ESTABLISHING THE RELATIONSHIP BETWEEN SOCIAL ENTREPRENEUR CAPABILITIES AND INTENT TO INNOVATE: AN EMPIRICAL STUDY

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ABSTRACT

In this study, we report results of a study examining the relationship between social entrepreneur Capabilities towards intent to innovate where the samples are collected from the under graduate students who are ready for placement in professional institution. The study utilised data collected from students who are member in entrepreneurship cells in each professional college. The data was used for Multiple linear regression analysis along with hypothesis testing, finally we interpret that Motivation has the highest impact on the intent to innovate.

Keywords: Multiple Linear Regression, Social Entrepreneur, Intent to Innovate, motivation.

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1. INTRODUCTION

The term ‘innovation’ is the process from “the conversion of an idea into a new product or services” to “its successful commercialization”, (Castreeetal.,2013). The capacity to innovate and create new things is one of the hallmarks of civilization. Innovation has been present in human history as an appearance of the creative capacity of humanity's efforts to develop the quality of life, in *Simms’ words*: ‘Civilizations are the result of human innovations’ [Baum et al., 1993]. The study of innovation began in economics, notably in the works of Schumpeter, although we can find the origins of the Schumpeterian approach towards innovation and the innovation writings of Max Weber and Werner Sombart [Nunnally et al., 1978]. The concept of innovation has evolved separately in a different context in management. The term innovation

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was restricted within an organization for its own conservative purpose like earning a profit, reaching target customers etc. It does not help the society and its development. The innovation in the societal dimension, on the other hand -focusses on the society at large, driven by the production of social benefits

However, attention towards innovation in social dimensions has appeared quite recently and its importance has become a widely accepted impression in order to improve the welfare of society. Thus, innovation on social dimensions widely known as “Social Innovation” refers to innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly diffused through organizations whose primary purpose is to create social value. Thus, Social Innovations are new social practices that aim to meet social needs in a better way than the existing solutions, resulting from – for examples – working conditions, education, community development or health. These ideas are created with social goals of extending and strengthening civil society.

A good example of *Social Innovation* in this sense is the spread of cognitive behavioral therapy, proposed in the 1960s by Aaron Beck, tested empirically in the 1970s, and then spread through professional and policy networks in the subsequent decades. A good example of socially innovative new organizations is the Big Issue, which publishes Big Issue Magazine, and its international success or network of magazines sold by homeless people. Thus, Social Innovation has greatly increased society’s willingness to cooperate and innovate. More and more governments, communities and people are concerned about the future and are trying to find viable solutions to adapt to an ever-changing world, with the purpose and need to overcome poverty and solve serious issues that humanity is dealing with. Therefore, one of the resources and the solution is Social Innovation.

2. PURPOSE OF THE STUDY

In the many works, Social entrepreneur innovation capability is mentioned in good number of studies; however, the social innovation capability measurement scale and anticipated measurement models have been limited because the measurement of social innovation is likely to be difficult due the broad nature of the scope of innovative activities (M. Roger, 1998), (H. Tohidi et.al., 2011). It is difficult to measure social innovation meanwhile innovation is a continuous and gradual process and (M. E. Eggink et.al., 2012) and is challenging because of its immaterial nature (M. Albaladejo et.al., 2000)

Thus, main purpose of this study is to use Multiple Linear Regression analysis on factors measuring the social entrepreneur capability towards intent to innovation among the placement ready under-graduate students. How each factors contribute effectively towards the measurement of intention towards social innovation. Thus, these factors can help to the funding agencies to identify the potential social entrepreneur who will able to develop the product that have social relevance. It can also help to identify the apt employees who are suitable for social enterprises and also to be part of their CSR departments

3. FACTORS IN ANALYSIS - REVIEW

Social Entrepreneur

Social Entrepreneur has been identified as an innovative way of tackling unmet socio-economic needs. While social Entrepreneurship is not a new phenomenon, the term “social entrepreneur” has more recently been used to describe those individuals who establish enterprises primarily to meet social objectives rather than generate personal financial profit.

The term “Social Entrepreneurship” has emerged as a new label for describing the work of the community, voluntary and public organizations, as well as private firms working for social

rather than for-profit objectives. Social Entrepreneurship has its origins in the eighteenth and nineteenth centuries when philanthropic business owners and industrialists like Robert Owen, demonstrated a concern for the welfare of employees by improving their working, education and cultural lives. Since then, Social Entrepreneurship has been associated with community enterprise and development, education, churches, charities, the not-for-profit sector and voluntary organizations. Collectively, the social economy or "third sector" has expanded, its growth often attributed to structural and managerial problems within state-run social services. Following are the abilities of the "*Social Entrepreneur*"

Creativity

The earliest definitions of Entrepreneurship emphasized innovation as a key feature distinguishing entrepreneurs from other managers or business owners (Schumpeter 1934; Carland et al. 1984,). Creativity, as the trait underlying innovation, is theorized as an integral part of an entrepreneurial personality. Both entrepreneurs and social entrepreneurs require an imaginative faculty that enables them to 'envision opportunities that others cannot' (Chell 2007,). Social entrepreneurs, in particular, engage in the 'recombination of social and material elements' interactive processes of creation and discovery (Diochon and Ghore 2016,). For the purposes of this study, the definition of creativity focuses on the ability to develop inventive, original ideas and solutions.

