

DETERMINANTS OF CHARACTERISTICS TOWARDS SOCIOPRENEURSHIP
ACCULTURATION TO IMPROVE LOCAL SOCIETY IN MALAYSIA

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The thesis is submitted in partial fulfilment of the requirements for the award of
Bachelor of Technopreneurship

Faculty of Technology Management and Technopreneurship
(Technopreneurship)
Universiti Teknikal Malaysia Melaka

June 2017

DECLARATION OF ORIGINAL WORK

“I hereby declare that this project paper is the result of my own and independent work except the summary and experts opinion that have been specifically acknowledged and cited in the references.”

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DEDICATION

I would like to thank and express the appreciation to my family members especially my mother and father, Saadiah Bt Hj Umar and Noor Azman B Mohd Noor who always support me in completing this research. Next, to my beloved friends who always backup and helped me when I'm in really need someone's help. They continuously give me a support and advice to fulfil the requirement of the research. Last but not least to my respectful supervisor, Ms. Johanna Bt Abdullah Jaafar for her endless encouragement and guide towards me throughout completion of my final year project.

ACKNOWLEDGEMENT

First and foremost, Alhamdulillah to God, the Almighty, for His showers of blessings throughout my research until it is completely done since the first chapter. I would like to express my deepest appreciation to my supervisor, Ms. Johanna Abdullah Jaafar for the excellent guidance and additional information or activities that I may involved regarding my research topic. She kept me constantly engaged with my research and never stop in giving ideas, suggestions and spirits in order to assure the research is completed on time. Also, never give up in correcting my mistakes in doing proposal and thesis. It was an honoured to work under her supervision. I would also like to thank Prof. Salleh Yahya for sharing his expertise and knowledge in the Research Method subject that really helped me in writing the research. My appreciation extends to my course mates and housemates for sharing their knowledge and useful information to be included in my research. In addition, big thanks to Malaysian Global Innovation and Creativity Centre (MaGIC) for organizing forum and talks for free that helped me to understand more and get exposed about social entrepreneurship and their activities. Above ground, I indebted my family for all the courage and supports they have given to me along my research completion. Without them, I would not be able came out with a quality and improved research.

Thank you.

ABSTRACT

Social entrepreneur is the person whom run a business model that generates income and remain sustainable through solving and tackling the critical social and environmental issues of their targeted beneficiaries so that this world can be a better planet to live in. Social entrepreneurship is still a developing field in Malaysia as a result of considerate entrepreneurs as well as encouragement from the local government to build a caring society. Nevertheless, in order to inculcate the social entrepreneurship culture among business owners, they should understand well the characteristics that should be in practice. As such, this research basically aims determinants of characteristics towards sociopreneurship acculturation o improve local society in Malaysia. The objectives of this study are to identify the characteristics in shaping the sociopreneurship culture and examine the strength of relationship for each characteristic that highly contribute towards the sociopreneurship culture among entrepreneurs and societies. The essential characteristics chosen based on the observation from previous research that have been conducted in other countries such as entrepreneurial quality, enthusiasm and change maker. This research used quantitative approach to collect and analyse data. Questionnaires have been distributed to 75 respondents from registered sociopreneurs under Malaysian Global Innovation and Creativity Centre (MaGIC). The researcher used Multiple Regression Analysis, Pearson's Correlation Analysis and hypothesis testing to determine the characteristics towards sociopreneurship acculturation to improve local society in Malaysia. This research finding may contribute towards the local entrepreneurs to have clearer view of the characteristics that they should be concerned of to become as social entrepreneurs.

Keywords: Social Entrepreneurship, Entrepreneurial Quality, Enthusiastic, Change Maker.

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LIST OF ABBREVIATIONS

ANOVA	=	Analysis of Variance
MAGIC	=	Malaysian Global Innovation Centre and Creativity

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CHAPTER 1

INTRODUCTION

1.1 Background of the Research

In the recent era, many entrepreneurs had changed their mindset and the way of thinking in business. Most of them were not only focusing on maximising the company's profit but also contributed to the local communities as part of their corporate social responsibility (CSR). They believed that in order to be successful they need to serve others as well. Therefore, the term "sociopreneurship" has been created and introduced to define such entrepreneurs. "Sociopreneurship" existed from a word "social entrepreneurship". According to Hulgård, L. (2010), midst of 1960 was the first time where the term "sociopreneurship" first appeared in the writings of social change and amid 2002-2005, it was estimated that 75 per cent of all academic articles on social enterprise and social entrepreneurship that had been issued. In the first place, we already to understand the definition of entrepreneurship clearly so that the sociopreneurship term can be understood well and easily compared to entrepreneurship.

