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## MODELLING INTENTION FORMATION IN MALAYSIAN SOCIAL ENTREPRENEURSHIP: A CONCEPTUAL FRAMEWORK

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### Abstract

Social entrepreneurship has emerged as a key strategy for poverty reduction and employment generation, aligning with Sustainable Development Goal 1 (SDG1). Since the 1980s, it has evolved from grant-dependent charities into income-generating enterprises, offering cost-effective alternatives for public service delivery. Despite global progress, the development of social entrepreneurship in Malaysia remains limited. As of January 2025, the country recorded only 465 social enterprises, with just 6% achieving accredited status, an insufficient scale for widespread social impact. This conceptual study proposes an integrated framework by incorporating the Theory of Planned Behaviour (TPB) to better understand Malaysians' Social Entrepreneurial Intention (SEI). From extensive review of literature, this framework looks into critical factors such as empathy, moral obligation, self-efficacy, social support, social worth, financial support, and voluntary experience, and their impact to the SEI. The model asserts the relationship between prosocial personality, prosocial motivations, and institutional support in shaping a SEI. The insights derived contributes to theory and practice in building a more impactful and sustainable social entrepreneurship ecosystem. Additionally, the framework provides a foundation to future empirical studies to expand and test the knowledge of SEI in Malaysia and comparable countries.

**Keywords:** Social entrepreneurial intention, Social enterprise, Social business, Conceptual Framework

### Introduction

Social entrepreneurship has gained increasing global prominence since the 1980s, emerging as a powerful tool for addressing persistent social issues such as poverty, inequality, and marginalization (Cheah, et al., 2023). It is defined as the practice of using entrepreneurial principles to organize, create, and manage ventures with the primary aim of social impact rather than profit maximization (Chandra, et al., 2021). Malaysia presents a unique context for studying social entrepreneurship. Malaysia's developing economy, with its ongoing process of industrialization and urbanization, presents both opportunities and challenges for social entrepreneurs (Seng, 2018). While the country has made significant strides in reducing poverty and improving living standards, there are still persistent social problems, such as income inequality, unemployment among youth, and the marginalization of certain communities (Rajah, et al., 2022).

Moreover, Malaysia's evolving institutional environment, with its mix of government policies, legal frameworks, and support organizations, plays a crucial role in shaping the development of social entrepreneurship (Quyen, et al., 2024). The Malaysian government has increasingly recognized the potential of social entrepreneurship to contribute to the country's

economic and social development and has implemented various initiatives to promote its growth (Quyen & Cheah, 2023). However, there are still challenges, such as a lack of clear legal definitions for social enterprises and limited access to funding and other resources (OECD, 2016).

SEI research, as highlighted in a systematic literature review by Saebi, et al. (2019), still within an emerging stage, and there is a need to reveal various antecedents of SEI formation. Additionally, the intersection between prosocial personality, prosocial motivation, and institutional support remains underexplored. This study adopted conceptual model developed by Mair and Noboa (2006) on the antecedents of SEI by drawing on the Theory of Planned Behaviour (TPB) by Ajzen (1991). This study addresses a critical gap by proposing an integrated conceptual framework that combines the prosocial personality, prosocial motivation, and institutional support in SEI formation. By doing so, it not only contributes to the academic knowledge but also provide insights that can be actionable for policy maker and social enterprise ecosystem in Malaysia.

## **Literature Review**

This study examines the key drivers behind SEI in Malaysia. By identify more mediating and moderating variables and the linkages between them can be one of the ways to narrow the gaps (Cheah, et al., 2023; Saebi, et al., 2019). This literature review scrutinises applicable studies on SEI construct and theoretical perspectives to establish a foundation for the hypothesis development and conceptual framework.

### ***Theory of Planned Behaviour (TPB)***

The Theory of Planned Behaviour (Ajzen, 1991) posits that human action is guided by three kinds of considerations: behavioural beliefs (attitudes toward the behaviour), normative beliefs (subjective norms), and control beliefs (perceived behavioural control). These components predict behavioural intention, which in turn predicts actual behaviour. In the context of social entrepreneurship, TPB has been widely used to examine the antecedents of SEI (Hockerts, 2017; Liu, et al., 2019; Cheah, et al., 2023).

This study uses TPB as the foundational theory for modelling individual-level determinants of SEI. Key psychological and social antecedents including empathy, moral obligation, self-efficacy, perceived social support, and social worth are conceptualized as shaping an individual's attitude, perceived norms, and perceived behavioural control toward social entrepreneurship intention. For example, empathy and moral obligation influence prosocial attitudes, while perceived social support, self-efficacy, and social support contribute to the perceived control over creating a social enterprise intention.

