

ICTHM 2023**International Conference in Technology, Humanities and Management****THE STATE, ROLE AND CHALLENGES OF SOCIAL
ENTREPRENEURSHIP IN MALAYSIA**

Nur Aima Shafie (a), Zuraidah Mohd Sanusi (b), Aziatul Waznah Ghazali (c)*,
Zahari Md Rodzi (d), Nooraha Abdul Razak (e)

*Corresponding author

(a) Accounting Research Institute, Universiti Teknologi MARA, Shah Alam, Selangor, Malaysia,
aimashafie@uitm.edu.my

(b) Accounting Research Institute, Universiti Teknologi MARA, Shah Alam, Selangor, Malaysia,
zuraidahms@uitm.edu.my

(c) Faculty of Economics & Management, Universiti Kebangsaan Malaysia, Bangi, Selangor, Malaysia,
aziatul.ghazali@ukm.edu.my

(d) Faculty of Sciences Computer & Mathematics, Universiti Teknologi MARA, Seremban, Negeri Sembilan,
Malaysia, aziatul.ghazali@ukm.edu.my

(e) Faculty of Business, Accountancy and Social Sciences, Universiti Poly-Tech Malaysia, Kuala Lumpur,
Malaysia, nooraha@kuptm.edu.my

Abstract

The present study investigates the current status of social entrepreneurship in Malaysia, with a particular emphasis on the legal frameworks governing social entrepreneurship and the extent to which governmental support facilitates their growth. This study provides multi-dimensional overview of the key challenges face by social entrepreneurs in Malaysia. It addresses issues related to lack of awareness among the public, lack of funding and poor governance. To understand the current state, roles and challenges of the social entrepreneurship in Malaysia, the paper used utilised qualitative data drawn from interviews with social entrepreneurs. This paper also utilises extant research and literature to offer perspectives on the legal structure and governmental endeavours that bolster social entrepreneurship in Malaysia. This paper highlights the contemporary endeavours undertaken by the Malaysian government to bolster the development of social entrepreneurship, with a particular emphasis on their capacity to augment economic progress and mitigate socioeconomic inequalities. The New Economic Model acknowledges the significance of social entrepreneurship in tackling social issues, particularly poverty, and delineates their impact in realising a high-income society.

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1. Introduction

The emerging field of social entrepreneurship is rapidly expanding and gaining attention from a wide range of sectors (Saebi et al., 2019). The term is frequently used in the media, mentioned by public officials, is common on university campuses, and influences the strategy of several prominent social sector organisations (Osberg & Martin, 2015). Social entrepreneur are usually seen as an individuals and groups who apply business principles in creative and innovative ways to help those who are excluded, marginalised, or in need yet have no power to change their circumstances (Koehne et al., 2022; Saebi et al., 2019).

Social entrepreneurship is the collaborative creation of social and environmental value that goes beyond making the most profit and helps solve critical social issues such as poverty, unemployment, gender inequality, social exclusion, and protecting the environment. Social entrepreneurship is becoming more important in helping to solve economic and environmental problems (Dwivedi & Weerawardena, 2018; Diaz-Sarachaga & Ariza-Montes, 2022; Hota et al., 2023). In 2015, OECD reported that more than a thousand social entrepreneurship in nine (9) OECD countries showed that they made more than 6 billion euros and employed about 6 million people, including about 500,000 people from vulnerable groups (Downes et al., 2017). In United Kingdom, social entrepreneurship makes up 3% of UK GDP and 5% of all UK employment, as much as the entire creative industry sector (Social Enterprise UK, 2018) while Canada will reach 4% of GDP within the next ten years (United Nation, 2020). Social entrepreneurship also contributed around 60 billion GBP into the UK economy. Even though the impact of entrepreneurship in Malaysia on GDP remains unknowns, the progress seems promising with the expected minimal effect could be equal to 37.1% to Malaysia's GDP (British Council Malaysia, 2018).

