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## Youth Intention to Initiate Social Entrepreneurship Activities: A Case Study of a Malaysian Social Enterprise

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### Abstract

The involvement of youth in creating socially innovative products is important. As future leaders, their contributions in addressing social and environment issues improve community well beings. Nevertheless, study focusing on youth entrepreneurship remains scant especially on motivation of their involvement in social entrepreneurship activities. The main objective of this research is to explore the factors that influence youth involvement in social entrepreneurship activities. The study employed a case study methodology utilizing an in-depth interview with a young social entrepreneur. The study found that the Malaysian youth engaged in social entrepreneurship activities with the aim of making an impact to the society. The main factors that influence youth involvement in social entrepreneurship activities include personal traits, personal values, social networks, support and guidance, technology, family upbringing and exposure, and positive mindset. These insights are beneficial to the government, NGOs and social entrepreneurs in encouraging youngsters' participation in social entrepreneurship activities.

**Keywords:** youth intention, social entrepreneurship activities, social enterprises

### 1. Introduction

Social Entrepreneurship plays an important role in the socio-economy of a country. The social enterprises help to address the social and environment issues faced by the community by delivering social values. In Malaysia, the social enterprise leadership is young and diverse, and relatively young. According to Global Entrepreneurship Monitor (2015), there is about 7,257 social enterprises out of 907,065 Micro, Small and Medium Enterprises (MSME) in Malaysia (British Council, 2018). This number is based on an estimation that 0.8 per cent of all enterprises in Malaysia could be classified as social enterprises (British Council, 2018).



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Under the Ministry of Entrepreneur Development (MED), a new policy, The National Entrepreneurship Policy 2030 (NEP2030), was launched to set a direction for creating an inclusive entrepreneurship ecosystem which included as well as the marginalized community.

This blueprint coordinate issues relating to the policy and entrepreneur development, that consist of young entrepreneurs from start-ups to social enterprises. Hence, the Malaysian Global Innovation & Creativity Centre (MaGIC), under the Ministry of Entrepreneur Development and Cooperatives (MEDAC) has taken a lead role for achieving the objective set by The National Entrepreneurship Policy 2030 in turning Malaysia as entrepreneurial nation aligned with Industry 4.0. MaGIC has received RM10mil in Budget 2020 to scale social enterprise.

The key challenge addressed in the Eleventh Malaysian Plan (2016-2020) was the rise of social issues involving youth. Involving bright young leaders to work together in handling the critical problems has created an impact on young generation. As such, there is a great inspiration and interest in social attempt and growth especially among youth (Miller, Grimes, McMullen, & Vogus, 2012). However, studies on intention among youth to initiate social entrepreneurship activities and innovation are still lacking (Khosroshahi, Corriero, Taraban, Richardson, Seel & Siebert, 2006; Baierl, Grichnik, Spörrle & Welp, 2014; Tana & Yoob, 2015; Rahman, Othman, Pihie & Wahid, 2016). New studies are needed to identify factors that influence youth's involvement in social entrepreneurship activities.

The youths are important leaders in the construction of socially innovative solutions to the world's 'wicked problems' (Lewis, 2016). Their involvement in social entrepreneurial activities is a game changer as they themselves are in the process of change. They contribute ideas and energy towards building the community and bringing a social change (Drayton, 2005). At this stage, they sense the need to contribute in solving the social problem (Davis, 2002).

Research on entrepreneurial intention has received utmost attention by scholars. While, the research on youth social entrepreneurship is emerging and mostly begins in a tertiary level. Although young social entrepreneurs suffer from a lack of knowledge in social ventures (Khosrosshashi et al., 2006), they are keen than middle-aged individuals in social endeavour (Prabhu, 1999), in which this interest adds greater values to society in the long run. It is necessary to explore what motivate young entrepreneurs to initiate social entrepreneurship activities (Yusof, 2007).



