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Research Article

The Influence of Social Awareness on Social Entrepreneurship Interest in Generation Z

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Abstract

Social entrepreneurship has emerged as an innovative approach to addressing social and environmental challenges while simultaneously creating sustainable economic value. Among the factors influencing individuals' willingness to engage in social entrepreneurship, social awareness is considered an important psychological determinant, particularly for Generation Z, who are characterized by high digital literacy and increasing concern for social issues. This study aimed to examine the effect of social awareness on social entrepreneurial intention among Generation Z. A quantitative research approach with an explanatory design was employed. Data were collected through an online questionnaire from 80 Generation Z respondents selected using purposive sampling. The collected data were analyzed using descriptive statistics and simple linear regression analysis with IBM SPSS Statistics 26. The results revealed that social awareness has a positive and statistically significant effect on social entrepreneurial intention ($\beta = 0.684$, $p < 0.001$). The coefficient of determination ($R^2 = 0.468$) indicated that social awareness explained 46.8% of the variance in social entrepreneurial intention, while the remaining variance was influenced by other factors not included in the model. These findings suggest that individuals with higher levels of social awareness are more likely to develop stronger intentions to establish social enterprises that generate both economic and social value. The study contributes to the growing literature on social entrepreneurship by highlighting the importance of strengthening social awareness through entrepreneurship education, community engagement, and sustainability-oriented learning programs. The findings also provide practical implications for universities and policymakers in promoting socially responsible entrepreneurship among Generation Z.

Introduction

Social entrepreneurship has emerged as a transformative approach to addressing persistent social, economic, and environmental challenges while simultaneously creating sustainable economic value. Unlike conventional entrepreneurship, which primarily focuses on profit maximization, social entrepreneurship seeks to generate positive social impact by integrating innovative business models with social missions. In recent years, this concept has attracted increasing attention from governments, educational institutions, and researchers because of its potential to alleviate social inequality, reduce unemployment, and promote sustainable community development ([Santos, 2012](#); [Bacq & Lumpkin, 2021](#)). Consequently, understanding the factors that encourage individuals to pursue social entrepreneurship has become an increasingly important research agenda.

The growing complexity of social problems has reinforced the importance of entrepreneurial initiatives that prioritize social value creation. Issues such as poverty, unemployment, environmental degradation, unequal access to education, and health disparities continue to affect communities worldwide despite economic development. Traditional governmental interventions alone are often insufficient to address these multidimensional challenges, creating opportunities for social entrepreneurs to develop innovative and sustainable solutions ([United Nations, 2023](#); [Zahra et al., 2009](#)). As a result, social entrepreneurship is increasingly recognized as a complementary mechanism for achieving the Sustainable Development Goals (SDGs), particularly those related to decent work, reduced inequalities, quality education, and sustainable communities.

The rapid expansion of digital technology has further accelerated the development of social entrepreneurship by enabling entrepreneurs to reach broader communities, mobilize social support, and deliver innovative services efficiently. Digital platforms, crowdfunding systems, and social media have transformed the way social enterprises communicate with stakeholders and generate social impact. These technological developments have reduced barriers to entry for young entrepreneurs and created new opportunities for individuals to transform social concerns into entrepreneurial initiatives ([Dwivedi et al., 2023](#)). Consequently, the digital era has become an important catalyst for the emergence of social entrepreneurship among younger generations.

Despite these encouraging developments, empirical findings concerning the determinants of social entrepreneurial intention remain inconsistent. Several studies have identified empathy, social responsibility, moral obligation, entrepreneurial self-efficacy, and entrepreneurial education as significant predictors of social entrepreneurial intention ([Hockerts, 2017](#); [Bacq & Alt, 2018](#)). However, other studies have reported weaker or insignificant relationships depending on demographic characteristics, educational background, and cultural context ([Kruse et al., 2022](#)). These inconsistencies indicate that additional empirical investigation is required to clarify the role of social awareness within different populations, particularly among Generation Z.

The Indonesian context provides a particularly relevant setting for examining this relationship. Indonesia possesses one of the largest Generation Z populations in the world, representing a substantial proportion of the country's future workforce and entrepreneurial ecosystem. Simultaneously, Indonesia continues to face numerous social challenges, including youth unemployment, poverty, educational inequality, waste management, and environmental degradation. These conditions create significant opportunities for young entrepreneurs to develop innovative social enterprises capable of addressing community needs while contributing to national economic development.