### ***Key Constructs in the Integrated Framework***

Prosocial personality is described as an individuals unique and essential traits (Cheah, et al., 2023; Saebi, et al., 2019). Among the numerous individual feelings or emotions connected to the SEI, empathy (Cheah, et al., 2023; Bacq & Alt, 2018; Mair & Noboa, 2006) and moral obligations (Cheah, et al., 2023; Liu, et al., 2021) are found to be the significant factors.

In order to continuously accelerate the personal, psychological, and emotional stance towards the behaviour intention level, prosocial motivations are found as key factor in investigating the inter-relationship. (Cheah, et al., 2023; Saebi, et al., 2019; Mair & Noboa, 2006). Three most notable mediating variables, social worth (Bacq & Alt, 2018), social support (Younis, et al., 2021; Mair & Noboa, 2006), and self-efficacy (Hockerts, 2017; Mair & Noboa, 2006), are predicted to act as enablers between prosocial personality and SEI.

The hybrid nature of social enterprise requires diverse form of support from external sources (Vakkuri, et al., 2021). The external support in this study will focus from a formal and informal institutions, both which can interact and form a significant influence on SE (Shirokova, et al., 2021). Many previous literatures viewed institutional support on established social enterprise, but there are very limited studies on how the institutional support impact the SEI in Malaysia. This study will focus on financial support (Spanuth & Urbano, 2024) and voluntary experience (Ashraf, 2020; Hockerts, 2017) as the moderating factor in forming the SEI under this conceptual framework.

### **Proposition Development**

In this section, theoretical propositions are developed to explain how prosocial personality, prosocial motivation, and institutional support influence SEI in the Malaysian context, building upon the framework from TPB. Every proposition is supported by established literature and incorporates ideas from earlier conceptual and empirical studies, laying the groundwork for future hypothesis testing and empirical validation.

Within the prosocial context, we will look into empathy (EY) and moral obligation (MO). EY is defined as the ability to understand and share the feelings of others, which is crucial for social entrepreneurship because it connects individuals with social issues and motivates them to act for the greater good (Cheah, et al., 2023). EY is often considered a foundational emotional trait for social entrepreneurs, as it helps individuals perceive societal challenges and motivates them to take action. Bacq and Alt (2018) suggest that EY can intensify emotions and judgments, influencing individuals' intentions to start a social enterprise. Therefore, the following proposition is proposed:

P1: EY positively influences SEI.

Moral obligation (MO) refers to the ethical responsibility or personal conviction that one should contribute to the well-being of others, one of the way is through social entrepreneurship (Hockerts, 2017). This internalized sense of duty to act for the common good is a key motivator for social entrepreneurs. Hockerts (2017) and Liu, et al. (2021), suggest that moral obligation positively influences SEI by encouraging individuals to engage in socially responsible behaviours, such as starting a social enterprise. Mair and Noboa (2006) proposed MO as a proxy under social norms in TPB model to predict the SEI formation.

P2: MO positively influences SEI.

Under prosocial motivation context, we will look into social worth (SW), social support (SS), and self-efficacy (SE). Prosocial motivation and enforcing mechanism are required as intermediaries to continuously accelerate the emotional, psychological, and personal attitude toward the level of behaviour intention (Cheah, et al., 2023; Saebi, et al., 2019; Mair & Noboa, 2006).

SW refers to the value that individuals attribute to their contribution to society, often influenced by recognition and appreciation from others (Grant & Gino, 2010). This construct emphasizes the role of external validation in motivating social entrepreneurship, as individuals are more likely to engage in socially responsible behaviours when they perceive their actions as valued by society. Research on SW and SEI is limited, but Bacq and Alt (2018) suggest that SW plays a mediating role between EY, MO, and SEI.

P3: SW positively mediates the relationship between EY, MO, and SEI.

SS refers to the assistance, both material and emotional, that individuals receive from their social networks (Hockerts, 2017). This support can come from family, friends, or professional networks and plays a significant role in the development of SEI by providing the necessary resources and encouragement to start a social enterprise. Numerous studies have

highlighted the positive influence of SS on SEI. Liu, et al. (2019) and Ip, et al. (2018) found that individuals with strong SS networks are more likely to develop social entrepreneurial intentions, as these networks provide both practical assistance and emotional encouragement. SS is particularly important in overcoming the financial and logistical barriers to starting a social enterprise (Cheah, et al., 2019).