Social entrepreneurship has enormous potential to help transform the country into a prosperous, inclusive, and sustainable one. Recognizing the potential and importance of social entrepreneurship in the country's socioeconomic development, the government announced the Malaysia Social Entrepreneurship Blueprint 2030 (SEMy2030) initiative. Through the SEMy2030 initiative, which includes five (5) enablers, five (5) core strategies, 20 other strategies, and 45 initiatives, it is aimed at empowering social entrepreneurs by assisting them in facing future challenges (Ministry of Entrepreneur Development and Cooperative, 2022). Malaysian first wave of social entrepreneurship started in 2009 encouraging by the increased social consciousness against corruption and more, Malaysians looked towards models that could fill in voids for impact, hence social entrepreneurship became one of these models. The second wave of social entrepreneurship was in 2013, when the government announced an allocation of MYR20 million in funds and the development of MaGIC. With the initiative and support by the government, it is estimated that there are 20,749 social entrepreneurship in Malaysia consisting of 0.8% of MSMEs, 79% of cooperatives and 3.47% of NGOs (British Council Malaysia, 2018; Ministry of Entrepreneur Development and Cooperative, 2022).

Compared to the more than nine million company establishments in Malaysia, social entrepreneurship account for around 0.2% of businesses. Unlike cooperatives and the rest of the ecosystem, the Malaysian social entrepreneurship ecosystem is still in its infancy despite government assistance. The deliberate development of social entrepreneurship in Malaysia would create "problem" for society as a whole since the country might be missing out on an innovative way to solve the critical social

issues faced by the society. Though social entrepreneurship is seen as one of the ways to achieve its coveted developed status, the development of the overall ecosystem is extremely low. This paper focuses on the context of social entrepreneurship in Malaysia, highlighting the lack of a dedicated legal structure for social entrepreneurship and the government's recent initiatives to promote their growth while also presenting the way forward for social entrepreneurship.

The paper starts with introduction by outlining the study's background and subsequently, next section focuses on the literature review by discussing the relevance of past studies concerning this current study. Section 3 presents the study's qualitative research methodology. The discussion of the results and findings is covered in section 4. Lastly, section 5 finally presents the conclusions and recommendations.

2. Literature Review

2.1. The State, Role and Challenges of Social Entrepreneurship

Social entrepreneurship in Malaysia are organisations that integrate a social mission, such as poverty reduction, job creation for underprivileged individuals, environmental conservation, or facilitating financial assistance for marginalised individuals to establish their own enterprises, with a business model that prioritises profit generation (Johari et al., 2020; Said et al., 2015; Shafie et al., 2019). These businesses have a crucial function as catalysts for societal transformation by identifying pertinent issues and implementing novel solutions to tackle them. In contrast to conventional non-profit entities or non-governmental organisations, social entrepreneurship sustains themselves by means of their business revenue, rather than being dependent on donations or government subsidies (Shafie et al., 2019). Social entrepreneurship function in a manner akin to profit-driven entities, generating revenue through diverse channels such as the sale of handcrafted goods or the provision of HIV screening services. These earnings are utilised to reinforce and advance their societal objectives.

Malaysia's existing legal framework does not include a specific structure for social entrepreneurship (Cheah et al., 2019). However, in Malaysia, social entrepreneurship typically take one of several pre-existing legal forms, such as non-profit organisations registered as a company limited by guarantee (CLBG), private businesses limited by shares, or cooperatives. Arkitrek and MAKNA, for example, have formed their businesses as Private Companies Limited by Shares and Companies Limited by Guarantee, respectively. When seeking social entrepreneurship in Malaysia, it is imperative to take into account two primary concerns. Initially, it is imperative to ascertain whether the organization's principal objective is to generate a social impact or to attain financial gains. The second objective of the organisation is to achieve financial self-sufficiency through a business model that is akin to that of profit-oriented enterprises (British Council Malaysia, 2018; Malaysian Global Innovation & Creativity Centre, 2015).

Despite the lack of a distinct legal form tailored to social entrepreneurship (Lim, 2022), non-profit organisations frequently adopt the structure of a Company Limited by Guarantee (CLBG) due to its unique benefits. Social entrepreneurship can establish separate legal companies and provide its members or guarantors with limited liability protection (Arshad et al., 2015). This strategy also enables them to raise funds from a variety of sources, such as government grants, contributions, and charity. Some social

entrepreneurs, on the other hand, choose a limited liability business structure (Kelley, 2009), which allows them to earn by selling goods or services. While remaining steadfastly committed to their social objective, this framework supports the acquisition of investment and may allow for profit sharing among stakeholders. Despite the fact that Malaysia's legal framework is still in its infancy when it comes to social entrepreneurship, the country realizes the need of encouraging this sector (Adnan et al., 2018). The government is collaborating intensively with many stakeholders to develop a specialized legislative infrastructure and enabling environment for social entrepreneurs. These activities seek to promote clarity and strengthen the position of social entrepreneurs, allowing them to flourish and have a stronger good impact on society.