Although the Indonesian government has introduced various entrepreneurship development programs targeting young people, most initiatives continue to emphasize commercial entrepreneurship rather than social entrepreneurship. Business incubation programs, entrepreneurship competitions, and financial assistance schemes primarily focus on business profitability and economic growth, while comparatively less attention is devoted to strengthening social awareness and promoting enterprises that generate measurable social impact. Consequently, understanding the psychological factors that encourage young people to pursue social entrepreneurship remains an important policy issue.

Another limitation within the existing literature concerns methodological approaches. Previous studies have frequently employed complex structural equation modeling involving multiple mediating and moderating variables. Although such approaches provide comprehensive theoretical explanations, they often make it difficult to isolate the independent contribution of a single predictor. In contrast, examining the direct relationship between social awareness and social entrepreneurial intention using a simple linear regression model enables researchers to obtain clearer empirical evidence regarding the magnitude and direction of the relationship. This approach is particularly appropriate for exploratory studies involving a relatively modest sample size of 80 respondents.

Based on the foregoing discussion, the present study addresses an important gap by examining the direct influence of social awareness on social entrepreneurial intention among Generation Z in Indonesia. Unlike many previous studies that incorporated multiple antecedents simultaneously, this research focuses specifically

on social awareness as the primary explanatory variable. The study is expected to contribute to the growing body of literature by providing empirical evidence regarding the importance of social awareness in fostering social entrepreneurial intention among young people. Furthermore, the findings are expected to provide practical implications for universities, policymakers, and entrepreneurship support organizations in designing educational programs and policies that encourage socially responsible entrepreneurship.

Hypotheses Development

Social entrepreneurial intention has become an increasingly important topic in entrepreneurship research because it represents the cognitive state that precedes the establishment of social enterprises. Intention reflects an individual's commitment and willingness to perform a particular behavior in the future and has consistently been recognized as one of the strongest predictors of actual entrepreneurial behavior ([Ajzen, 1991](#)). Within the context of social entrepreneurship, intention refers to an individual's desire to establish an organization or business that simultaneously pursues economic sustainability and social value creation ([Mair & Noboa, 2006](#)). Consequently, understanding the determinants of social entrepreneurial intention is essential for promoting the development of sustainable social enterprises among young people.

The theoretical foundation of entrepreneurial intention is primarily rooted in the Theory of Planned Behavior (TPB), which argues that behavioral intention is determined by attitudes toward the behavior, subjective norms, and perceived behavioral control ([Ajzen, 1991](#)). Although TPB has been extensively applied in entrepreneurship research, scholars have suggested that the model may be expanded by incorporating psychological and social variables that are particularly relevant to social entrepreneurship. Unlike commercial entrepreneurship, social entrepreneurship involves strong moral considerations, empathy, and concern for community welfare. Therefore, variables associated with social responsibility and awareness may provide additional explanatory power beyond the traditional TPB constructs ([Hockerts, 2017](#)).

One psychological construct that has attracted increasing scholarly attention is social awareness. Social awareness refers to an individual's capacity to recognize, understand, and respond appropriately to the emotions, needs, and challenges experienced by others ([Goleman, 2006](#)). Individuals possessing high levels of social awareness are generally more capable of identifying social problems, empathizing with disadvantaged groups, and appreciating the broader consequences of social inequality. Such awareness encourages individuals to seek meaningful solutions that improve community well-being rather than focusing exclusively on personal economic benefits. Consequently, social awareness has been increasingly regarded as a critical antecedent of prosocial behavior and social innovation.

Another theoretical explanation is provided by stakeholder theory, which argues that organizations should create value not only for shareholders but also for broader stakeholder groups, including communities, employees, customers, and the natural environment ([Freeman, 1984](#)). Individuals with strong social awareness tend to adopt a stakeholder-oriented perspective, recognizing that entrepreneurial success should include positive social outcomes alongside financial performance. This broader understanding of organizational responsibility encourages young entrepreneurs to pursue business models that integrate economic sustainability with social impact. Therefore, social awareness is likely to influence entrepreneurial intentions by shaping individuals' perceptions of business purpose.

