

# An Empirical Study on Determinants of Intentions toward Social Entrepreneurship among Overseas University Students in China

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## ABSTRACT

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In recent times, there has been an increasing push to develop social entrepreneurship as a strategy for poverty alleviation, rural development and economic growth in most developing countries. This has accounted for several policies to encourage more individuals and organizations to venture into social entrepreneurship yet less is known about the intriguing factors that account for the intentions of especially overseas students from developing countries to venture into social entrepreneurship. Hence, this study applied the Structural Equation Model with Smart PLS software to examine some key determinants of social entrepreneurship intentions from the perspectives of overseas students from developing countries currently studying in China. A total sample of 280 overseas students from the developing countries currently studying at the Jiangsu University in China was randomly selected for the study. The results revealed that Psychological capital, Empathy, moral judgment, knowledge, and social support have significant impacts on social entrepreneurship intentions. Importantly, Psychological capital partially mediates the impact of empathy, moral judgment, knowledge and social support on social entrepreneurship intentions. The study recommends that overseas students in China should be exposed to social entrepreneurial skills and social problems as part of their training to be able to develop their intentions and strong behaviors for social value creation and social entrepreneurship. The results have both theoretical and empirical contributions to extending research scholarship in the field.

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## I. INTRODUCTION

Social entrepreneurship has received unmatched attention in research in the recent decades worldwide. (Fowler 2000, Young and Grinsfelder 2011, Zappalà 2001) describe social entrepreneurship

as sustainable creation of entrepreneurial activities and processes that are directed towards improving societal social conditions, socioeconomic structures, institutions and providing an innovative solutions to society-based problems through non-market based strategies. It is the application of innovative and

creative resources to alleviate social problems and improve societal social conditions, socioeconomic structures, and institutions through market based strategies (Cooney and Williams Shanks 2010, Dacin, Dacin, and Tracey 2011, Dees and Anderson 2006, Kerlin 2006).

According to (Dees and Anderson 2006, Mair and Marti 2006) the primary objective of social entrepreneurs is to serve the societal interest by establishing social enterprises such as Non-governmental Organization, community children foundation, orphanage homes, and gerontology homes, with their resources and provide free services for the society. Corroborated by this, (Bacq, Hartog, and Hoogendoorn 2016, Kerlin 2006) maintains that, Social entrepreneurs mostly contribute to expanding the social and economic capabilities of the venerable and notably those who lack opportunities in the communities. Hence Social entrepreneurs are distinguished from ordinary business entrepreneurs who discover opportunities and create new combination of resources to solve problems for monetary benefit.

Taking into account the increasing contributions of social entrepreneurship to poverty alleviation, most Developing countries are continuously developing policies and strategies to encourage more individuals and organizations to venture into of social entrepreneurship as a key approach to alleviate poverty and improve living standards particularly in the rural areas (Bacq, Hartog, and Hoogendoorn 2016, Cooney and Williams Shanks 2010, Mair and Marti 2006). As found by (Rametse and Shah 2012), the formation of social entrepreneurship ventures particularly contributes to social value creation and poverty alleviation. This has accounted for the reasons why several governments especially in the developing countries are designing policies to change the development narratives and to encourage more creation of social value through social entrepreneurship. However, the question of why

most individuals and organizations in these developing countries do not venture into social entrepreneurship and the factors accounting for their intentions to form these social ventures have not been fully addressed in the previous studies and continue to remain a research lacuna (Hockerts 2017, Politis et al. 2016).

Following previous studies conducted on individual and organizational intentions to form social enterprises globally, behavioural factors, remain the most key determinants of social entrepreneurship intentions (Aure 2018, Dacin, Dacin, and Tracey 2011, Donnellan et al. 2006, Hockerts 2017). However, recent studies such as (Young and Grinsfelder 2011, Usman 2019, Dacin, Dacin, and Tracey 2011, Hockerts 2017) conclude that the intention to form social enterprise could less be explained by only behavioural or sociological factors since other several factors such as psychological come to play. Considering psychological factors, (Contreras, de Dreu, and Espinosa 2017, Luthans, Youssef, and Avolio 2007b, Jensen 2008) venture into argument that, psychological capital has a potential role to play as a driving force behind the power of the individual to form behaviour and intentions particularly in starting up enterprise. Unfortunately, Psychological capital which describes the individuals' enthusiasm and confidence towards future challenges which enhances the success and survival of their performance (Luthans et al. 2006) remains least explored in previous studies as determinants of social entrepreneurship intentions.

Motivated by this background, the primary aim of this study is to investigate the key determinants of social entrepreneurship among international university students from developing countries by focusing on the role of psychological capital and the mechanism through which perceived social support, Entrepreneurship knowledge, prior experience in social problem influence social entrepreneurship intentions. This current study is among the

pioneering studies to extend the methodological and conceptual understanding of predictors of social entrepreneurship intention by including knowledge as obtained from entrepreneurship education, psychological capital, and experience in a novel computational approach.

The study focuses on addressing the research lacuna in the previous studies on social entrepreneurship intentions by introducing psychological capital as a mediating variable and identifying its mediation effect in the relationship between Prior knowledge in Social entrepreneurship and social problem, empathy, perceived social support, moral Judgment and social entrepreneurship intentions in developing countries from the perspectives of overseas university students using model proposed by (Hockerts 2017, Mair and Noboa 2006). This present study also innovatively applies the structural equation modeling approach.