The Malaysian government has undertaken recent initiatives to promote the growth of social entrepreneurship, which have garnered attention for their potential to stimulate economic development and reduce socio-economic disparities across various societal groups (British Council Malaysia, 2018). The New Economic Model acknowledges the significance of social entrepreneurship in tackling social issues such as poverty and underscores their capacity to make a valuable contribution towards the attainment of a high-income economy. The significance of the entrepreneurship sector is intricately associated with the fundamental economic roles of the government (Roslan et al., 2019). Social entrepreneurship plays a crucial role in the provision of quasi-public goods and services, and also aid in the redistributive function of the government by providing a diverse range of services to underprivileged individuals either at a nominal cost or free of charge (Borscheva et al., 2021).

In addition, they fulfil a regulatory function in relation to economic endeavours. The government provides support to underqualified unemployed individuals who are at risk of long-term exclusion from the labour market by collaborating with associations or social cooperatives (Borzaga & Defourny, 2001). Social entrepreneurship play a pivotal role in addressing the needs of underprivileged communities and circumventing bureaucratic obstacles, thereby bridging the gaps that are often left unaddressed by governmental and for-profit entities (García-González & Ramírez-Montoya, 2021). Exemplary endeavours such as Amanah Ikhtiar Malaysia (AIM) and The Nasi Lemak Project (TNLP) serve as illustrations of how social entrepreneurship can effectively enhance the economic empowerment of underprivileged individuals by devising innovative approaches to ameliorate their financial circumstances and augment household earnings.

3. Underpinning Theory

The concept of stakeholder theory, initially proposed by Freeman in 1984, argues that an organization's responsibility extends beyond its shareholders to encompass any individual or group that has a vested interest in its operations. Stakeholders encompass individuals or groups who possess a vested interest in the organization's historical, current, or prospective undertakings, irrespective of their direct ownership rights or their influence on, or susceptibility to, the organization's activities. Despite receiving criticisms on moral, economic, and legal grounds, particularly from proponents of shareholder-centric models, stakeholder theory continues to hold relevance, particularly within the realm of non-profit organisations and social enterprises. These entities, whose objectives are more inherently aligned with societal interests, find stakeholder theory to be particularly applicable. This requires the implementation

of efficient stakeholder management strategies, which involve the strategic management of relationships with various actors, including constitutional and third-party stakeholders, as well as the evaluation of stakeholder-perceived value.

Nevertheless, the application of the stakeholder theory to social enterprises necessitates the implementation of a strong governance and the capacity to effectively manage divergent interests. The acquisition and maintenance of resources are essential for the functioning of any organisation, as they are crucial for establishing and maintaining stakeholder perceptions and trust. Therefore, it is essential to prioritise the protection of stakeholder interests while simultaneously ensuring a consistent and uninterrupted supply of various resources, including human resources, capital, information, and social support. In the present context, organisations play a crucial role in overseeing dependencies on external entities and diversifying their sources of revenue in order to mitigate vulnerability. However, social entrepreneurship face the challenge of effectively managing the diverse demands from resource providers, which extend beyond financial inputs. The implementation of transparent reporting practises, which encompass both financial and non-financial information, intervention of government to improve the funding and governance of social entrepreneurship can contribute to the achievement of these goals. By adopting such practises, social entrepreneurship can enhance trust, meet the expectations of stakeholders, and consequently increase their ability to secure additional funding.

4. Methodology

4.1. Research Design

Kumar (2014) posits that the qualitative approach is distinguished by its open, unstructured, and flexible methodology, which aims to investigate the diversity and variety of the gathered data, rather than quantifying it. The semi-structured interview method enables interviewees to provide open-ended responses, allowing them to answer questions in a detailed and unrestricted manner (Flick, 2011). The assessment is characterised by the absence of predetermined answer options and the absence of a binary categorization of responses. As Kumar (2014) has observed, a significant benefit of this method is that it provides the interviewer with the adaptability to extract the required data in a way that is most relevant to the particular research being conducted. Table 1 shows the questions provided to the respondents to describe the interview questions used with its underlying purpose.