P4: SS positively mediates the relationship between EY, MO, and SEI.

SE, as defined by Bandura (2010), is an individual's belief in their ability to execute the actions required to achieve specific goals. In the context of social entrepreneurship, SE is crucial because it influences whether individuals believe they can successfully navigate the challenges of starting and running a social enterprise (Bacq & Alt, 2018). A strong sense of SE increases the likelihood of engaging in social entrepreneurial activities, as individuals with higher SE are more confident in their ability to overcome obstacles and achieve desired outcomes (Kruse, 2020). Numerous studies have shown a positive correlation between SE and SEI (Mair & Noboa, 2006; Bacq & Alt, 2018).

P5: SE positively mediates the relationship between EY, MO, and SEI.

Under institutional support context, we will look into financial support (FS) and voluntary experiences (VE). Social enterprise venture typically requires resources that are not easily accessed through conventional commercial financing due to the non-profit elements embedded in their models. Studies show that the lack of seed funding, impact investment, or grant support is one of the most cited reasons for intention stagnation (Cheah, et al., 2023). Financial institutions and government agencies play a critical role in reshaping the financial support landscape to lower entry barriers for social entrepreneurs (Spanuth & Urbano, 2024).

P6: The relationship between prosocial personality, prosocial motivation, and SEI is moderated by FS.

Social norms and an individual's mindset might be influenced by VE. People who have dealt with socially oppressed groups in the past are more likely to have empathy and sense a moral obligation to assist those in need (Aloulou & Algarni, 2022). Furthermore, Hockerts (2017) also suggested that VE to address social problems can predict SEI. Additionally, VE might raise awareness and understanding about social concerns that social businesses can address (Fatoki, 2018).

P7: The relationship between prosocial personality, prosocial motivation, and SEI is moderated by VE.

The multifaceted nature of SEI is shown in these seven propositions taken together. As the framework integrates prosocial personality, prosocial motivation, and institutional support, it recognizes that a combination of MO, EY, SW, SS, SE, FS, and VE shape SEI. These propositions provide a theoretical framework for upcoming empirical research and real-world initiatives targeting SEI formation strategies in Malaysia and other developing nations.

## Research Methodology

In order to create a thorough theoretical framework that explains the driving forces behind Malaysians' SEI, this study uses a conceptual research design. In this context, the conceptual method is deemed more suitable since it enables the integration and synthesis of current knowledge from several fields, such as prosocial personality, prosocial motivation, and institutional support, without requiring primary data collecting. By thoroughly examining the scholarly literature on TPB and SEI, the study aims to develop a theoretically supported model.

A comprehensive literature search was carried out to ensure rigor, utilizing reputable academic databases like Scopus, Web of Science, and Google Scholar in addition to a few publisher platforms like Elsevier, Springer, Emerald, and Wiley. Peer-reviewed journal articles

from 2018 to 2023 were the focus of the review in order to represent the most recent development in TPB and SEI. "Social Entrepreneurship," "Social Entrepreneurship Intention," "theory of planned behaviour," "prosocial personality," "prosocial motivation," and "institutional support" were among the keywords and search phrases used. Studies that examined TPB, SEI, prosocial personality, prosocial motivation, and institutional support were the main focus of the selection procedure.

A coherent model was created by synthesizing the constructions taken from the literature and expressing the connections between them as theoretical propositions. These propositions provide testable pathway for further research because they are based on both theoretical justification and empirical data from earlier investigations. Although there is no empirical testing in this paper, it does provide a clear theoretical framework that can direct further quantitative research. Future study is advised to employ survey instruments for data collection and analytical methodologies like Partial Least Squares SEM (PLS-SEM) or Structural Equation Modelling (SEM) for relationship validation. By adding qualitative insights, mixed-methods research could improve contextual understanding even more.

All things considered, this conceptual methodology offers a thorough and transparent foundation for the creation of a framework that is both theoretically solid and practically applicable. It makes a significant contribution to our knowledge of SEI in Malaysia and provides a useful basis for further empirical research. The work contributes to the expanding body of research at the intersection of prosocial personality and prosocial motivation by capturing the interaction of institutional support, especially in Malaysian context.

## Result

The outcomes of this conceptual study are based on a systematic theoretical synthesis rather than empirical hypothesis testing. To create a cohesive conceptual framework, TPB was adopted after a thorough analysis of the body of existing literature. This framework aims to describe the factors that influence SEI in Malaysian context.