The rest of this paper proceed with discussions on theoretical and conceptual framework, brief literature, the study, methods and data analysis procedures, results, discussions, conclusions and policy recommendations.

## II. LITERATURE REVIEW

The critical theoretical foundation of this paper and the hypotheses developed from the empirical studies reviewed. This paper applied the idea of the theory of planned behaviour to analysis the key determinants of social entrepreneurship intentions and the specific role of psychological capital in a novel computational approach. The theory of planned behaviour has been used as an extension from the theory of reasoned action to demonstrate how an individual forms particular behaviour (Ajzen 1991, Tiwari, Bhat, and Tikoria 2017, Yiu et al. 2014, Rise, Sheeran, and Hukkelberg 2010). This theory postulates the behaviour of an individual is predicted by his or her Behavioural intentions (Sheeran, Trafimow, and

Armitage 2003, Chipeta, Surujlal, and Koloba 2016, Cameron 2010). Behavioural intention has widely been used as a proxy to measure behaviour of the individual (Cameron 2010, Ajzen 1991, Sheeran, Trafimow, and Armitage 2003). Psychologically, behavioral intentions is the mental state of readiness to engage in a specific behaviour which serves as a motivation and inspiration to drive such an individual towards the action(Luthans, Youssef, and Avolio 2007b).

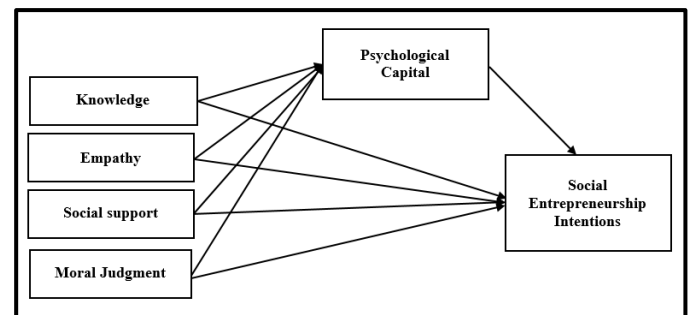
The individual's intentions to engage in a particular behaviour are shaped distinctively by the individual's subjective norms, attitude toward the particular behavior, as well as their perceived control over the behaviour(Mittelman and Rojas-Méndez 2018). An individual's attitude towards a particular behaviour refers to the opinion of oneself regarding predicting his or her feelings towards an action. The opinions of the individuals determines their likes or dislikes of certain behaviors. Similarly, a person's subjective norms defines his or her perception of what others think about the behaviour and the significance of their opinion of those around him or her. Before intentions are formed, individuals contemplate on the action and the possible judgments from the social environment possible from friends, family members and other people they relate. Their perceived Behavioural control encapsulate their belief about the magnitude, difficulty or how easy to carry on an action. It depends on the self-efficacy, self-confidence and the enthusiasm of the individual (Ip et al. 2017, Luthans, Luthans, and Luthans 2004).

The theory of planned behaviour has been extended and used to study entrepreneurship intention and entrepreneurial behaviour in several study such as (Mittelman and Rojas-Méndez 2018, Usman 2019, Cameron 2010, Hockerts 2017, Mair and Marti 2006, Young and Grinsfelder 2011, Rise, Sheeran, and Hukkelberg 2010, Tornikoski and Maalaoui 2019, Kumar and Das 2019). The core antecedents of formation of behavioural intentions championed by

the theory of planned behaviour which included attitude towards intentions, perceived behavioral control and subjective norms been identified to have strong impact on social entrepreneurial intentions (Prieto, Phipps, and Friedrich 2012, Politis et al. 2016, Hockerts 2017, Aure 2018). A scholarly work by (Mair and Noboa 2006) considered four key determinants of formation of namely: perceived social support, empathy, self-efficacy and moral judgment. Even though, Mair and Noboa seems to have developed new antecedents for formation of behavioural intentions, indirectly measured the primary antecedents proposed by TPB. In their study, they used Perceived social support as proxy for external behavioural control, self-efficacy as proxy for internal behaviour control, empathy as proxy for attitudes towards behaviour formation and moral judgment as proxy for social norms. Following, Mair and Noboa who dwelled on the model of social entrepreneurs and pioneered a study to predict four major antecedents of intentions to form a social venture (Hockerts 2017) succeeded in testing how prior experience with social problem influence social entrepreneurship intentions.

Inspired by this background, this current study is coached by the models espoused by Mair and Noboa (2006) and (Hockerts 2017) whose theoretical foundation emerged from the Theory of Planned behaviour. Using Mair and Noboa (2006) and (Hockerts 2017) antecedents which indirectly serve as proxies to measure the primary antecedents from TPB are more suitable for this purpose. These constructs are refined variables as which are more suitable and contextually friendly to estimate their influence on the development of entrepreneurship intentions and behaviour. Based on this context, the paper presents a proposed conceptual framework to examine the extent to which Prior knowledge in Social entrepreneurship and social problem, empathy, perceived social support, moral Judgment and psychological capital determine the development of social entrepreneurship intentions from the

perspectives of overseas students in China students. The conceptual framework below has been developed to guide the study.



