEI within the Generation Z in Malaysia.

Finally, surveys and statistical analysis are effective quantitative tools for detecting patterns and correlations among variables in a large dataset. Nevertheless, quantitative methods might fail to encompass the complexity of social entrepreneurship that are more comprehensively understood through qualitative methodologies.

Quantitative approaches, such as ATSA, SE, EI, and SI, can offer valuable insights into the factors that influence entrepreneurial intentions among the Generation Z in Malaysia. However, these findings may fail to encompass the fundamental motivations behind these attitudes and behaviours, as well as the distinctive obstacles encountered by social entrepreneurs in Malaysia. The study's exclusive reliance on quantitative approaches may result in the lack of significant insights that could contribute to the development of more effective strategies that focus on fostering social entrepreneurship within the Generation Z in Malaysia.



1.10 Significance of The Study

In this section, will be elaborate about significant of the study in terms of two parts which are theoretical significant and practical significant. In theoretical part, the underpinning theory that has been applied in this research is Theory Planned Behaviour (TPB) and Diffusion of Innovation Theory (DoI). The reason for applying TPB in this study because TPB is frequently employed in research pertaining to social entrepreneurship intention and behaviour due to its ability to offer a comprehensive framework for comprehending the determinants that impact individuals' intentions to partake in a particular behaviour, such as initiating a social enterprise.

Moreover, the adaptation of (TPB) framework to the context of social entrepreneurship may be achieved by integrating aspects that are particularly relevant to this domain. As an illustration, attitudes may encompass individuals' beliefs regarding the societal implications and long-term viability of the entrepreneurial endeavour. Subjective norms can encompass the influence exerted by peers and mentors within the social entrepreneurship domain. Perceived behavioural control can reflect individuals' perceptions of the obstacles and resources at their disposal when embarking on a social enterprise (Savitha & Lakkol, 2022).

Furthermore, (TPB) has shown robust predictive efficacy in elucidating and comprehending many behavioural phenomena, including the realm of entrepreneurial aspirations. Previous studies have provided evidence supporting the notion that attitudes, subjective standards, and perceived behavioural control possess the ability to

accurately forecast entrepreneurial intention (Nascimento & Salazar, 2020; García-Jurado et al., 2021; Bui et al., 2021). Lastly, (TPB) has a significant corpus of empirical data that substantiates its efficacy in elucidating and forecasting diverse behavioural intents. The presence of an empirical base enhances the legitimacy of its use in the realm of social entrepreneurship research (Muhammed et al., 2021).

Next, the cognitive approach involves the concept of 'intention,' which has been demonstrated to be the best predictor of planned behaviours (Ajzen, 1991). "Intention refers to the intent or preparedness to engage in activity under discussion". It is usually assumed that all planned behaviours are deliberate. In this framework, each choice to launch a new social venture is deliberate rather than reactive (Barton et al., 2018). Following that, the initial step of behaviour, intention, should be explored (Tran, 2018); whenever an individual has an entrepreneurial goal, he or she is highly inclined to do the entrepreneurial action (Ajzen, 1991). As a result, evaluating entrepreneurial purpose is critical to understanding that someone decides to be an entrepreneur.

Furthermore, this study used Ajzen's (1991) Theory of Planned Behaviour, which contained three factors such attitude toward behaviour, subjective norm, and perceived behavioural control, all of which might influence the creation of an individual's intended. Jabar & Asung (2016) discovered that the level of attitude towards social awareness, social embeddedness, and emotional intelligence were all influencing university students' intention to generate an innovative solution for social entrepreneurship.



The Diffusion of Innovation Theory (DoI) is a well-recognized conceptual framework that offers insights into the process by which novel ideas, goods, or innovations disseminate and are embraced by individuals or collectives within a given social context. This study offers useful insights into the adoption and integration of innovations, particularly in relation to the function of social innovation as a mediating variable within the framework of social entrepreneurship among the Generation Z in Malaysia.

Other than that, the researcher will elaborate in term of practical significant. In keeping with the development of human and social capital, the necessities connected to student attitudes and support must be improved in preparation for joining self-employment. Early introduction to social entrepreneurship-based program is an excellent place to start when it comes to developing a student's professionalism. In fact, student engagement allows them to have a direct understanding of the societal issues that are likely to cause a rise in SEI. It is envisaged that students would notice and understand that their participation in social entrepreneurship-based activities at the university level provides a motivation for academic success. To increase the likelihood of the surrounding community contributing assistance, students should maintain a positive attitude about social entrepreneurship.