Table 1. Questions Provided to the Social Enterprises

No	Interview's Question	Purpose of Question
1	Please briefly explain the nature and purpose of your organisation.	To gather information on the nature and purpose of respondents' organisation.
2	What do you think about the current movement towards the adoption of social entrepreneurship?	To understand the evolution and acceptance of social enterprises and social entrepreneurship.
3	What do you think about the challenges of social entrepreneurship in Malaysia?	To understand the challenges of social entrepreneurship in Malaysia.
4	What do you think is the roles of social entrepreneurship in Malaysia?	To understand the the roles of social entrepreneurship in Malaysia.
5	How the practice of governance, and government intervention influences your	To understand the impact of governance and government intervention in their organisation

7	social enterprise? How do you see the overall impact of your organisation on society?	To understand the wider impact of social enterprises on society.
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Initially 12 respondents were identified through a combination of purposive sampling from successful social entrepreneurship and recommendations provided by the social entrepreneurship themselves. In order to qualify, the respondents must have a minimum of three (3) years of experience in the field of social entrepreneurship. Additionally, it is necessary for the organisation to demonstrate growth in both revenue and the number of beneficiaries served. Furthermore, the organisation should exhibit an expansion in activities that contribute to positive societal impact. Based on the criteria selection, an initial group of 12 respondents was identified to meet the specified requirements. In order to fulfil the objective, communication was established with all 12 respondents through both telephone and electronic mail. Each respondent received an email invitation elucidating the purpose of the interview. Among the 12 participants selected for this study, a total of six (6) individuals consented to participate in the interview process. Subsequently, a telephone conversation was conducted subsequent to obtaining formal consent from the respondent via electronic mail. Consequently, the scheduling of the appointment date and time was arranged to accommodate the preferences of the participants.

All the interviews were done at the office of the respondents since their workplace is the most convenient place, and the respondents would be more comfortable there. The interview for each respondent lasted around 45 to 120 minutes. However, since data saturation was not achieved during the interview with all six (6) respondents, researchers then contacted another four (4) respondents to ask for their participation in the study. From that, two (2) respondents agreed to participate, and data saturation was achieved from the interview with two additional respondents. Since data saturation was already achieved with eight (8) respondents and no new themes emerged from them, the researcher then decided that no further interview is needed (Nestor & Schutt, 2014, p. 296). Table 2 below presents a summary of the background of the respondents who participated in the interview.

Table 2. Demographic Information on Respondents from Social Enterprises

Participant	Industry	Age	Gender	Position	Educational Background	Years of working experience	Initial
R1	Humanitarian Aid	Above 50	M	Founder	ACCA	more than 10 years	TA
R2	Humanitarian Aid	Above 30	F	Manager	Degree	more than 5 years	AS
R3	Humanitarian Aid	Above 50	F	Founder	Degree	more than 5 years	NA
R4	Humanitarian Aid	Above 30	F	Manager	Degree	more than 5 years	CD
R5	Education and Training	Above 40	F	Manager	Master	more than 3 years	SK
R6	Education and Training	Above 30	F	Manager	Degree	more than 3 years	DAM
R7	Political and Social Issue	Above 30	M	Founder	Degree	more than 5 years	FS
R8	Disabled Person	Above 30	F	Coordinator	Degree	more than 5 years	SS

Figure 1 provides a clear illustration of the methodology employed for gathering qualitative data. Upon the conclusion of the interview session, an analysis of the data was performed. It is possible to conduct an independent analysis of each interview session, without the requirement of waiting for subsequent interviews with other participants. The culmination of this continuous process is contingent solely upon the conclusion of the ultimate interview conducted. The study utilised thematic analysis as a method for data analysis. The findings were subjected to an indirect interpretation by the researcher, which was influenced by their subjective reflection. The present study undertakes a comprehensive and critical examination of the text, going beyond a mere arrangement of its surface-level connotations. The integration of literary works in academic research has been demonstrated to authenticate personal reflections, as indicated by prior studies (Castleberry & Nolen, 2018; Lambert & Loiselle, 2008). Indirectly, it helped this study to make sense and support the findings identified in the current study.

The answers also were matched with past literature in regards to role, states and challenges of social entrepreneurship. The processes were done to overcome any potential bias answer and to obtain greater internal validity and reliability (Sekaran & Bougie, 2011).