**Figure 1.** Proposed conceptual framework for the study

Knowledge in social entrepreneurship contribute to developing the psychological capital of the individual towards the intentions to start the social ventures. Knowledge and experience in Social entrepreneurship has popularly been identified to have positive and significant impact on social entrepreneurship intentions (Chengalvala and Rentala 2017). According to (Hui et al. 2014), the development of social entrepreneurship intentions are strongly shaped by previous knowledge in social entrepreneurship and found that, knowledge has positive impact on social entrepreneurship intentions. It is not only the desire, or perceived social support that inform people's decision to start social enterprises but their previous knowledge and experience are key factors influencing their decision.

Moreover, empathy describes an attitude of having natural emotional feelings for others as a results of witnessing their uncomfortable situations (Aure 2018). Intuitively, empathy means recognizing and sharing the emotions and feelings of others without necessarily experiencing similar situation. According to Wood (2012), this attitude of emotional feelings motivates the individual to develop the passion for social ventures to help the vulnerable in the society. Empathetic entrepreneurs engage in innovation activities to create social values to solve social

problems. Owing to this, Kraus, Filser, O'Dwyer, & Shaw, 2014) maintain that, empathy is very significant behaviour to arouse the intentions of individuals to engage in social entrepreneurship activities. Study by (Hockerts 2017) concluded that empathy is a crucial factor that influence the intentions of social entrepreneurs.

Consequently, social support from family, friends and the society is crucial for the development of social entrepreneurship intentions and activities. (Mair & Noboa, 2006) describes this supports as social capital and social network which enable successful social entrepreneurs to create social enterprises to solve social problems. Social support give social entrepreneurs more confidence and hope to be able to utilize the resources to achieve the intended motives. Social support also account for developing the cognitive and the psychological capital of the individual. According to (Chia & Liang, 2016) this social support can be sought from ones social contacts, and the strength of one's network built. (Hockerts, 2017) suggest that, one's perceived social support contribute to the development of social entrepreneurship intentions.

Similarly,(Ip et al. 2017) in their study also validated and investigated five primary antecedents of social entrepreneurial intentions among Hong Kong students. Using multiple regression analysis supported with factor analyses revealed that, factors such as perceived social support, prior experience with social problems, moral obligation are key factors that predict social entrepreneurship intentions among University students. More importantly, the authors conclude that, the predominant predictor of social entrepreneurship intention was perceived social support among other factors such as moral obligation, empathy, and prior experience which had significant and positive impact on social entrepreneurship intentions. The findings however show that, moral obligation has significantly negative impact on social entrepreneurial intentions among the students.

Furthermore, moral judgment is the human cognitive process that motivates the individuals to help others who needs support. Moral judgment generated from the sequential evaluation of goodness or badness of the individual in his or her environment before taking an action. It has been found that, moral judgment regulates the actions and behaviour of individuals. This shape the extent to which individual appreciate the feelings of others usually due to their exposure to social and psychological problems. High level of moral judgment contribute to tolerance and acceptance of people's conditions being bad or good. This makes individual loyal to helping others or contributing to the solution of social problems. Hence this cognitive factor has been identified to have significant impact on social entrepreneurship intentions.

Psychological capital has been described to comprise some personal and individual characteristics such as self-efficacy, hope, resiliency, and optimism. psychological capital defines the perceptions and beliefs of individual which exhibit the bases for the difference between individual entrepreneurs and their successes(Hmieleski and Carr 2008). From the psychological point view, Self-efficacy constitute one of the key features and extent of the satisfaction and confidence in which the individual may hold for taking an entrepreneurial activities. This feature of psychological capital has been found to have a greater impact on the social entrepreneurship intentions of the individuals. It has been argued that, this characteristics feature of the individual is increased through experience and knowledge.

Similarly, psychological capital describes optimistic nature of human which has great impact on social entrepreneurship intention. It is defined as the outcome of expectations of the individuals. Studies such as (Avey, Luthans, and Mhatre 2008, Luthans, Youssef, and Avolio 2007a).(Contreras, de Dreu, and Espinosa 2017, Hockerts 2017) suggest that, psychological capital has a positive impact on forming

social entrepreneurship intentions and behaviour. Likewise, prior experience and knowledge of social problems and their exposition to entrepreneurial knowledge also have positive impact on psychological (Avey, Luthans, and Mhatre 2008, Luthans, Youssef, and Avolio 2007a, Hui et al. 2014). More optimistic Individual tend to have strong power to form intentions about social entrepreneurial activities than those with lower degree of expectations (Seligman and Csikszentmihalyi 2000), Again, Hope is the desired urgency to achieve the individuals or organization target or goals (Avey, Luthans, and Mhatre 2008). Finally, the term psychological resiliency can be interpreted as a coping ability of individuals during the period of risk and uncertainty. It constitute the abilities of tolerance, hope, optimism and self-confidence(Luthans, Youssef, and Avolio 2007b).

### III. METHODOLOGY

The study investigated the key factors influencing the intentions to start up social entrepreneurship in the developing countries. In this study, the Jiangsu University in China was used as the study setting and the international students from developing countries currently studying in the selected university constituted the participants. The Jiangsu University is one of the oldest and best universities in China ranked among top 200 universities in Asia and top 1000 universities in the world. The University for the Past 100 years of history, has trained several foreign students from over 115 countries across the world. The university through its excellent academic system, innovative and practical training, and colorful college life has attracted many foreign students where approximately 2,000 students currently offer programs from bachelor level to the Ph.D. level. The Jiangsu University is part of the top universities in China who practice integrated curriculum to develop world class students who graduate with excellent academics, hands-o practical experience, who have global impact in solving social and scientific problems.

