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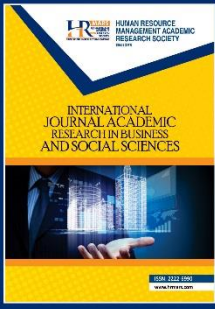
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## The Role of Social Entrepreneurship Approach in Enhancing Homepreneur Business Opportunities: The Conceptual Model

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### Abstract

The pandemic is a public health crisis with deep implications for society. The negative impacts of the Covid-19 pandemic are felt greater than the positive ones. This may cause the socio-economic development in Malaysia to be more difficult. The purpose of this research is to explain the important role of social entrepreneurship factor, specifically focusing on human capital and social capital, in encouraging homepreneur business opportunities. The paper draws on the work of others to add conclusion from both direct experience and observation. The central argument is that social entrepreneurship approach will have positive effect on homepreneur business opportunity. Moreover, it is argued that human capital, and social capital at the individual level factors also promote social entrepreneurship activities which will push social improvement. The paper presents a theoretical research model incorporating social entrepreneurship factors to direct a future research agenda during this Covid-19 pandemic. The paper could be used as a research model by researchers to empirically test social entrepreneurship approach on homepreneur business opportunities. Moreover, practitioners can also gain benefit from the conceptual framework and promote social entrepreneurship. It is hoped that social entrepreneurship continues to grow and improve economic growth, sustainable competitiveness and prosperity for Malaysians.

**Keywords:** Social Entrepreneurship, Homepreneur Business Opportunities, Covid-19, Malaysia, Social Capital, Human Capital

## Introduction

The acute respiratory outbreak crisis or known as Novel Coronavirus (Covid-19) has brought unprecedented challenges for both people and society globally. The covid-19 crisis is an ongoing situation within an uncertain period that makes it hard to anticipate and plan for the future (Weaver, 2020). Since December 2019 (Kuckertz et al., 2020), millions of people have been devastated by health, social, and economic implications of Covid-19 pandemic. World Health Organization (WHO) (2020) stated that Covid-19 is a highly transmittable disease. An infected person may transmit the virus through coughing, sneezing, speaking, singing or even just breathing. Transmission may occur by touching surfaces that have been contaminated by the virus while infection happens through eyes, nose or mouth. In an effort to limit the virus spread, governments of the world have resorted to closing the 'non-essential' businesses and institutions for weeks and months (Gong et al., 2020; Zraick & Garcia, 2020; Liguori & Winkler, 2020; Ratten, 2020), thus worsening the rates of unemployment, poverty and inequality among the community (Prasetyo & Kistanti, 2020).

In Malaysia, the government has implemented several movement control order (MCO) in their effort to flatten the curve of Covid-19. The MCOs have severely affected businesses and particularly small- and medium-sized enterprises (SMEs) where it ends with heavy debt in hand. Most companies have had to reduce number of staff in order to reduce the cost of operation. This worsens Malaysia's unemployment rate although the unemployment rate for April 2021 fell to 4.6% (Department of Statistics Malaysia), the lowest since October 2020. Indeed, these closures hinder and eradicate the opportunities for many small business owners and institutional leaders to generate revenue (Weaver, 2020). The pandemic has placed Malaysians, the vulnerable and the pandemic poor in a particularly precarious position (Simler, 2020). Simler (2020) further stressed that those with little or no assets or savings to fall back on, informal workers who are not covered by or have inadequate social safety nets, and those who have lost their jobs, have been placed on unpaid leave, or experienced pay cuts.

Malaysia government has introduced several economic stimulus packages like PRIHATIN; PRIHATIN Package for Small and Medium Enterprises (Additional Measures); National Economic Recovery Plan (PENJANA); the Malaysian Economic and Rakyat's Protection Scheme (PERMAI); and the Strategic Programme to Empower the People and Economy (PEMERKASA). Yet, mirroring the current situation, everyone in Malaysia from B40 (income of less than RM4,850), M20 (income of between RM4,850 to RM10,959) and T20 (income higher than RM10,959) has been affected and the worst category is B40 which includes those who were already vulnerable and struggling to make ends meet even prior to the pandemic and MCO. At a civic level, achieving societal impact often requires multiple stakeholders with diverse backgrounds and social motives to coalesce (Lumpkin & Bacq, 2019) in eradicating poverty, fostering equity, and promoting resilience within the economy, by continuing to share their roles in enhancing the social protection systems (Simler, 2020). It has been proven that social entrepreneurship (SE) may in fact be better equipped to handle social problems (Bacq & Lumpkin, 2020). Before the Covid-19 pandemic, social entrepreneurship is known as the best approach to handle simultaneous pursuit of economic, social, and environmental values for social development (Nga & Shamuganathan, 2010; Davari & Farokhmanesh, 2017) as community participation and local involvement can have an impact on a business (Ismail & Daud, 2020).