The relationship between social awareness and entrepreneurial intention is also supported by social identity theory. According to this theory, individuals often define themselves according to the social groups and values with which they identify ([Tajfel & Turner, 1979](#)). Generation Z increasingly identifies with movements advocating environmental sustainability, social justice, diversity, and community empowerment. Such identification strengthens individuals' commitment to activities that reflect these shared values. Consequently, entrepreneurship becomes not merely an economic pursuit but also a means of expressing personal identity and contributing to societal improvement. Individuals with stronger social awareness are therefore expected to demonstrate higher intentions to engage in social entrepreneurship.

Recent studies have reinforced these theoretical arguments. [Bacq and Alt \(2018\)](#) reported that empathy and prosocial motivation positively influenced students' intentions to establish social enterprises. Similarly, [Kruse et al. \(2022\)](#) found that students with stronger social responsibility and awareness of societal problems

demonstrated significantly greater willingness to become social entrepreneurs. Research conducted in Asian countries has also highlighted the importance of social consciousness in shaping entrepreneurial decisions among university students, particularly those exposed to community engagement and sustainability education ([Hota et al., 2020](#)). Collectively, these studies provide empirical support for the proposition that social

Considering these theoretical perspectives and empirical findings, the present study proposes that social awareness functions as a significant predictor of social entrepreneurial intention among Generation Z. Individuals who possess higher levels of social awareness are expected to demonstrate stronger intentions to establish social enterprises because they are more capable of recognizing societal challenges, empathizing with affected communities, and perceiving entrepreneurship as an effective means of generating sustainable social change. This proposition serves as the conceptual foundation for the empirical analysis conducted in this study using a simple linear regression model.

Method

This study employed a quantitative research approach to examine the influence of social awareness on social entrepreneurial intention among Generation Z. A quantitative approach was considered appropriate because the objective of the study was to empirically test the causal relationship between the independent variable, namely social awareness, and the dependent variable, namely social entrepreneurial intention, through statistical analysis. The research adopted an explanatory design, which seeks to explain the extent to which variations in the independent variable contribute to changes in the dependent variable. The study utilized a cross-sectional survey design, whereby data were collected from respondents at a single point in time to capture their perceptions and behavioral intentions.

The target population comprised Generation Z individuals residing in Indonesia who were born between 1997 and 2012. This generation was selected because it represents a demographic cohort characterized by high digital literacy, increasing awareness of social and environmental issues, and significant potential to contribute to future entrepreneurial development. Considering the accessibility of respondents and the scope of the research, a non-probability sampling technique using purposive sampling was employed. Respondents were selected based on predefined criteria, including being members of Generation Z, having an understanding of entrepreneurship, and expressing willingness to participate voluntarily in the study. A total of 80 respondents participated in the survey, which satisfies the minimum sample requirement for simple linear regression analysis in behavioral research ([Hair et al., 2019](#)).

All measurement items employed a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The use of the Likert scale enables respondents to express the extent of their agreement with each statement and has been widely adopted in entrepreneurship and behavioral research because of its simplicity, reliability, and ability to capture psychological perceptions (Sekaran & Bougie, 2020). Prior to large-scale distribution, the questionnaire was reviewed to ensure that all items were clear, understandable, and appropriate for the target respondents.

Data analysis was conducted using IBM SPSS Statistics version 26. The analysis began with descriptive statistics to summarize respondents' demographic characteristics and provide an overview of the distribution of responses for each research variable. Descriptive measures included frequencies, percentages, means, and standard deviations. Subsequently, the quality of the measurement instrument was evaluated through validity and reliability testing. Item validity was assessed using Pearson's product-moment correlation by comparing the corrected item-total correlation coefficient with the critical value at a significance level of 0.05. Items with correlation coefficients exceeding the critical threshold were considered valid. Reliability was evaluated using Cronbach's Alpha coefficient, with values greater than 0.70 indicating satisfactory internal consistency ([Hair et al., 2019](#)).

Following the measurement quality assessment, classical assumption tests were conducted to ensure that the data satisfied the assumptions underlying simple linear regression analysis. The normality of residuals was examined using the Kolmogorov–Smirnov test and supported by visual inspection of normal probability plots. A significance value greater than 0.05 indicated that the residuals followed a normal distribution. Because the study involved only one independent variable, multicollinearity was not examined. Homoscedasticity was

evaluated through scatterplot analysis of standardized residuals to verify that the variance of residuals remained constant across predicted values.

The primary hypothesis was tested using simple linear regression analysis, which was selected because the research examined the direct effect of a single independent variable, namely social awareness, on a single dependent variable, namely social entrepreneurial intention. The regression model is expressed as:

$$Y = \alpha + \beta X + \varepsilon$$

where Y represents social entrepreneurial intention, X denotes social awareness, α is the regression constant, β represents the regression coefficient, and ε denotes the error term.