H1: There is significance relationship between creativity and Intent to Innovate

Openness to change

The centrality of innovation for the understanding of both Entrepreneurship and Social Entrepreneurship further implies that social entrepreneurs must be enthusiastic promoters of change if they are to create new goods, services, markets, organizations, or pathways (Bargsted et al. 2013). Individuals with a high level of openness to change are flexible and adaptable and perceive novelty as positive and as an opportunity for growth. Social entrepreneurs, who seek to change not only products and services but also social systems, may require an even higher openness to change than other entrepreneurs. Bargsted et al. (2013,) observed that social entrepreneurs exhibited a weaker orientation toward 'traditional' values than commercial entrepreneurs.

H2: There is a significance relationship between Openness to Change and Intent to Innovate

Autonomous

The emphasis in the entrepreneurial literature on characteristics of autonomy, independence, and internal locus of control (Carland et al.1984) suggests that entrepreneurs aim to value freedom from external control and often must take independent action in pursuing their idea or vision. Prior studies have posited that social entrepreneurs likely share this entrepreneurial trait of autonomy (Ernst 2012; Hockerts 2015). However, this trait may be affected by context. In some situations, the ability to start a social venture may hinge primarily on the ability and willingness to marshal and utilize various networks of stakeholders and supporters, and those with high levels of autonomy may not perceive social enterprise as an attractive or viable option (Nicolas, Rubio, and Fernandez-Laviada 2018).

H3: There is a significance relationship between Autonomous and Intent to Innovate

Motivation

In the Entrepreneurship literature, achievement motivation—that is, the need to be successful—has been identified as a significant driver of entrepreneurial ambition and success (McClelland 1961; Kolvereid 1992; Collins, Hanges, and Locke 2004; Ong and Ismail 2008). Social

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entrepreneurs may be motivated by a similar inclination (Ernst 2012). Bargsted et al. have identified Social Entrepreneurship as part of an individual's career orientation, connected to the accomplishment of 'personal and professional plans and projects' (2013).

H4: There is a significance relationship between Motivation and Intent to Innovate

Risk tolerance

The importance of a risk-tolerance propensity has been debated extensively in the Entrepreneurship and Social Entrepreneurship literature (Carland et al. 1984; Germak and Robinson 2014; Baierl et al. 2014). Ultimately, it seems that entrepreneurs must be willing to assume some risk after calculation of probable positive outcome; this is how the trait of risk-taking has therefore been framed for the purposes of this study. Some studies suggest that social entrepreneurs may need to be prepared to take on an even higher level of risk than their commercial counterparts, as they must 'find possible economic advantages without losing

focus on their social goals' (Abbou et al. 2017; see also Nicolas, Rubio, and Fernandez-Laviada 2018). Social entrepreneurs thus take on not only financial risk but also a social one, as either failure of their organization or unintended consequences of its success might negatively affect social outcomes (Bargsted et al. 2013). In developing country contexts, risk-taking behavior may be even more necessary in order to address a wider range of barriers that social entrepreneurs face (Ghalwash, Tolba, and Ismail 2017).

H5: There is a significance relationship between Risk Tolerance and Intent to Innovate

Intention to Innovate:

In this continued line of inquiry, it is imperative to understand the individual's intentions to engage in Social Innovation and Entrepreneurship (Bae et al. 2014; Bagheri and Pihie 2014; Souitaris et al. 2007; Zhao et al. 2005). Drawing on Ajzen's (1991, 2002) theory of planned behavior, this research has explored factors and/or experiences that shape entrepreneurial intentions across a variety of contexts (Bagheri and Pihie 2014; Lin et al and Chen 2009; Moriano et al. 2012; Wu and Wu 2008), learning interventions (Oosterbeek et al. 2010), and input characteristics (Shinnar et al. 2012). To better understand the extent to which a broad pattern of effectiveness in developing this outcome might exist, a recent meta-analysis (Bae et al. 2014) examined 73 studies to determine the relationship between entrepreneurship experience interventions and the appearance of entrepreneurial intentions. This analysis determined that entrepreneur experience, by and large, has a significant and positive influence on intentions.

The current researchers have found that social entrepreneurial intentions can be influenced through experiences even after controlling for personality traits and other background characteristics. Specifically, social entrepreneurial intentions were positively associated with perceptions of both their in- and out-of- organization experiences. Across national contexts, entrepreneurs who reported having greater opportunities to apply their experiences to the outside environment-demonstrated having greater intentions (Mayhew et al.2016). Additionally, forms of assessment that encouraged argument development and innovative problem solving, as well as forming closer personal relationships with other members, were influential on promoting innovative Entrepreneurship intentions among individuals, again with controls in place for personality, background and traits (Mayhew et al.2012).