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## 2. Literature Review

### 2.1 Definition of Youth

The Ministry of Youth and Sports in collaboration with Malaysia Youth Council has classified youth as people between the age of 15 to 30 (Youth Societies and Youth Development, 2019). While, the United Nations defined youth as people between the age of 15 to 24 years (Youth and United Nations, 2010). While Sebba et al., (2009), defined youth as individual in the phase independent from dependent.

### 2.2 Social Enterprises

Social enterprise evolved from the mixture of commercial business and non-profit organization (Dacin et al., 2010). Social enterprise enters into commercial activities and uses the market-based technique to solve social or environmental issues (Dees & Anderson, 2006; Barraket et al., 2010). Intermediaries that support the progress of social enterprise are such as British Council, myHarapan, iM4U, Scope Group, Tandemic and Social Enterprise Alliance (Blueprint, M. S. E., 2015).

### 2.3 Factors that influence youth' intention to be involved in social entrepreneurship activities

Youth today have the drive and initiative to take up the social entrepreneurship activities due to many reasons. According to Aileen Boluk and Mottiar (2014), involvement in the social venture to contribute to the community and serve the needy (Muller, 2012). They are led by their self-confidence, extroversion (London, 2010), intuition and risk taking nature (Elkington & Hartigan, 2008). While, some are influenced by their past social activity, skill trainings, networks, mentor guidance, culture and their revolutionary attitude (UNICEF, 2007). Youth proceed bravely in social entrepreneurship activities with the support of family and friends (O'Leary et al., 2014). They embark fast due to their techno savvy knowledge, that enable them to create opportunity in a less stressful and with cost effective way (Information Resources Management Association, 2017).

## 3. Research Methodology

### 3.1 Method and Case Selection

The research employed a qualitative approach in the form of the case study methodology. A descriptive and exploratory single case study was used to understand the factors that influence youth' intention to be involved in social entrepreneurship activities. A case study approach was chosen to answer the how and why of a phenomenon and to explore the context of a phenomenon in depth (Yin, 2011). A case study approach is appropriate when the boundaries



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between the phenomenon and the context are not clear (Yin, 2011). This research focused on an emerging social enterprise that has successfully implement its social business model in Malaysia. The selection of the firm was based on two criteria. First, the youth consist of social entrepreneurs which are under 40 years old. Second, the social enterprise mission was related to either social and/or environment cause. The criteria were applied to ensure the chosen social enterprise consist of owners or social entrepreneurs who are young. In this research, Babylon Vertical Farms (BVF) was selected as it fulfilled the selection criteria. The Babylon Vertical Farms (BVF) is an agricultural and technological company that grew high quality hydroponic vegetables and herbs with minimum use of sunlight, soil, and pesticides. BVF is comprising of aspiring individuals and led by an inspiring youth, Mr. Stuart Aaron Thomas.

### 3.2 Data Collection and Analysis

For the data collection, the study used the triangulation method, which combined in-depth interviews as well as online and offline document analysis. Internal documents such as the profile of the firm, articles and information on the website were collected to enhance the understanding of the process, resources and successes of the firm. A set of semi-structured interview questions were developed for an in-depth interview with the young leader of the firm. The interview was recorded and transcribed for accurate data reporting and validation. When the data was collected and then analyzed, thematic information emerged, and this led to theory development. To increase the construct validity, the researchers used multiple sources of evidence and established a chain of evidence during the data collection.

## 4. Findings and Discussion

Amongst the factors that influence Stuart involvement in social entrepreneurship activities are related to his traits, personal values, social networks, support and guidance, technology, family upbringing and exposure, and positive mindset.

### A. Personal traits

Amongst the personal traits that influence youth involvement in a social entrepreneurship activity are related to their passions, proactiveness, risk attitude, innovativeness, self-efficacy, inquisitiveness, empathy and perseverance. Stuart's childhood exposure to movies and books, such as Jurassic Park and Meet the Robinsons, had cultivated his passion for technology and science. He was also exposed to social entrepreneurship when he joined a club in the campus called Enactus and after attending a Young Social Entrepreneurs Workshop organized by Singapore International Foundation. Stuart and his team also worked under the guidance of McKenzie Singapore that taught them the skills required to be a successful social entrepreneur.