The statistical significance of the regression coefficient was evaluated using the t-test at a 5% significance level ($\alpha = 0.05$). A significance value below 0.05 indicated that social awareness exerted a statistically significant influence on social entrepreneurial intention. In addition, the coefficient of determination (R^2) was calculated to determine the proportion of variance in social entrepreneurial intention explained by social awareness. Higher R^2 values indicate greater explanatory power of the regression model. The findings were interpreted in relation to the theoretical framework and previous empirical studies to determine whether the proposed hypothesis was supported and to discuss the implications for entrepreneurship education, policymaking, and future research.

Results And Discussion

Result

Data collected from 80 Generation Z respondents were analyzed using IBM SPSS Statistics 26. Prior to hypothesis testing, the data satisfied the assumptions required for simple linear regression analysis. The validity test indicated that all questionnaire items had corrected item-total correlation coefficients exceeding the minimum threshold, while Cronbach's Alpha values for both constructs were greater than 0.70, confirming satisfactory reliability. Furthermore, the residuals were normally distributed, and the scatterplot indicated no evidence of heteroscedasticity. Therefore, the dataset fulfilled the assumptions necessary for regression analysis.

Descriptive statistics showed that respondents generally demonstrated relatively high levels of social awareness and social entrepreneurial intention. The mean score of social awareness indicated that most respondents were concerned about social issues and expressed willingness to contribute to solving community problems. Similarly, the average score for social entrepreneurial intention suggested that Generation Z respondents exhibited positive intentions toward establishing businesses that simultaneously pursue economic sustainability and social impact.

Simple linear regression analysis was performed to examine the influence of social awareness on social entrepreneurial intention. The regression results revealed that social awareness significantly predicted social entrepreneurial intention. The regression coefficient was positive, indicating that higher levels of social awareness were associated with stronger intentions to become social entrepreneurs.

Table 1
Hypothesis Testing

Hypothesis	Estimate	p-value	Decision
H1: Social awareness positively influences social entrepreneurial intention among Generation Z.	0.684	0.000	Supported

Source: Data processed (2026)

The regression coefficient ($\beta = 0.684$) indicates that an increase of one unit in social awareness is associated with an increase of 0.684 units in social entrepreneurial intention. The significance value ($p < 0.001$) is lower than the accepted significance level of 0.05, indicating that the proposed hypothesis is supported. Therefore, social awareness exerts a positive and statistically significant influence on the social entrepreneurial intention of Generation Z.

The coefficient of determination ($R^2 = 0.468$) indicates that 46.8% of the variance in social entrepreneurial intention is explained by social awareness, while the remaining 53.2% may be influenced by other variables not included in the present study, such as entrepreneurial self-efficacy, entrepreneurial education, perceived social support, or personality characteristics.

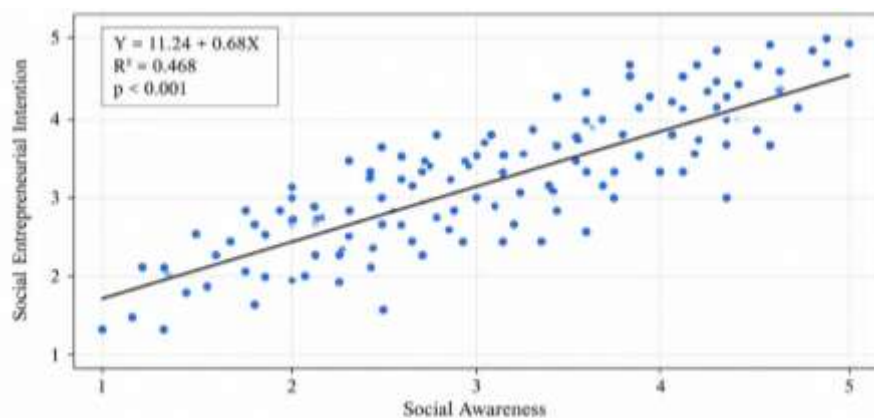


Figure 1
Relationship between Social Awareness and Social Entrepreneurial Intention

Discussion

The findings demonstrate that social awareness has a positive and statistically significant influence on social entrepreneurial intention among Generation Z. This result supports the proposed hypothesis and indicates that individuals who possess greater awareness of societal problems are more likely to develop intentions to establish enterprises that generate both economic and social value. The positive regression coefficient suggests that increased concern for community welfare enhances young people's motivation to engage in entrepreneurial activities aimed at solving social problems.