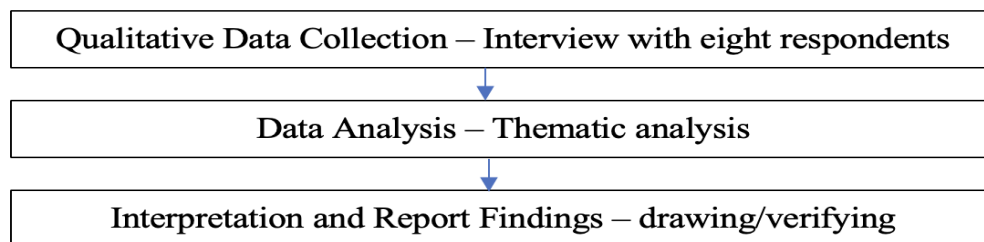


Figure 1 Qualitative Approach Process

5. Results

5.1. The State and Role of Social Entrepreneurship in Malaysia

Social entrepreneurship has emerged as a suitable option in light of the worldwide trend of integrating citizen-centric approaches into business models. This is due to their combination of business and social mission. Although corporate social responsibility (CSR) has been integrated into the models of conventional for-profit organisations, the scope of their endeavours is often confined to particular segments of the population. The outreach of corporate social responsibility (CSR) initiatives by organisations may be impeded by financial limitations, particularly in times of economic recession. The principal objective of corporations is to optimise their financial gain and meet the demands of their stakeholders. Conversely, conventional non-profit entities are exclusively established to fulfil societal demands, depending on financial resources from government grants and public or private donations.

As government resources continue to face constraints and remain static, organisations are under pressure to attain self-sufficiency and reduce their reliance on grants and donations. In light of this observation, the government has initiated efforts to promote a novel category of enterprise that supplements the functions of conventional profit-driven entities, the government per se, and conventional

non-profit organisations in fulfilling the mounting societal need for reasonably priced commodities and amenities. One respondent expressed their experience, stating:

"Previously, we were solely a non-profit organization focused on disaster relief and community outreach, operating without a business-minded approach. However, there came a point where our resources were depleted, forcing us to halt some of our projects. This prompted us to take a bold step by incorporating commercial business thinking into our model. Our aim was not to maximize profit for our own benefit, but rather to achieve self-sufficiency and expand our outreach" (R1).

Social entrepreneurship have adopted a market-based approach, combining their primary social mission with commercial or trading activities. This strategy is a response to the increasing uncertainty encircling conventional funding resources. By incorporating a commercial business model, social entrepreneurship seek to generate stable revenue, thereby ensuring their capacity to address the requirements of a larger audience while maintaining their social objectives. Leaders of social entrepreneurship view this new business model as a process and a way of thinking that can propel their organisations towards sustainability. The aforementioned enables the organisation to persist in their pursuit of their social mission while simultaneously establishing the necessary foundation for sustained operations. Social entrepreneurship can overcome the challenges that have caused some of their counterparts to cease operations as a result of insufficient funding by ensuring a consistent stream of resources. It is imperative to prevent such consequences as social entrepreneurship possess a vast array of accomplishments to attain. Nevertheless, the attainment of these objectives necessitates the availability of financial resources. The adoption of a strategy that combines a commercial business model with a social mission inspires a sense of assurance and hopefulness with respect to the possibility of achieving enhanced prosperity. One respondent expressed their opinion, stating:

"The integration of a commercial business model while remaining committed to our social mission has been transformative for our organization. The implementation of this approach has facilitated the establishment of a dependable and consistent flow of resources, thereby guaranteeing our sustainability within the respective domain. Regrettably, we have observed some of our peers compelled to cease operations owing to inadequate resources, and we are resolute in our efforts to evade a comparable destiny. There remains a considerable amount of significant work to be accomplished, and the acquisition of requisite financial resources is of utmost importance. The assimilation of this novel notion has instilled in us a feeling of confidence and hope, enabling us to have faith in our capacity to attain even more significant accomplishment" (R2).