Hence this was suitable to be conducted in this university to examine the intentions of the international students to start up social entrepreneurship ventures to solve social problems globally.

The stratified sampling techniques was employed where the international students were grouped according to the various disciplines offered from the undergraduate level to the Postgraduate level. Their respective disciplines included Business related programs and non-business related disciplines. From each of these disciplines, sample of participants were randomly selected using the non-proportionate stratified sampling techniques which yielded a sample size of 280 comprising 183 males (65.36%) and 97 females representing (34.64%) from both the undergraduate and the postgraduates programs. The age ranges of these participants consisted of those less than 23 years (10.7%), 23-25 years (51.1%), 26-28 years (33.6%), and 29-31 years (1.8%), above 31 years (2.9%). In terms of programs, respondents selected form Business related programs were 179 representing 63.93% while 101 respondents were selected from the non-business related programs representing approximately 36.07%.

The main research instrument used for the study was structured questionnaires for the data collection. The questionnaires items for the structural equation model were all measured as first latent variables adopted and modified to suite the settings of the study. The reflective questionnaires constructs items were measured on a 5-point Likert scale type responses ranging from '1'-strongly disagree to '5'- strongly Agree. Questionnaire item constructs used to measure knowledge were inspired by (Hui et al. 2014, Chengalvala and Rentala 2017), perceived social support, empathy were also adopted and modified from (Hockerts 2017, Ip et al. 2017). The psychological capital was measured as first level construct items which has been used in previous studies (Contreras, de Dreu, and Espinosa 2017,

Luthans, Youssef, and Avolio 2007b), Moral judgment (Mair & Noboa, 2006) while the social entrepreneurship intention instrument items were also measured based on what have been used by previous scholars such as (Hockerts 2017, Douglas and Shepherd 2002, Mair and Marti 2006).

The study utilized the partial least squares Structural Equation Modeling to investigate the various pathways through which knowledge, prior experience and social support influence social entrepreneurship intentions behaviour through psychological among the respondents. The use of structural equation modeling, the Smart PLS has been proven to be effective software for such analysis (Hair, Ringle, and Sarstedt 2013) . According to (Hair, Ringle, and Sarstedt 2013)the PLS technique has high accuracy, ability and produces a better results than other methods which usually use covariance approach. In this study, both structural model and measurement model were estimated to ensure validity of outcome and accuracy of results. Both direct and indirect pathways of the structural relationships were estimated using the bootstrapping approach.

#### IV. RESULTS

The study focused at examining the extent to which respondents' characteristics such as psychological capital, moral judgment, knowledge in social entrepreneurship, empathy and perceived social support influence social entrepreneurship intentions significantly differ in terms of gender.

The findings from the study reveal that, there is no statistically significant difference between the male and female overseas students in terms of their psychological capital (Male M=3.535,SD=0.899,Female M=3.475,SD=0.932, t=0.512, p=0.608) social entrepreneurship intentions(Male M=3.643,SD=0.942,Female M=3.594,SD=0.826, t= 0.436, p=0.664),knowledge in social entrepreneurship(Male M=4.074,SD=0.923,Female M=4.234,SD=0.858, t= -1.389 and p=0.167). Again the results show that in terms of empathy (Male M=3.306, SD=1.12, Female M=3.463, SD=1.019, t=-1.117and p=0.265) and perceived social support (Male M=3.468, SD=1.179, Female M=3.552, SD=0.1.038, t= 0.-117 and p=0.167). However, the findings indicated that, there existed statistically significant mean difference between the male and female participants with respect to their moral judgment (Male M=3.957, SD=0.0.670, Female M=4.054, SD=0.620, t=-2.145., P=0.043). The results are presented in the table 1 below.

**Table 1.** Independent Sample t-test for the Mean Differences Based on Gender of Respondents

Variable	Male(N=193)		Female (N=87)		t	P-Value
	Mean	SD	Mean	SD		
Psychological Capital	3.5354	.89884	3.475	.932	.514	.608
Social Entrepreneurship Intentions	3.6425	.94188	3.594	.826	.436	.664
Moral Judgment	3.9568	.67003	4.054	.620	-2.145	.043
Perceived Social Support	3.4680	1.17863	3.552	1.038	-.570	.219
Empathy	3.3057	1.12646	3.463	1.019	-1.117	.265
Knowledge	4.0743	.92340	4.2326	.858	-1.389	.167

Since the results show that, there were no statistically significant differences between the male and female participants in terms of the social entrepreneurship intentions, structural equation model analysis was done using the total sample.

### Structural equation model analysis

Pathway analysis was conducted to investigate the direct and indirect effect of psychological capital, moral judgment, and knowledge in social entrepreneurship, empathy and perceived social support on social entrepreneurship intentions. In this study we also examined the extent to which the relationship between moral judgment, knowledge in social entrepreneurship, empathy and perceived social support and social entrepreneurship intentions are mediated by psychological capital of participants. In the pathway analysis with the PLS-SEM, the Confirmatory factor loading of the various observed measurement constructs which measure the latent variables were first checked. All construct items with factors loadings less than 0.5 were dropped while those loadings from 0.5 and above were maintained for further analyses as shown in the figure 2 below.