First and foremost, it is understood that an entrepreneur is an individual who habitually produces and innovates to assemble something of recognised value around perceived opportunities (Smith, Bell & Watts, 2014). So any kind of activities that bring opportunities and profit will enhance the creativity of entrepreneurs to be the first mover in the industry towards economic wealth. Besides that, an entrepreneur is a risk taker that running a business to fulfil customer's needs and wants in order to gain profit for themselves and at the same time expand the market as far as they can.

While entrepreneurs tend to be more concern of making profit for themselves, sociopreneurship arise not only abroad but also in Malaysia as well, which is actually an innovative approach for dealing with complex social needs (Peredo & McLean, 2006) while running a business with impact either to society or environment. The researcher belief that sociopreneurship culture can lead to a better planet to live in since social and emotional abilities that existed in sociopreneurs are four times more important than IQ of an entrepreneurs in determining success (Ghorbani, Johari, & Moghadam, 2012). Smith, Bell and Watts (2014) traces that even though entrepreneurs and sociopreneurs share many of similar personality and skills, but they are motivated by different outcomes; entrepreneurs aim for economic wealth while sociopreneurs have their own social mission despite of earning profit.

The researcher acknowledge that with proper exposure and training this can be the future of business. In fact, sociopreneurship that has been defined by Malaysian Global Innovation and Creativity Centre (MaGIC) is all about business model that generates income and remain sustainability through solving and tackling the critical social and environmental issues to their target beneficiaries. The business need to be meaningful enough to create impact. The areas of impact that sociopreneurs want to empower in the social sectors include community, environment, poverty, education, youth development, healthcare and others.

As mentioned in asiafoundation.org, our Prime Minister, Datuk Seri Najib Razak took a big step toward promoting social enterprise community since the government allocates RM 20 million to MaGIC to nurture at least 1000 people in joining the social enterprises by 2018. MaGIC is actually a centre to unleash the potential of sociopreneurship as a driver for long term societal and environmental benefit through development of knowledge (awareness), talent pool and financial resources for the sociopreneurship in Malaysia. This will certainly provide much more incentives for Malaysian to embark on this journey. In order to ensure the successful of these effort, the researcher tends to study about determinants of characteristics towards sociopreneurship acculturation to improve local society in Malaysia. It may enhance better understanding about sociopreneurship and their critical contributions toward the local communities' social and economic

development. This is to ensure that the funds provided will be used properly and achieved the governments' objective to have 1000 sociopreneurship in Malaysia by 2018. As a result, many social and environmental issues can be solved through sociopreneurship culture that may lead to a better nation.

Rendering to MaGIC, Malaysia is overall ranked number nine for the best country to be as sociopreneurs and the fifth best place to be as sociopreneurs for women in Asia. In addition, the survey carried out by MaGIC found that over 75% organizations in sociopreneurship area were found in the last five years such as Arus Academy that teaches skills such as coding and programming to the underprivileged kids in Penang, Simply Cookies that located in Kuala Lumpur, trains single mother to bake in the kitchen and then the sociopreneurs will help them to sell the cookies, Biji-biji Initiatives as a medium to promote a sustainable living through upcycling and design (green technology), The Picha Project who sells the foods that cooked by the refugees and many more. Therefore, it is important for the nations to understand and recognise the sociopreneurs through their main characteristics.

1.2 Problem Statement

In this era, the society around the globe is facing structural issue such as inadequate education and health system, environmental threats, unemployment among youth, poverty, disability and high crime rates. These issues can cause a stunted in economic development because the human capital is not properly treated. Fam *et al.*, (2016) has found that the existing of inequality of socioeconomic with deprivation level among 81 administrative districts (ADs) in Peninsular Malaysia.

These areas need to be solved immediately by human themselves to make the world as a better place to live in. Even though we have plenty of hands such as Non-Government Organization (NGO), MERCY Malaysia and volunteers in different sectors, it is still insufficient to cater for the social and environmental hitches that keep growing in numbers each day.

Other than government who is close to the society, entrepreneurs also play a vital role as to satisfy people's the needs and wants. Basically, entrepreneurs run a business and generate huge revenues and profit that have nothing to do with the needs of the society. Even some of them does not allocate any money for the CSR purposes or invest in the social welfare. The entrepreneurs only tends to use the profit for their personal prominence either to expand the market, to support their family and many more that is not related to the humanity aspect. Therefore, sociopreneurs exist to support and help discover the government and corporate unawareness.