In the past few years, people have become more interested in social entrepreneurship as a way to solve social and environmental problems in the country. As a way to reach long-term goals for development, the Malaysian government has actively supported social entrepreneurship. In 2015, the government of Malaysia put out the National Social Enterprise Blueprint. This document explains the country's goals, strategies, and action plans for promoting social entrepreneurship. The blueprint focuses

on how social entrepreneurship can have a positive effect on society while also making money in the long run. Malaysia's government has also taken a number of steps to encourage people to start businesses that help other people. In addition to the National Social Enterprise Blueprint, the government has started a number of programmes and projects to help people who want to start businesses that help people. For instance, the Malaysian Global Innovation & Creativity Centre (MaGIC) helps social entrepreneurs by providing training, mentorship, and funding, among other things. Malaysia's state of social entrepreneurship puts a lot of attention on creating an environment that helps social entrepreneurship thrive. This includes having access to money, networks, and resources, as well as policies and rules that make social entrepreneurship possible and help it grow. The government has taken steps to help this ecosystem grow, like starting the Social Inclusion and Vibrant Entrepreneurship (MasSIVE) programme, which helps social entrepreneurship by giving them money and support.

The growing demand from consumers in Malaysia for products and services that are both socially and environmentally responsible is another factor that is encouraging the expansion of social entrepreneurship in the country. Consumers are becoming more aware of the social and environmental repercussions of their purchase decisions, and as a result, they are searching for products and services that are congruent with their values and beliefs. As a result of this, social entrepreneurs now have the opportunity to develop products and services that not only address social and environmental issues but also satisfy the requirements and preferences of customers. In addition, the growth of social media and online platforms has made it much simpler for customers to obtain information about the social and environmental effects of products and services, as well as to share their views and opinions with other individuals. As a consequence of this, businesses are coming under increasingly intense pressure to be socially and environmentally conscientious, which has resulted in an increased demand for social entrepreneurship that prioritise having a positive impact on society and maintaining their own viability over achieving financial success.

Additionally, the presence of a wide variety of social and environmental concerns in Malaysia has been a crucial factor in the country's rise of social entrepreneurship. Malaysia faces a multitude of social and environmental problems, such as poverty, inequality, environmental degradation, and access to essential services like education and healthcare. These obstacles have given an opening for social entrepreneurs to develop new solutions that simultaneously solve these problems and stimulate long-term economic growth. In Malaysia, poverty and inequality are serious socioeconomic concerns. An estimated 7.6% of the population lives below the poverty level in Malaysia, according to the World Bank.

In conclusion, social entrepreneurship has received a lot of attention and growth in Malaysia in recent years. Malaysia's social entrepreneurship landscape is defined by an increasing number of social entrepreneurship addressing various social and environmental challenges such as poverty, education, health, and environmental protection. Several factors are driving the rise of social entrepreneurship in Malaysia, including Malaysians' growing social and environmental awareness, the availability of funding and resources, and technological advancements.

5.2. The Challenges of Social Entrepreneurship in Malaysia

The recognition of social entrepreneurship in Malaysia has gained significant attention following the announcement made by former Prime Minister Dato' Seri Najib Razak during the Global Business Summit in 2013. The aforementioned statement emphasised the significance of social entrepreneurship and the government's dedication to fostering the entrepreneurship ecosystem by the year 2018. The government has established a goal of creating a minimum of 1000 operational social entrepreneurship by the year 2018, and has designated RM20 million towards their advancement. The establishment of the Malaysian Global Innovation & Creativity Centre (MaGIC) subsequent to Dato' Seri Najib Razak's announcement has generated interest and awareness among the public and entrepreneurs.

The establishment of MaGIC was driven by the objective of nurturing a self-sustaining entrepreneurial ecosystem and promoting creativity and innovation, with the ultimate goal of achieving long-term national impact. MaGIC is involved in the dissemination of knowledge on social entrepreneurship and the promotion of social ventures among young entrepreneurs, as part of its prescribed roles. Consequently, the entrepreneurship industry has undergone substantial expansion and has been instrumental in promoting the government's objective of attaining a high-income economy. Social entrepreneurship align with the objectives of the 11th Malaysia Plan and the social development goals, specifically with regards to the elimination of poverty (SDG 1), provision of economic opportunities and employment (SDG 5, 8), and promotion of income equality (SDG 10).

Social entrepreneurship in Malaysia comprise diverse categories such as community-based initiatives, education, financial aid, disaster relief, and others. MaGIC has collaborated with the Ministry of Entrepreneur Development (MED) to introduce the Social Enterprise Accreditation (SE.A) programme, aimed at augmenting the social entrepreneurship ecosystem. The purpose of this accreditation is to confer legitimacy and tax exemption upon social entrepreneurship. Furthermore, it facilitates access to additional resources such as financial backing, prospects for entrepreneurship, and workforce development. The implementation of this programme, coupled with the supplementary allocation of RM20 million as declared in Budget 2020, has played a significant role in fostering the favourable expansion of social entrepreneurship within the nation.