The proposed model identifies seven core constructs that are hypothesized to influence SEI: empathy, moral obligation, social worth, social support, self-efficacy, financial support, and voluntary experience. TPB serve as the theoretical domains to organise these variables. Key psychological and social antecedents including empathy, moral obligation, self-efficacy, perceived social support, and social worth are conceptualized as shaping an individual's attitude, perceived norms, and perceived behavioural control toward social entrepreneurship intention. While financial support and voluntary experience as a proxy for external behaviour control.

The model incorporates prosocial personality as a construct that influence SEI formation at the individual level. Under prosocial personality, EY and MO are revealed to be crucial elements among the numerous individual emotions linked to intents to participate in social enterprise. These variables are captured essential attitude traits of perceived desirability in the SEI formation.

In parallel, the model incorporates prosocial motivations perceived by individual as a potential intermediary construct. Social worth, social support, and self-efficacy were identified as potential mediators. In contrast to any charitable or philanthropic volunteer work, starting an organization is more difficult and takes a lot of time and work to produce results. Future social leaders should therefore have a typical entrepreneurial mindset, particularly for hybrid organizations such as social enterprise.

Importantly, financial support and voluntary experiences are introduced as moderating variables that influence the prosocial personality and prosocial motivation towards SEI. By

incorporating institutional support factors such as financial support and voluntary experience as moderators namely, it helps to assess how these external conditions might strengthen or weaken the intention-behaviour link.

By providing a more comprehensive understanding of SEI, especially in developing markets like Malaysia where the social entrepreneurship ecosystem still rapidly evolving, this theoretical integration adds to the body of knowledge. It establishes a foundation for future empirical research to confirm the proposed relationships, evaluate the model's fit, and determine the comparative influence of prosocial personality, prosocial motivation, and institutional support in the formation of SEI.

## Discussion

This conceptual study offers a different perspective in modelling individual-level determinants of SEI. Key psychological and social antecedents including empathy, moral obligation, self-efficacy, perceived social support, and social worth are conceptualized as shaping an individual's attitude, perceived norms, and perceived behavioural control while integrating financial support and voluntary experiences a moderating factor toward social entrepreneurship intention. This approach fills a significant gap in social enterprise literature, especially in emerging markets such as Malaysia where social entrepreneurship ecosystem still rapidly evolving (Quyen, et al., 2024).

By synthesizing the TPB with constructs from prosocial personality, prosocial motivation, and institutional support, the proposed model presents a multi-level perspective that deepens theoretical insights into the formation of SEI. This framework is the extension of TPB beyond its traditional structure. While attitude, subjective norms, and perceived behavioural control remain central, this study integrates additional variables such as empathy and moral obligation, which are particularly important in the social entrepreneurship context. These constructs align with prior research by Mair and Noboa (2006) and Hockerts (2017) suggesting that emotional and ethical drivers are crucial in distinguishing social entrepreneurs from traditional entrepreneurs. The inclusion of EY and MO as attitudinal antecedents addresses the internal, value-driven motivations that propel individuals toward social value creation.

Moreover, the model identifies SW, SS, and SE as key mediating variables that bridge prosocial traits and intention formation. These variables are crucial in reinforcing the individual's perceived capability and social validation, both of which are critical in entrepreneurial pursuits with social missions. For instance, the perception that one's efforts are recognized (SW) or that one can access emotional assistance or support (SS) may enhance the perceived feasibility of initiating a social enterprise. This aligns with previous studies by Bacq and Alt (2018) and Cheah, et al. (2023) that demonstrate how social validation and self-confidence function as enablers of SEI.

Institutional support is another area where this study advances the literature. While much of the existing research emphasizes institutional influences on established social enterprises, this study argues for the importance of these factors at the intention stage. By introducing FS and VE as moderating variables, the model highlights how external conditions can strengthen or weaken the effect of intrinsic motivation on SEI. For instance, access to financial resources may bolster one's confidence to act on socially driven intentions, while voluntary experiences may shape empathetic responses and foster a sense of obligation toward addressing social issues through social enterprise.

Importantly, the model reflects the Malaysian context, where social enterprise ecosystems are still developing and institutional clarity remains limited. Despite government

efforts such as the Social Enterprise Accreditation (SE.A) and the Malaysian Social Entrepreneurship Blueprint, challenges around funding access, legal recognition, and public awareness continue to inhibit the growth of social enterprises (KUSKOP, 2023). By contextualizing the theoretical model within these local realities, the study offers a practical framework that can inform policy design and capacity-building programs. For example, interventions that enhance youth exposure to volunteering, improve public recognition of social ventures, and expand access to impact financing may serve as levers to increase SEI among Malaysians.

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