With little financial support, many people start doing small business for financial survival. The majority prefer to do home-based business or otherwise known as

'homepreneur', which is rarely used in Malaysia. Homepreneurs can be defined as business entrepreneur who operates from his or her home (Swami & Naidu, 2020). Becoming a homepreneur is an excellent way to start small and gain entrepreneurial skills (Swami & Naidu, 2020) while having a rather low operation cost. Abdul Hamid (2020) in his report highlighted that COVID-19 has impacted consumer behaviour in many ways especially in spending, i.e. from shopping spree to itemising essentials, which significantly lowers consumer-spending power. While homepreneurs operate in their own premises and in challenging circumstances, they are struggling to run and sustain their businesses. This highlights the need to study ways of enhancing business opportunities through social entrepreneurship approach.

At present, studies on the relevance of the involvement of social entrepreneurship and homepreneur growth are limited. The main objective of this research is to describe the important role of social entrepreneurship approach in enhancing homepreneur business opportunities in driving economic growth and prosperity. The second section discusses the review on the literature while the third section describes the conceptual model. Section Four suggests how SE affects homepreneur business opportunities and Section Five concludes. This study contributes to the literature by proposing the research model which could be adopted and further developed in future empirical studies.

## **Literature Review**

### *Homepreneur*

Swami and Naidu (2020) described homepreneurs as business entrepreneurs who run business from his or her home, and mostly researchers from India use this term., In Malaysia however, the term is rarely used as it refers to home-based business. To date, only one local community platform formally used the term homepreneur called 'Santai Homepreneur'. Homepreneurs are talented multi-taskers as they govern their homes as well as indulge in homepreneurship activities (Indrani & Priyadharshini, 2017). Lacking formal definition for now, homepreneurs use any spare room, kitchen, garage, living room, or any available area as their working space to operate their business activities (Swami & Naidu, 2020). Homepreneurs create employment opportunities for society. Moreover, it allows unemployed individuals to become self-employed, establish small businesses, and earn their livelihood. This suggests that homepreneurship is a critical element for economic growth and social development. Generally, homepreneur business opportunities come from their own product or service, and drop shipping, or by becoming agent or stockist for other products. The advantages of becoming homepreneurs include (i) reduced operating expenses, (ii) safe working environment especially for women and physically disadvantaged people, and (iii) flexible working time in which they can balance their family needs and business work. Therefore, this study defines homepreneur as an individual who is doing business from home and generating revenue.

### *Social Entrepreneurship*

Social entrepreneurship applies the notion of entrepreneurial intervention, drawn from the world of business economics, to attempts at addressing social problems. Scholars emphasized that social entrepreneurship is the sub-discipline within the field of entrepreneurship (Certo & Miller, 2008). Social entrepreneurship can be defined as an innovative initiative to pursue opportunities to effectuate social change and/or address social needs and has sustainable financial stability (Mair & Marti 2006; Mair & Noboa, 2006). Thus,

we view social entrepreneurship as a set of interlocking opportunity-based activities by competent and purposeful individuals who through their actions, can make a difference in society and are bounded by context. We conceptualize social entrepreneurship as a process that involves individuals (social entrepreneurs) engaging in a specific behaviour (i.e. social entrepreneurial behaviour) and producing tangible outcomes (social impact). A recent study shows that mission agility may benefit social entrepreneurs during crisis (Weaver, 2020). The pandemic has indeed caused a sudden shift in societal needs which exposed the limited access of "mission drift" and revealed the need for mission agility. Thus, it is important for us to identify the role of social entrepreneurship from the perspectives of human capital and social capital in creating social value, specifically to enhance homepreneur business opportunities.

### *Human Capital*

Human capital can be described as the range of valuable knowledge and skills an individual has accumulated over time (Coleman, 1990; Becker, 1993; Davidsson & Honig, 2003). Human capital is developed through education and previous experience, and thus contributes to the direct and indirect knowledge (Choi & Chang, 2020). The knowledge of social entrepreneur includes the plan to start social entrepreneurship activities (Jiao, 2011). Previous scholars found knowledge plays an important role in inspiring ideas for social ventures (Guclu et al., 2002). Moreover, knowledge and experience will increase cognitive abilities which lead to productive and efficient activities (Becker, 1975; Davidsson & Honi, 2003). Therefore, social entrepreneur with a greater or higher quality of human capital can better perceive and exploit more opportunities for new value creation (Choi & Chang, 2020) which is the underlying mechanism of social transformation (Jiao, 2011). Social entrepreneur mainly focuses on the idea and then integrates the resources to realize it (Jiao, 2011). Thus, human capital plays an important role in the process of social entrepreneurship.