4. RESEARCH METHODOLOGY

Sample

The analysis sample was collected for a Descriptive research project aimed at understanding the social entrepreneur capability of placement ready undergraduate students towards intention to social innovation. In total, 300 undergraduate students those who are part of entrepreneur cell, were provided the opportunity to take the survey. After screening, cleaning and conditioning the data, 274 individuals are remained. Such responses provided sufficient data upon which to evaluate data in response to the research question (Fosnacht et al. 2017; Gagne and Hancock 2006). Individual's in the sample were also diverse by way of gender, race, and major field of study.

Treatment of the Data

The obtained original data were already treated for missing values and screened for outliers. In the current study, the descriptive statistics for all the variables were examined to make sure they fell within acceptable range and skewness is one such statistic that was carefully looked at. Histograms were obtained for all the variables whose skewness statistic was greater than 1 to have a pictorial view of the distribution of the variables.

Multiple Linear Regression

Multiple linear regression (MLR) is used to determine a mathematical relationship among a number of random variables. In other terms, MLR examines how multiple independent variables are related to one dependent variable. Thus, this paper measuring the Social Entrepreneur Capabilities such as creativity, motivation, openness to change, risk tolerance, autonomous towards intent to innovate

A Model for Multiple Linear Regression Analysis

Social Entrepreneur Capabilities

Figure 1 Multiple Linear Reaction

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RESULTS

Table 1 Model fit summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.652	.425	.423	.893
Predictors(constant), Risk tolerance, Creativity, Motivation, proactivity, Openness to change				
Dependent Variable: Intent to Innovate				

Table 2 ANOVA

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	17.676	2	8.838	7.565	.001
Residual	351.663	301	1.168		
Total	369.339	304			
Dependent Variable: Intent to Innovate					
Predictors(constant), Risk tolerance, Creativity, Motivation, proactivity, Openness to change					

Model fit summary column used to explain three types of R values like R, R Square, Adjusted R Square. R values should explain more than 30% i.e. it should be greater than 0.3. Every study based on regression Adjusted R Square value is considered for a model fit. Usually the value of R Square explaining the over variance between the factors. Usually researchers used to take the value of Adjusted R Square for model fit (Hair et.al., 2018). In this paper we used Adjusted R Square value to explain our model fit, explained more than .3 i.e. 0.423 ultimately considered as a model fit.

Table of ANOVA shows significant results. Thus, it shows Acceptance of Alternate Hypothesis and Rejection of Null Hypothesis in the study.

Table 3 Coefficients

Model	Unstandardized Coefficient		Standardized coefficient	t	Sig.
	B	Std. error	Beta		
1 Constant	6.615	2.385		2.774	.006
Creativity	0.710	.052	.094	2.364	.004
Motivation	0.63	.064	.068	2.992	.002
Proactivity	.001	.077	.001	2.012	.004
Openness to Change	.076	.074	.070	2.020	.003
Risk Tolerance	.066	.033	.141	2.026	.044

Dependent variable: Intent to Innovate

For Acceptance of Alternate Hypothesis, rejection of Null Hypothesis value should be < 0.05

Interpretation of the Above Table is Motivation has Highest impact over the Intent to Innovate by explaining .002 with the significant value, Next to that Openness to Change with .003, Proactivity and Creativity with .004 and Risk Tolerance has lowest impact over the Intent to Innovate with .044

Table 4 Hypothesis Acceptance or Rejection Table

Hypothesis	Acceptance/Rejection of Alternate Hypothesis
H1: There is significance relationship between Creativity and Intent to Innovate	Acceptance of Alternate hypothesis
H2: There is a significance relationship between Openness to Change and Intent to Innovate	Acceptance of Alternate hypothesis
H3: There is a significance relationship between Autonomous and Intent to Innovate	Acceptance of Alternate hypothesis
H4: There is a significance relationship between Motivation and Intent to Innovate	Acceptance of Alternate hypothesis
H5: There is a significance relationship between Risk Tolerance and Intent to Innovate	Acceptance of Alternate hypothesis

Thus, the Above Table shows that All the factors of Social Entrepreneur Capabilities have a significant relationship with the Intent to Innovate.

5. CONCLUSION

In this study, our main purpose was to measure whether there is significant relationship between Social Entrepreneur Capabilities and Intent to Innovate in order to develop the Social Innovation, Innovation faces challenges due to the intangible nature and difficulty in adequate measurement of innovation capability. It's in this direction, that our opinion, that the conceptualization of Social Innovation must be encouraged. It involves much more than creating a new model: it creates empathy, as well as a change in power related relationships, and a change in the way people think and act. These changes cross, invariably, the borders of the individual, group or organization. In other words, social innovation aims to rebuild a state as a societal state, in which economic rationality makes sense when defined as a way of accomplishing social purposefulness in its diversity. "A heightened empathic sentiment also allows an increasingly individualized population to affiliate with one another in more interdependent, expanded and integrated social organisms. This is the process that characterizes what we call civilization." (Rifkin,2011).

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