Supposingly, there should be more space to help those in needs. As such, this serve as a reason for the researcher to study about sociopreneurship culture that can create a positive impact to the local societies and the nation as a whole. There are so many speculations about sociopreneurs, some might categorize them as social activists or charity organizers, and some may consider them as philanthropist and environmentalist. The researcher will prove a clear definition of sociopreneurs and how they create social wealth and addressing social issue throughout this research.

1.3 Research Objectives

The main objective of this research is to determine the important characteristics towards acculturation of sociopreneurship among entrepreneurs. Therefore, the major principles are listed as below:

1. To identify the characteristics in shaping the sociopreneurship culture.
2. To examine the strength of relationship for each characteristic that highly contribute towards the sociopreneurship culture among entrepreneurs and society.

1.4 Research Questions

In order to achieve the objective of this research, three critical questions were highlighted as an indicator to create the theoretical framework as follows:

1. What are the characteristics in shaping the sociopreneurship culture?
2. How strong is the relationship between these characteristics that contribute towards the sociopreneurship culture?

1.5 Scope of Study

This research conducted determine the characteristics towards sociopreneurship acculturation to improve local society in Malaysia. Since this research were focusing on sociopreneurship characteristics, the researcher tends to approach and distribute the questionnaires to 75 sociopreneurs around Malaysia whom registered under MaGIC. It was expected some theory might arise that may contribute in deeper understanding about sociopreneurship culture through the ideas of sociopreneurs which related to the survey form. Expertise from MaGIC and MyHarapan who is dedicated towards empowering young Malaysians by supporting

youth projects and initiatives that contribute to current nation-building efforts also included in this research.

1.6 Limitations of the Study

There are several limitations that will be facing by the researcher during carry out the research which relate to time constrain, data collections, and financial. Due to limited time frame, this study is unable to reach more people because the duration of the study is less than a year. As a result, it is insufficient to obtain feedback from a wider range of respondents. Besides, the next constraint will be less cooperation among respondents to answer the survey questionnaire and they are lacking of knowledge about this research topic, thus, it might contribute to the insignificant value of the results. On top of that, there might be some questionnaires are not return back to the researcher. Therefore, the researcher needs to find potential solutions to overcome these constraints.

Last but not least is the financial constraint. The researcher needs to travel back and forth to get the genuine data about the topic. Besides, the researcher also needs to print out a lot of sources and data about potential sociopreneurs to make an excellence research which cost a large amount of money.

1.7 Significance of the Study

This study will be beneficial to three classes of people which are academician, entrepreneurs and Y generation (Gen-Y and Z).

Firstly, sociopreneurship culture may enhance a better society that will bring a lot of improvements towards the local community development. Therefore, it is an interesting topic to be taught in higher learning institution in Malaysia especially in order to give good impact towards the societies. Through deeper understanding of the culture and characteristics of sociopreneurship, the academician may cultivate it among students and embed it in the concern subject since these sociopreneurship culture supposingly an actual norm, not a new lifestyle to be discovered. Through increasing of the sociopreneurship culture among entrepreneurs, it may help the government and local authority in solving and tackling the critical social and environmental issues. This circumstances could lead to the harmonize nation in the future.

Subsequently, entrepreneurs should aware that social entrepreneurship is a new thing in the business world that suddenly become new phenomenon in order to seek solutions to the society's problems. Entrepreneurs should be more proactive developing the importance of social contribution which enable them to improve our social gap that becoming bigger recently and improve the social values. These circles of entrepreneurs can foster a harmony living if all of them bring their own social mission even it gives a small impact. The entrepreneurs just need to be brave enough to try new phenomenon in business since there are so many institutions can support social entrepreneurship such as MaGIC, MyHarapan and also Ministry of Finance (MoF).

Last but not least, Transformasi Negara 2050 (TN50) has mentioned main aspirations that relates to youths which are economy and jobs, environment and well-being, governance, lifestyle and community. Sociopreneurship tends to be one of the channel that It can reduce the unemployment amongst youth and fresh graduates. By having knowledge in sociopreneurship and how it tackles social issues, they will think out of the box and even create job for other people through sociopreneurship.

1.8 Summary

This chapter focuses on the introduction, problem statement, research questions & objectives, scope, limitation of study and the significance of study about determinants of characteristics towards sociopreneurship acculturation o improve local society in Malaysia. For the next chapter, the researcher will introduce to the readers the literature of the keywords use in this topic.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter provides the review of literature about the entrepreneurship and sociopreneurship as well as the personality of entrepreneurs and sociopreneurs. It includes the key terminologies used in this study to develop a new research framework. The literature available from the previous research conducted by few researchers mainly from abroad since this area is quite new to the Malaysian culture as there is small population of sociopreneurs in Malaysia.