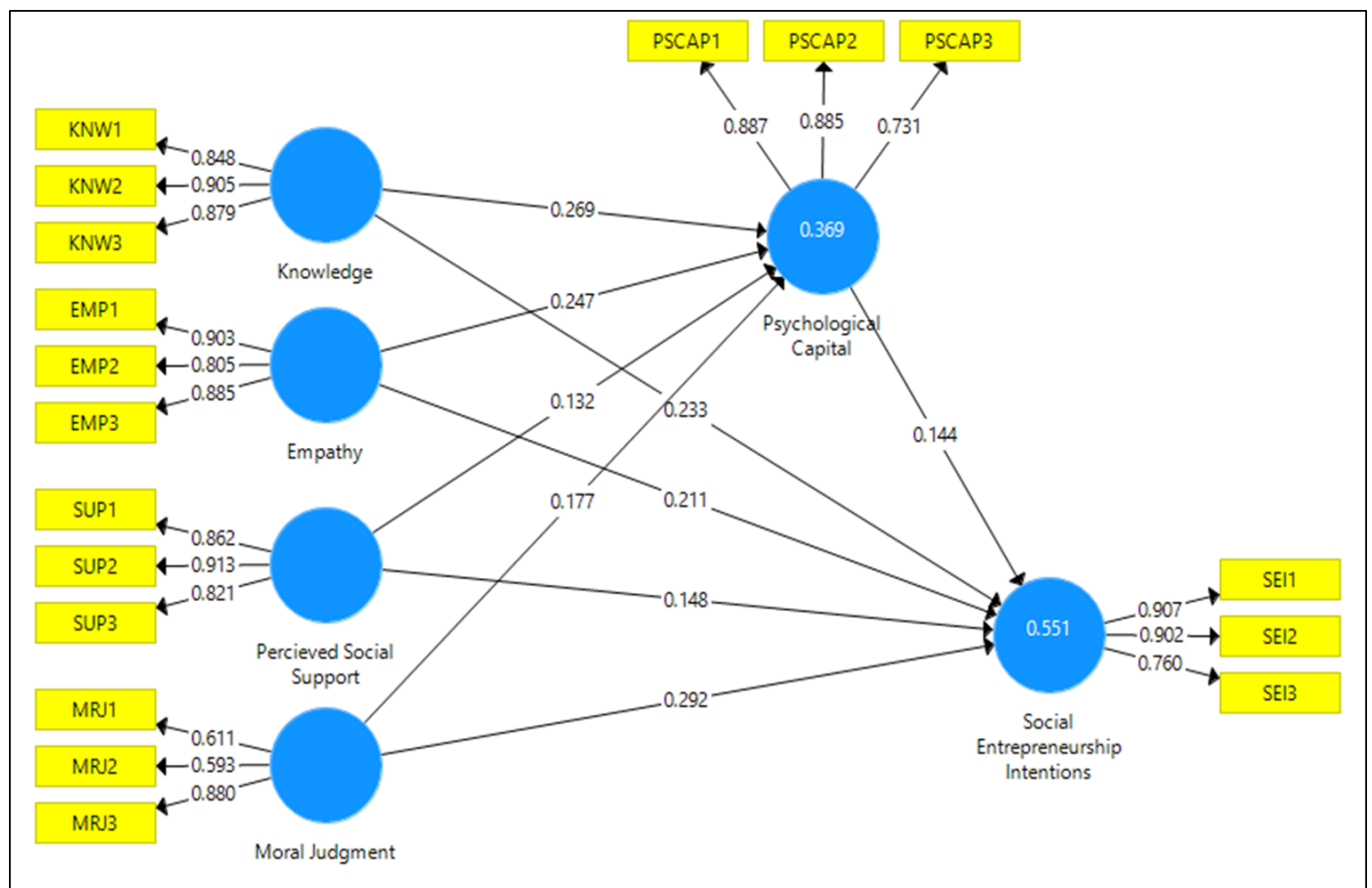


Figure 2. Measurement model

Furthermore, results from Table 2 below show that, all the indicator items measuring the latent variable satisfied the requirement for the confirmatory factor analysis using Smart PLS-SEM bootstrapping 500 times since each indicator had a factor loading above 0.50 hence desired for further analysis(Hayduk and Littvay 2012).



**Table 2.** Factor loadings for observed indicator items

Items constructs	Latent Variables	Factor Loadings	P-Values	Mean	SD	
EMP1	Empathy	0.903	0.000	3.6036	1.30754	
EMP2		0.805	0.000	3.2500	1.19812	
EMP3		0.885	0.000	3.2107	1.28761	
KNW1	Knowledge	0.848	0.000	4.0860	1.10580	
KNW2		0.905	0.000	4.1179	.97479	
KNW3		0.879	0.000	4.1607	1.01206	
MRJ1	Moral Judgment	0.611	0.000	4.1036	.74294	
MRJ2		0.593	0.000	4.0179	.74994	
MRJ3		0.880	0.000	3.8393	.91926	
PSCAP1	Psychological Capital	0.887	0.000	3.4107	1.09376	
PSCAP2		0.885	0.000	3.4929	1.12001	
PSCAP3		0.731	0.000	3.6464	1.04384	
SEI1	Social	0.907	0.000	3.5929	1.07361	
SEI2	Entrepreneurship	0.902	0.000	3.5214	1.10695	
SEI3	Intentions	0.760	0.000	3.7679	.98358	
SUP1	Perceived	Social	0.862	0.000	3.8429	1.18092
SUP2	Support		0.913	0.000	3.6357	1.32368
SUP3			0.821	0.000	3.0036	1.43808