### *Social Capital*

Social capital can be defined as "the sum of the resources, actual or virtual, that accrue to an individual or group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition" (Bourdieu & Wacquant, 1997). Burt (1992) further described that social capital is created by a network in which people, as the agent, can broker connections between otherwise disconnected segments. Social capital derives from a founder's social network (Tsai & Ghoshal, 1998; Bornstein, 2004). Generally, the concept of social capital refers to resources embedded in networks which can be mobilised through social interactions that lead to potential benefits for both individual and collective actors (Brunie, 2009). Moreover, Bornstein (2004) described that network makes big differences in the process of social entrepreneurship. Dees et al. (2002) also highlighted that social entrepreneur should focus on the network relationships because these relationships are needed for entrepreneurial performance and to create innovative arrangements to deal with the social problems. Furthermore, Leadbeater (1997) argued that social capital that exists in a social entrepreneur's network is fundamental to social entrepreneurship activities. Porte (1998) argued, "...social capital stands for the ability of actors to secure benefits by virtue of membership in social networks or other social structures". Onyx and Bullen (2000) argued along the same line: "The development of social capital requires the active and willing engagement of citizens working together within a participative community."

### *Hypotheses*



In Malaysia, many individuals, parties, organizations and institutions have highlighted the rise of social entrepreneurship in social value creation as the thriving sectors in countless industries. Based on the review of the literature, the importance of social entrepreneurship and its elements, social capital and human capital, has been discussed to provide a considerable impact on homepreneur business opportunities. This study thus proposes the following hypotheses:

H1: Social entrepreneurship approach will positively enhance homepreneur business opportunities.

- H1a: The more human capital a social entrepreneur has, the stronger the drive to start new social entrepreneurship activities to generate homepreneur business opportunities.
- H1b: The more social capital a social entrepreneur has, the stronger the drive to start new social entrepreneurship activities to generate homepreneur business opportunities.

### Conceptual Model

Figure 1 shows the independent variables of social entrepreneurship that enhance homepreneur business opportunities as the dependent variable.

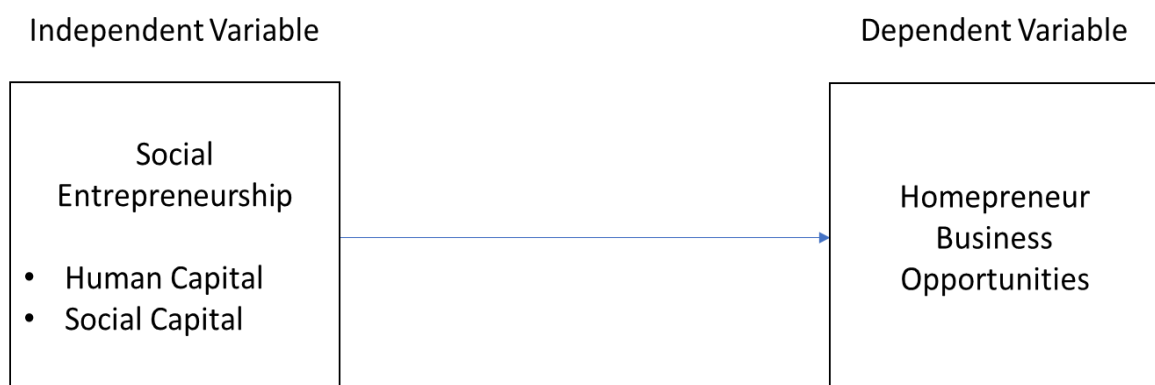


Figure 1: The conceptual model (Adapted and modified from Jiao 2011).

### Suggestions

We propose that future empirical studies apply quantitative approach using survey questionnaires. A quantitative descriptive research could explain the important roles of social entrepreneurship in enhancing homepreneur business opportunities. From the perspective of the research objective and the need for data, this research is classified as quantitative fundamental research. The main source of data for the purpose of future analysis can be obtained from local small business operators of home-based entrepreneurial businesses. This study also proposes to adopt the convenience sampling technique due to current situation of pandemic Covid-19.

### Conclusion

To date, no one can predict when COVID-19 outbreak will end. Homepreneurs should be supported by using existing resources by utilising available social entrepreneurship platforms. The main contribution of this paper is the construction of a conceptual model for homepreneur business opportunities through social entrepreneurship approach which helps in improving the mindset of homepreneur so that they would become more familiar with the

concept of social entrepreneurship. It also helps to build a more harmonious society. We hope that other studies will take up the challenge of further exploring and testing these ideas. Researchers can empirically test the conceptual model and verify our propositions. Finally, future research can also theoretically extend our model by introducing other possible antecedents.

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