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In June 2015, visiting Mumbai, India had opened Stuart eyes that he can change the world and that there was nothing more important than building a better future for the next generation. Stuart started browsing Facebook for ideas and he came across an article on the Next 5 Trillion Dollar Industries. Stuart was excited with the idea of vertical farming and its potential for sustainable future food production in the first world countries and impoverished nations. He decided to probe into vertical farming due to its environment conservation benefit, as well as its positive social impact.

The Babylon Vertical Farms (BVF) used recycled water through reverse osmosis process with the target to decrease cultivated time to less than 6 hours, when compared to the typical 18 hours, apart from minimizing water usage up to 90%. Stuart and his team customized their own tools, such as craving the pipes and inserting the pipes with industrial sponges to hold the plants vertically.

## b. Personal values

Stuart and his team belief in giving and stay true to the cause (business model), sincere and honest in whatever they do. They belief that the more they give the more they will get. It is always about giving back to the community.

## c. Social networks

Both Stuart and his team's social and informal networks drive up their involvement in social entrepreneurship activities. Stuart's friendly and enthusiastic nature led him to meet many people with different experience in the industry. One of them was David, the CEO of Water Row, who managed a portable and light weight water filter company. David quickly became a friend who supported and guided Stuart. David shared many of his experiences and knowledge with Stuart. Stuart parents also supported his decision to delay his study and focus his attention to the business.

## d. Support and guidance

Involvement with social enterprise club in university had exposed Stuart and his team with more social-related opportunities. Malaysia government through its accelerator programs and funding programs, enhances youth' learning through experience and ability, and widen their networks and support in social entrepreneurship activities. Through Malaysian Global Innovation & Creativity Centre (MaGIC), youth are introduced to and be part of a social enterprise ecosystem.



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In March 2016, Stuart and his team built a prototype which amounted RM600 and the idea of vertical farming was put forth to MaGIC. In April 2016, Stuart and his team idea were shortlisted among the 400 business ideas and he received a grant worth RM30,000 in July 2016. In the same month, Stuart and his team pitched their idea in Asian Young Entrepreneurs Conference (AYEC) and received a soft loan of RM50,000 from SP Setia. The fund was used to setup the first vertical farm container.

## e. Technology

Availability of technology enables innovative solutions for social and environment problems. In this case, Stuart wanted to build a social enterprise to fight poverty and hunger by applying and improving technology. By applying technology, Stuart planned to reduce the cost to grow crops.

## f. Family upbringing and childhood exposure

Stuart's childhood experience and exposure with social activities triggered his interests in social entrepreneurship. Stuart's father owns a travel agency firm and his father took the family for overseas trips for every two years. Those trips exposed Stuart on wellbeing of society and environment.

## g. Positive Mindset

Stuart and his team's involvement in social entrepreneurship activities centered on overcoming social problems as well as making profit. They saw a one-time opportunity and believe that if they put their mind to make things work, it would work.

## 5. Conclusion

This study reported a single case investigation on factors that influence youth to be involve in social entrepreneurship activities. This study found that the main factors that influence youth to be involved in social entrepreneurship activities include personal traits, personal values, social networks, support and guidance, technology, family upbringing and exposure, and positive mindset. Social entrepreneurship among the youth in Malaysia focuses on creating values for the society by solving social and environment problems. The youth social



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Entrepreneurs make impact to the society by creating jobs for the underprivileged ~~for their~~ ~~survivability~~.

As this study has only focused on a single case study, further research should include more successful social enterprises firms and compare their reasons to be involved in social entrepreneurship activities. The case study can be expanded into analysis of multiple-case studies to enhance comprehension of social enterprises, especially with regard to social entrepreneurship motivation and activities.

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