Note: SD represents Standard Deviation

More importantly, in order to examine the model fitness and reliability of the measurement model, the composite Reliability (CR), average variance extracted (AVE), Cronbach's Alpha, and R-squared were used as indicated in Table 3. These measurement were computed to check if the factors and indicators were significantly consistent and reliable in measuring the factors examined as well as the explanatory power of the model. According to (Hayduk and Littvay 2012) if the AVE and CR have loading less than 0.5 and 0.7 correspondingly, it implies a weak convergence validity and are not desired to be maintained for the analysis. Nonetheless, the results from Table 2 below show that, the Cronbach's Alpha for all the latent variables used are above 0.7 which implies that, the variables are more reliable and consistent and appropriate for the structural equation modeling. Similarly, the Rho\_A, CR, and AVE for all the indicators are also above 0.7 which shows that, the items indicators were more reliable and valid for the analysis. The R-squared value of 0.369 and 0.551 implied that, the model explains about 36.9% and 55.1% of the changes in the dependent variables Psychological capital and Social entrepreneurship intentions respectively.

**Table 3.** Results from Construct Reliability and Validity tests

Variable Construct	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted (AVE)	R-Square
Empathy	0.831	0.837	0.899	0.749	-
Knowledge	0.852	0.860	0.910	0.771	-
Moral Judgment	0.748	0.798	0.743	0.500	-
Perceived Social Support	0.834	0.844	0.900	0.750	-
Psychological Capital	0.782	0.788	0.875	0.702	0.369
Social Entrepreneurship Intentions	0.818	0.818	0.893	0.737	0.551

Again, the mean values of the variables used in the total sample with their standard deviations and the results from the discriminant validity among these measured variables have been presented in Table 4. The discriminant validity test was conducted using the Fornell-Larcker criterion to examine the extent to which the constructs differ from one another (see Table 3 below). The values in the major diagonal represents the square root of AVE of the latent variable constructs while the values in off-diagonals are the cross-correlations between the constructs. The discriminant validity was then measured by comparing the differences between the overlapping constructs and the square root of the AVE. The results from the study show that, the difference between the cross correlations and the square root of the AVE are minimal. This consequently show that, the variables are valid and consistent to produce efficient outcome for the study.

**Table 4.** Discriminant validity using Fornell-Larcker criterion

Latent Variable	Mean	SD	1	2	3	4	5	6
1. Empathy	3.3548	1.09502	0.865					
2. Knowledge	4.1231	.90539	0.455	0.878				
3. Moral Judgment	3.9869	.65539	0.396	0.295	0.707			
4. Perceived Social Support	3.4940	1.13556	0.457	0.197	0.433	0.866		
5. Psychological Capital	3.5167	.90823	0.500	0.460	0.411	0.375	0.838	
6. Social Entrepreneurship Intentions	3.6274	.90644	0.572	0.510	0.567	0.471	0.532	0.859