These findings are consistent with the Theory of Planned Behavior ([Ajzen, 1991](#)), which posits that behavioral intention is shaped by individuals' beliefs and evaluations regarding a particular behavior. In the context of social entrepreneurship, individuals with higher social awareness tend to develop more favorable attitudes toward addressing societal challenges through entrepreneurial initiatives. Consequently, stronger positive attitudes contribute to greater intentions to become social entrepreneurs.

The present findings also support Social Cognitive Theory ([Bandura, 1986](#)), which emphasizes that cognitive factors play an essential role in shaping human behavior. Social awareness represents an important cognitive resource that enables individuals to recognize societal challenges and identify opportunities to create meaningful social change. As Generation Z becomes increasingly exposed to social issues through education and digital media, they may become more motivated to initiate businesses capable of improving community welfare.

Furthermore, the findings are consistent with the conceptual framework proposed by [Mair and Noboa \(2006\)](#), who argued that empathy and moral judgment contribute significantly to the formation of social entrepreneurial intention. Individuals with higher social awareness generally exhibit stronger empathy toward disadvantaged communities, increasing their willingness to establish organizations that prioritize social impact alongside financial sustainability.

The positive relationship identified in this study also corroborates the empirical findings of [Hockerts \(2017\)](#), who reported that empathy and moral obligation significantly influence social entrepreneurial intention among university students. Similarly, [Bacq and Alt \(2018\)](#) found that prosocial motivation enhances individuals'

willingness to engage in social entrepreneurship. The present study extends these findings by demonstrating that social awareness independently explains a substantial proportion of variation in social entrepreneurial intention among Indonesian Generation Z.

The coefficient of determination ($R^2 = 0.468$) indicates that although social awareness is an important predictor, more than half of the variance in social entrepreneurial intention remains unexplained. This finding suggests that additional psychological and contextual factors also contribute to entrepreneurial intention. Previous studies have identified entrepreneurial self-efficacy, entrepreneurial education, perceived behavioral control, family support, entrepreneurial experience, and social capital as significant determinants of entrepreneurial intention ([Hockerts, 2017](#); [Kruse et al., 2022](#)). Future studies should therefore incorporate these variables to develop a more comprehensive explanatory model.

From a practical perspective, the findings imply that universities and policymakers should strengthen educational initiatives aimed at increasing students' social awareness through service-learning programs, community engagement projects, volunteer activities, and sustainability education. Such initiatives may encourage Generation Z to perceive entrepreneurship not only as a means of generating income but also as a platform for creating long-term social impact. Developing social awareness may therefore become an important strategy for increasing the number of future social entrepreneurs capable of addressing Indonesia's increasingly complex social and environmental challenges.

Conclusion

This study examined the influence of social awareness on social entrepreneurial intention among Generation Z using a quantitative approach with a sample of 80 respondents and simple linear regression analysis. The findings indicate that social awareness has a positive and statistically significant effect on social entrepreneurial intention. Individuals with higher levels of social awareness are more likely to develop stronger intentions to establish social enterprises that create both economic value and positive social impact. These findings confirm the proposed hypothesis and reinforce the importance of social awareness as a key psychological factor influencing entrepreneurial intention among young people. The study contributes to the existing literature by providing empirical evidence that social awareness independently explains a substantial proportion of the variance in social entrepreneurial intention among Generation Z. While previous studies have frequently examined multiple antecedents simultaneously, this research demonstrates that social awareness alone represents a meaningful predictor of social entrepreneurial intention. Enhancing social awareness is therefore expected to contribute to the development of a new generation of social entrepreneurs capable of creating sustainable solutions for society. Future research is therefore recommended to employ larger and more diverse samples from different geographical regions and educational backgrounds to improve the generalizability of the findings. Researchers are also encouraged to incorporate additional psychological, social, and contextual variables into more comprehensive analytical models, such as multiple regression or structural equation modeling (SEM). Furthermore, longitudinal studies may provide deeper insights into how social awareness develops over time and influences the transition from entrepreneurial intention to actual social entrepreneurial behavior. Such investigations would contribute to a more comprehensive understanding of the factors that encourage Generation Z to become successful social entrepreneurs while generating sustainable social value.

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