Furthermore, listening to positive reinforcement from one's surrounds is required for prospective social entrepreneurs such as students. What social entrepreneurship-based initiatives can do is promote awareness, allowing students to set a positive example. This might involve cultivating a social entrepreneurship-based





culture inside educational institutions (Wahid et al., 2021). Next, social goals drive social entrepreneurship, which distinguishes it from other forms of business. In other words, social entrepreneurship is motivated by a desire to improve society in some form or ways. They are inventive in their approach to creating and sustaining social value.

Social entrepreneurship is classified as an intellectual character that one who thinks open to fresh opportunities by presenting innovative ideas, combine dreams with down-to-earth realities, a person who is creative and extremely ethical in their thoughts of social change (Jabar & Asung, 2016). As a result, colleges should make an effort to spread the benefits of social entrepreneurship to the country and assist students understand that social entrepreneurship was not only concentrated on profit, but also encompassed the formation of a firm that aspired for both revenue and social need.



Apart from that, there are several purposes of conducting this research. Firstly, Empowering Z-generation social entrepreneurs is essential for meaningful social and environmental change. This demographic group needs personalized help to navigate social entrepreneurship's difficult environment. This study aims to equip the Generation Z with knowledge and resources by analysing and tackling these challenges. This empowerment gives individuals actual tools to overcome these problems and the confidence and skills to actively create good change. With this knowledge, the Generation Z may use social entrepreneurship to improve society and the environment. This study seeks to empower the Generation Z to become dynamic and impactful social entrepreneurs.





Secondly, social entrepreneurship has great potential to boost economic and social growth. This study examines this sector's dynamics to find successful tactics and solutions. A dynamic social business ecosystem provides economic value and tackles significant social issues. These enterprises may create jobs and boost economic stability by using sustainable, socially focused business strategies. Their social missions frequently focus on elevating marginalised populations and reducing poverty, improving living circumstances and opportunities for the poor. Social enterprises may also boost local innovation, social infrastructure and empowerment to boost community development. This study seeks to understand these processes and lead the creation and support of a strong social entrepreneurship ecosystem, boosting economic growth and social progress.



Thirdly, this study sheds light on the existing deficiency in knowledge and understanding of social entrepreneurship, underscoring the urgent need for educational and awareness-raising initiatives among Generation Z. The objective is to promote the adoption of complete programmes that include educational activities, focused awareness campaigns, and training initiatives. By implementing strategic interventions, people may acquire a more profound comprehension of the transformational capacity and importance of social entrepreneurship. Therefore, this study is sought to increased level of consciousness enables individuals to possess the necessary information and viewpoint to actively participate in and endorse endeavours that promote favourable societal transformation, eventually cultivating a more enlightened and socially aware community.





In addition, enhancing the availability of resources has significant importance for the Generation Z, since they often encounter distinct obstacles when it comes to creating and expanding social businesses. The current generation has a notable inclination towards making a positive societal influence, along with a propensity for using technology and fostering innovation. Nevertheless, it is possible that these individuals may face challenges in terms of limited access to well-established networks and financial capital, which are crucial for the successful initiation and long-term sustainability of social enterprises. This study endeavours to empower the Generation Z as social entrepreneurs by identifying and resolving constraints that include restricted access to mentoring, finance, and personalised business assistance.

Finally, this study highlights the importance of emotional intelligence among social entrepreneurs, particularly among the Generation Z. The aim is to provide practical suggestions and focused solutions to strengthen these essential abilities. By providing social entrepreneurs with enhanced emotional intelligence and proficient decision-making abilities, they will be better positioned to negotiate the intricacies of the social entrepreneurship field, make well-informed decisions, and foster significant and enduring influence in their endeavours. The primary objective of this strategic emphasis is to provide the Generation Z with the necessary tools and resources to thrive as socially aware entrepreneurs, therefore facilitating constructive transformations within their local communities and beyond.





1.11 Summary

There are ten sub section in chapter 1, which are introduction, research background, research problem, research question, research objective, research hypotheses, conceptual framework, operational definition, limitation of the study and important of the study. In introduction part, the researcher has elaborated about the importance and implementation on social entrepreneurship. Next, in research background part, have been mentions about the needed of inculcating social entrepreneurship among Generation Z by representing suitable data from the sources of (DOSM), Social Entrepreneurship Blueprint 2030 (SEMy2030), entrepreneurship, emergence of social entrepreneurship and social enterprise in Malaysia.

Furthermore, in research problem section, the researcher has been mentioned, lack of awareness on social entrepreneurship, lack of social capital and low emotional intelligence. Therefore, Malaysia authority must take radical action to overcome this problem by increasing awareness on social entrepreneurship. Apart from that, in research question and objective have been present suitable question and objective and hypotheses according to the independent variables, dependent variable and mediating variable. Other than that, in this chapter have been discuss on operational definition. In next chapter, will be explain about the relevant literature review based on SEI, social innovation, attitude towards social awareness, social embeddedness, and emotional Intelligence.