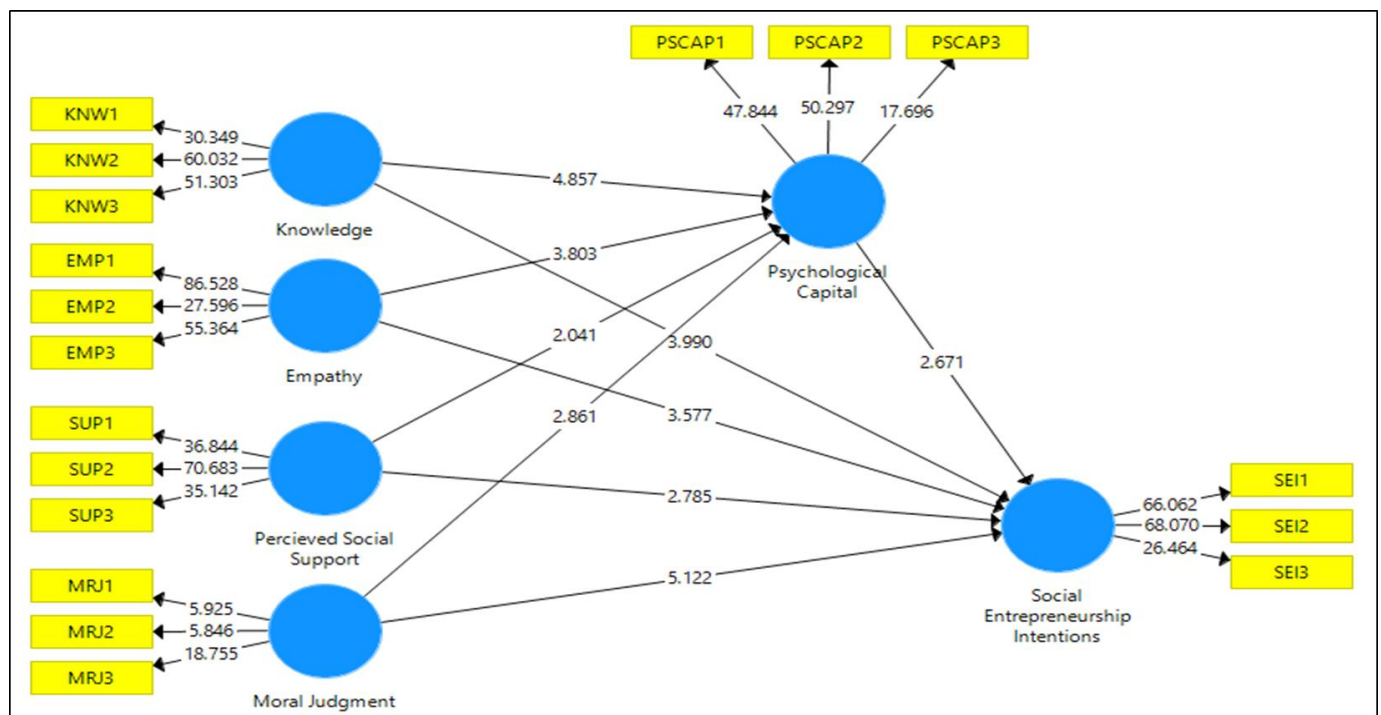
Hence based on these reliability statistics of the measurement variables, the pathway analysis of the direct effects of psychological capital, moral judgment, knowledge in social entrepreneurship, empathy and perceived social support on social entrepreneurship intentions. Table 5.0 reveal that, Empathy ( $\beta=0.247$ ,  $p<0.01$ ), Knowledge ( $\beta=0.269$ ,  $p<0.01$ ), Moral judgment ( $\beta=0.177$ ,  $p<0.01$ ), Perceived social support ( $\beta=0.132$ ,  $p<0.05$ ) have significant positive effects on psychological capital of participants. These findings imply that, increasing respondent's exposure to social problems, knowledge in social entrepreneurship, social support tends to

positively improve their psychological capital. Moreover, the results reveal that, there were statistically significant positive impacts of Empathy ( $\beta=0.211$ ,  $p<0.01$ ), Knowledge ( $\beta=0.233$ ,  $p<0.01$ ), Moral judgment ( $\beta=0.292$ ,  $p<0.01$ ), Perceived social support ( $\beta=0.148$ ,  $p<0.05$ ) and psychological capital ( $\beta=0.144$ ,  $p<0.05$ ) on social entrepreneurship intentions among participants. Social entrepreneurs serve the interest of the society, empower the marginalized groups, instead exploiting them for only monetary gains. These results are presented in Table 5 and figure 3 showing the estimated structural model.

**Table 5.** Direct Structural Path Effect Coefficient

Structural relationships	Coefficient ( $\beta$ )	Standard Deviation	T- Statistics	P- Values
Empathy → Psychological Capital	0.247***	0.065	3.803	0.000
Empathy → Social Entrepreneurship Intentions	0.211***	0.059	3.577	0.000
Knowledge → Psychological Capital	0.269***	0.055	4.857	0.000
Knowledge → Social Entrepreneurship Intentions	0.233***	0.058	3.990	0.000
Moral Judgment → Psychological Capital	0.177***	0.062	2.861	0.004
Moral Judgment → Social Entrepreneurship Intentions	0.292***	0.057	5.122	0.000
Perceived Social Support Psychological Capital	0.132**	0.065	2.041	0.042
Perceived Social Support → Social Entrepreneurship Intentions	0.148***	0.053	2.785	0.006
Psychological Capital → Social Entrepreneurship Intentions	0.144***	0.054	2.671	0.008

Note: \*\*.\*\*\* denote 5% and 1% level of significance respectively while ( → ) indicates the direction of the path of effect of the variables.



**Figure 3.** Structural model

Table 5.0 presents the results on mediation effect of psychological capital in the relationship between empathy, knowledge, perceived social support, moral judgment and social entrepreneurship intentions. The results show that, empathy ( $\beta=0.036$ ,  $P<0.05$ ), knowledge in social entrepreneurship ( $\beta=0.039$ ,  $P<0.05$ ), moral judgment ( $\beta=0.025$ ,  $P<0.1$ ) and perceived social support ( $\beta=0.019$ ,  $P<0.1$ ) have statistically significant indirect impact on social entrepreneurship intentions though the mediation effect of psychological capital. The results are presented in Table 6 below

**Table 6.** Mediation or Indirect Structural Path Effect Coefficients

Structural Relationships	Coefficient ( $\beta$ )	Standard Deviation	T Statistics	P-Values
Empathy $\rightarrow$ Psychological Capital $\rightarrow$ Social Entrepreneurship Intentions	0.036**	0.016	2.225	0.027
Knowledge $\rightarrow$ Psychological Capital $\rightarrow$ Social Entrepreneurship Intentions	0.039**	0.017	2.299	0.022
Moral Judgment $\rightarrow$ Psychological Capital $\rightarrow$ Social Entrepreneurship Intentions	0.025*	0.015	1.747	0.081
Perceived Social Support $\rightarrow$ Psychological Capital $\rightarrow$ Social Entrepreneurship Intentions	0.019*	0.011	1.711	0.088

Note: \* and \*\* denote 10%, and 5% level of significance respectively while ( $\rightarrow$ ) indicates the direction of the path of effect of the variables.