However, social entrepreneurship in Malaysia face several challenges along the way. One major challenge is the lack of public awareness and understanding of the concept and impact of social entrepreneurship. However, the double bottom line of social entrepreneurship frequently creates tension among the stakeholders, as some have a propensity to believe that profit and social mission cannot coexist, as this can frequently result in mission drift. The presence of dual social and business objectives in such enterprises may pose challenges in terms of attracting customers and investors who may not possess a comprehensive understanding of the same. Although mission drift is a potential concern, social entrepreneurship managers who effectively balance the demands of their dual missions can achieve success that surpasses the risk of mission drift.

“Upon our decision to promote our product, we were initially met with public criticism for perceived deviation from our original mission. We seized the chance to provide reassurance to them that our primary objective was to generate revenue in order to secure long-term funding for our present and

future undertakings. We were also able to provide them with additional income by selling products made by our own beneficiaries. Transparency is ensured through the production of an annual report, which serves to provide donors and funders with insight into our management of entrusted funds and serves as a demonstration of our accountability in our endeavours” (R8)

Social entrepreneurship leaders emphasise the significance of sound governance, efficient oversight, and accountability as a means of reducing the likelihood of mission drift.

"When you combine two missions in your organisation, there is always the possibility that you inadvertently neglect one mission over the other. However, in our organisation we have robust controls in place, both formal and informal, to ensure that we maintain an appropriate balance. These controls serve as our guiding principles." (R2)

Furthermore, social entrepreneurship frequently encounter challenges in obtaining sufficient funding and resources, particularly during the initial phases of their establishment. The growth and sustainability of certain entities are impeded by obstacles such as insufficient financial backing and inadequate access to suitable networks and mentoring initiatives. Additionally, the legal infrastructure pertaining to social entrepreneurship in Malaysia is currently in a state of development, with no distinct legal framework established for this particular industry. The aforementioned circumstances give rise to uncertainties and complexities with regards to adherence to legal regulations, qualification criteria, and responsibility. Social entrepreneurship encounter difficulties in quantifying and exhibiting their social impact, in addition to establishing alliances and associations with governmental entities, corporations, and non-governmental organisations.

The resolution of these challenges necessitates collaborative endeavours from diverse stakeholders, encompassing governmental bodies, private enterprises, non-governmental organisations, and academic establishments. Tailored support measures, including financial incentives, capacity building initiatives, and regulatory frameworks that are specifically designed to meet the unique requirements of social entrepreneurship, have the potential to enhance their performance and foster the expansion of the sector in Malaysia. Regardless of how difficult it may be to manage social entrepreneurship, all of the leaders interviewed for this study are confident that this emerging business model contains great potential for their development. They view social entrepreneurship not only as a process, but also as a mindset that has acquired traction in the global market's constant evolution. This is most evident in the rising trend of incorporating citizen-centric approaches into business models.

5.3. A Way Forward: Creating Social Value

The development of the entrepreneurship ecosystem in Malaysia is a direct response to the increasing market demand that for-profit businesses, government agencies, and non-profit organisations have been unable to meet. This demand for products and services necessitates the establishment of organisations able to meet it. The public prefers the establishment of organisations that prioritise social value creation over profit maximisation. All of the leaders of social entrepreneurship interviewed for the

study believe that their organisations have effectively created social value by effecting long-term, immediate, or short-term social change or results while addressing social problems or issues.

"At first, our charity focused on teaching disadvantaged children basic living skills like clothing themselves and using the restroom on their own. We never charged them money, and our funding came from public and private donations, as well as a government stipend. However, as time passed, we grasped the significance of obtaining financial independence. To do this, we began teaching the youngsters various crafts that we might sell to the general public. This not only provided us with the revenue we needed to continue operations, but it also gave employment possibilities for the children, allowing them to earn their own money. We are certain that this win-win situation helps to prepare and empower youngsters for their future." (R8)

The mutually beneficial relationship between marginalised individuals and entrepreneurship operators generates a new business model in which social entrepreneurship not only provide services and products, but also employment opportunities and the opportunity to increase household revenues. For instance, according to the one of the respondents, their initial goal was to ensure that urban impoverished did not go hungry. They prepared and provided them with nasi lemak. However, recognising the need for further development, they began teaching the urban impoverished how to prepare nasi lemak and assisting them in selling it to interested customers. As a result, their nasi lemak and other Malay dishes are now sourced from urban impoverished families in Kuala Lumpur, providing them with additional income and a means to support themselves.

Through this new business model, social entrepreneurship not only address immediate requirements, but also provide marginalised individuals with long-term opportunities to improve their standard of living. Social entrepreneurship contribute to breaking the cycle of poverty by equipping individuals with skills and jobs. This strategy concentrates on equipping individuals with the means to support themselves and their families, rather than providing handouts.

6. Conclusions

The growing field of social entrepreneurship in Malaysia is experiencing rapid growth, as it is increasingly acknowledged for its capacity to tackle pressing social issues and foster economic advancement. In Malaysia, social entrepreneurship integrate social objectives with commercial strategies to generate social and environmental benefits while simultaneously pursuing economic viability. Although there is no specific legal form for social entrepreneurship, they operate under existing legal forms such as limited liability companies, private limited companies and cooperatives.

The significance of social entrepreneurship has been acknowledged by the Malaysian government, which has implemented measures to foster its development (Mohd Zulkifle et al., 2021). The initiative known as Malaysia Social Entrepreneurship Blueprint 2030 (SEMy2030) is geared towards establishing a conducive atmosphere for social entrepreneurs. This is achieved through various programmes such as the Malaysian Global Innovation & Creativity Centre (MaGIC) and the Social Inclusion and Vibrant Entrepreneurship (MasSIVE) programme. The primary objective of these programmes is to equip social

entrepreneurs with the necessary skills, guidance, and financial support. The aforementioned endeavours demonstrate the government's dedication to utilising the capabilities of social entrepreneurship in order to attain objectives related to socio-economic progress and fulfil the requirements of the community.

The current situation of social entrepreneurship in Malaysia, however, is hampered by a number of challenges. The absence of a well-defined legal framework for social entrepreneurship poses challenges in relation to precision and availability of resources. Social entrepreneurs frequently encounter obstacles in securing financing and expanding their influence as a result of inadequate financial backing and insufficient awareness among stakeholders. The nascent phase of the social entrepreneurship ecosystem in Malaysia underscores the imperative for additional advancement and reinforcement in order to fully actualize its potential.

In order to overcome the aforementioned constraints and foster the advancement of social entrepreneurship in Malaysia, a number of suggestions can be put forth for subsequent research and actions. At the outset, it is imperative to establish a unique legal framework for social entrepreneurship that can furnish clarity, authenticity, and opportunities to acquire resources. One potential approach to supporting social entrepreneurship is through an examination of the legal frameworks utilised by countries that have demonstrated success in this area. Furthermore, it is imperative to enhance the existing financial support mechanisms, such as the creation of dedicated funds or investment mechanisms, to bolster the growth of social entrepreneurship.

It is recommended that capacity-building programmes be extended to offer all-encompassing assistance to social entrepreneurs, encompassing instruction, guidance, and networking prospects. The establishment of a strong ecosystem that supports social entrepreneurship is contingent upon the collaboration among government agencies, academic institutions, and private sector entities. The implementation of awareness and advocacy campaigns can potentially enhance the comprehension and endorsement of social entrepreneurship among the general public, thereby facilitating their assimilation into conventional business operations.

Subsequent research endeavours may also investigate the ramifications and efficacy of governmental endeavours aimed at bolstering social entrepreneurship within the Malaysian context. The research can also centre on quantifying the social and environmental effects, encompassing the creation of gauges and assessment structures that are customised to the regional context. Longitudinal research endeavours can effectively monitor the advancement of social entrepreneurship throughout a given period and evaluate their impact on the socio-economic landscape.

In brief, the field of social entrepreneurship in Malaysia is currently in its nascent stage, yet it holds significant potential for expansion and influence. The establishment of a flourishing social entrepreneurship ecosystem can be facilitated by the collaborative endeavours of diverse stakeholders, in conjunction with the initiatives of the government. Through the adoption of appropriate measures and strategies, Malaysia has the potential to establish a conducive atmosphere that facilitates the growth and development of social entrepreneurship, thereby fostering a prosperous, inclusive, and sustainable society.

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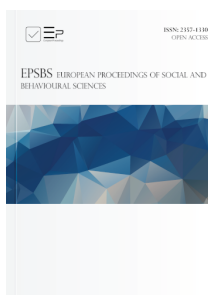


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