## V. DISCUSSION

The findings from this study consistently suggest that factors such as empathy, moral judgment, perceived social support, prior knowledge, and the psychological capital of respondents have strong statistically significant positive impact on social entrepreneurship intentions. Among these predicting factors, Psychological capital has the greatest impact on social entrepreneurship intentions among the university students.

Results from the study confirm that, people with social entrepreneurship intentions possess empathy and strong moral judgment to which are reflective of strong moral and ethical feelings which are completely different from people with commercial entrepreneurship intentions. The empathic feeling is the ability for one to recognize and share the emotion of others. They are compassionate and tender who always put themselves in the shoes of others. These factors are cognitive process which greatly account

for developing one's psychological capital and social entrepreneurial behaviour. With such cognitive reflections, they are motivated to develop their ethical and moral values to leading to the formation of social entrepreneurial ventures. This behaviour becomes a guiding principles for these individuals to always consider their contributions to social value creation and solving social problems not for monetary gains. They tend to help the less privileged population in the society.

Moreover, our results reveal that one's knowledge and experience in social problems and perceived social support make him or her inclined to pursuing social entrepreneurship ventures. The findings indicate a statistically positive impact of these factors on forming social entrepreneurship behaviour necessary for achieving any social obligations and solving societal problems. The study also show that, Knowledge, experience and perceived social support had have positive significant impact on entrepreneurs' psychological capital. These findings are in line with previous studies such as (Aure, 2018 & (Hockerts 2017) who found that Empathy, and moral judgment have

significant impact on social entrepreneurship intentions. The feeling of empathy and strong moral attitude motivate individuals to contribute meaningfully to social value creation and participate to alleviating social problems such as poverty.

Our results further reveal that, Psychological capital partially mediate the impact of empathy, knowledge, perceived social support, moral judgment on social entrepreneurship intentions as shown in Table 6 above. to increase the psychological capital of these students, results from the study reveal that, they must be exposed to social problems, acquired some level of knowledge in social entrepreneurship irrespective of the program of study and positive perception of social support must be achieved. Findings from this study are in line with (Hui et al. 2014) who concluded that, social and organizational support, experience have a significant influence on entrepreneurs psychological capital. Previous scholars such as (Avey, Luthans, and Mhatre 2008, Contreras, de Dreu, and Espinosa 2017) advanced their argument that, the function of experience and knowledge over a period of time contribute to formation of behaviour and intentions. Likewise Individual experience in social problem and knowledge in entrepreneurship foster is or her ability, interest to start up any social venture. Following (Seligman and Csikszentmihalyi 2000). Findings from this study agree that, more optimistic individual tend to have strong power to form intentions about social entrepreneurial activities than those with lower degree of expectation.

Results from this study supports the previous findings that psychological capital contributes significantly to formation of social entrepreneurship intentions and behaviour. This agrees with (Jensen 2008) who concluded that, Psychological capital such as the believe of hope, optimism, enthusiasm and confidence are the major driving power which propel the individual to form behaviour and intentions such as starting social ventures. This also confirms studies by (Contreras, de Dreu, and Espinosa 2017) who

described Psychological capital as the individuals' enthusiasm and confidence towards future challenges such as social problems which enhances the success and survival of their performance outcome as they engage in social enterprise to solve social problems. According to previous scholars such as (Hmieleski and Carr 2008) psychological social capital constitutes one of the key factors that predict the innovativeness of the entrepreneurs and promote their performance from within the individuals. This study suggest that, engaging in social entrepreneurship demands entrepreneurial behaviors which comprise innovativeness, relativity, recognition of opportunity which are all shaped by prior experience, knowledge about entrepreneurship skills and individuals psychological capital.

## VI. CONCLUSION

Social entrepreneurship has received increased attention in the recent time. To provide different perspectives and produce more insight into the predictors of social entrepreneurship intentions was the main motivation of this study.

The findings from the study reveal that, there was no statistically significant difference between the male and female overseas students in China in terms of their psychological capital, social entrepreneurship intentions, and knowledge in social entrepreneurship, empathy and perceived social support. However, our results indicate that there was statistically significant difference between the male and female overseas students in China with respect to their moral judgment.

Subsequently, the results showed that, individual characteristics such as psychological capital, empathy, moral judgment, perceived social support, knowledge and prior experience have both direct and indirect statistically significant impacts on social entrepreneurship intentions. The findings further suggest that, the indirect effects of these individual

characteristics are partially mediated by Psychological capital. Based on the findings, we recommend that, overseas students in China must be exposed to social problems and be resourced through social entrepreneurship education programs, seminars, community participation internships and societal socialization. This could motivate them to develop their, develop their knowledge and emotions towards social entrepreneurship behavior and social venture creation.

Finally, in this paper we advocate that, social entrepreneurship education should be given necessary attention especially as part of training given to overseas students in the university. This could be a necessary tool to equip students from particularly developing countries to study abroad to develop the passion to contribute to solving social problems and societal value creation especially in this era where social problems are constraining socio-economic development in most the developing countries. The focus could help expose students to social problems confronting the society so that they can appreciate the issues and contribute meaningfully to their solution.

**Conflicts of Interest:** The authors declare no conflict of interest.

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