

Fear of Funding Failure as Moderator of Social Entrepreneurship Intentions

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Abstract

Driven by the gained popularity of social entrepreneurship in the growing pressure for sustainable development goals (SDG), this study examines factors that predict the intention to pursue social entrepreneurship among Indonesian Generation Z. This study also examines the moderating role of fear of failure in getting the funding (as a classic situation that challenges Indonesian Generation Z entrepreneurs) in the relationship. Data was collected from a survey of 291 respondents and was analyzed using structural equation modeling with partial least squares (PLS-SEM). Prior experience and moral obligation predict self-efficacy significantly. Further, self-efficacy was found to predict social entrepreneurial intentions and more importantly, the relationship was negatively moderated by fear of failure for not getting enough funding. This study is the first to highlight the fear of failure to secure funding in understanding the mechanism of factors influencing social entrepreneurship intention among Generation Z in Indonesia.

Keywords: Social entrepreneurship, self-efficacy, moral obligations, fear of failure, inability to secure funding, Generation Z.

Abstrak

Didorong oleh meningkatnya popularitas kewirausahaan sosial di tengah desakan pencapaian Tujuan Pembangunan Berkelanjutan (SDG), penelitian ini mengkaji faktor-faktor yang memprediksi niat untuk menekuni kewirausahaan sosial di kalangan Generasi Z di Indonesia. Studi ini juga meneliti peran moderasi dari ketakutan akan kegagalan dalam memperoleh pendanaan (sebagai tantangan klasik yang dihadapi para wirausahawan Generasi Z di Indonesia) pada hubungan tersebut. Pengumpulan data dilakukan melalui survei terhadap 291 responden dan dianalisis menggunakan pemodelan persamaan struktural dengan pendekatan Partial Least Squares (PLS-SEM). Pengalaman sebelumnya dan kewajiban moral terbukti memprediksi efikasi diri secara signifikan. Lebih lanjut, efikasi diri ditemukan memprediksi niat kewirausahaan sosial, dan yang lebih penting, hubungan tersebut dimoderasi secara negatif oleh ketakutan akan kegagalan akibat ketidakcukupan pendanaan. Studi ini merupakan yang pertama menyoroti ketakutan akan kegagalan dalam mengamankan pendanaan guna memahami mekanisme faktor-faktor yang memengaruhi niat kewirausahaan sosial di kalangan Generasi Z di Indonesia.

Kata Kunci: Kewirausahaan sosial, efikasi diri, kewajiban moral, ketakutan akan kegagalan, ketidakmampuan mengamankan pendanaan, Generasi Z.

INTRODUCTION

Entrepreneurs and entrepreneurial activities stimulate employment and economic growth through job creation and wealth redistribution (Kritikos, 2014; Khan, 2018). However, many traditional business models have been scrutinized for their negative impacts on society and the environment. In addition, traditional business models have yet to be proven sufficient in achieving the 2030 SDG agenda (Diaz-Sarachaga and Ariza-Montes, 2022). Thus, while entrepreneurship remains the focal point of economic development, social entrepreneurship gains increasing attention in today's business talks as an efficient alternative business model.

Social entrepreneurship balances financial performance with environmental and social impacts for sustainable development goals achieved in the future. Many social entrepreneurial programs align

with specific SDGs, such as responsible consumption and production, reduced inequalities, clean energy, and sustainable agriculture. Acknowledging this, therefore, cultivating the growth of social enterprises becomes a priority in the economic sector. Human resource is central to social entrepreneurship – even more critical than the environmental resource itself (Rotefoss and Kolvereid, 2005). Accordingly, governments strengthen social entrepreneurship capacity by integrating related courses into higher education curricula. The underlying thinking is that more social entrepreneurial mindsets acquired among people will create more potential for the birth of social enterprises in the future (Krueger, 2003).

Generation Z will eventually take over the Millennials in the future economy and play a key role in expanding social enterprises. Understanding the drivers to social enterprise initiation among Generation Z is therefore critical. While both generations advocate social change, Generation Z demonstrates stronger concern for inequality and environmental issues, making them good candidates for social entrepreneurship. At the same time, however, Generation Z tends to experience anxiety and depression and become more individualistic and less social when compared with their Millennials counterpart (Bridgeworks, 2017; Duffy, Twenge, and Joiner, 2019; Pichler, Kohli, and Granitz, 2021). These facts give us better perspectives on the driving factors and challenges for Generation Z to engage in the social entrepreneurial journey ahead.

Past studies have identified driving factors of entrepreneurial intentions, such as self-efficacy, prior exposure to entrepreneurship, risk-taking attitudes, the big five personalities, and gender (Matthews and Moser, 1996; Zhao, Seibert, and Hills, 2005; Marlow and McAdam, 2011). Past studies have also shed light on the antecedents of social entrepreneurial intents (Baierl *et al.*, 2014; Tiwari, Bhat, and Tikoria, 2017, 2022) and most studies confirm the direct effect of self-efficacy on social entrepreneurial intentions. Considering that Generation Z tends to be less social and more anxious, examining how such characteristics may moderate the relationship is important. Limited studies examined the moderating role of a relevant proxy to anxiety characteristics in the relationship of antecedents to social entrepreneurial intentions. Therefore, this study attempts to, not only, identify the drivers of social entrepreneurial intentions, but also to examine how a certain characteristic, such as fear of failure (in getting funding), may moderate the relationship within Generation Z cohort.

Theoretical Framework and Hypothesis Development

Generation Z: Characteristics and Challenges

Generation Z, also known as the Digital Natives, comprises those born between 1995 – 2012. By 2025, the segment is expected to make up about twenty-five percent of the Asia Pacific region's population – about the same proportion as their predecessor, Millennials (Kim *et al.*, 2021). To think that Generation Z shares similar characteristics with Millennials is an oversimplification of issues. Understanding Generation Z is crucial to businesses since they serve as potential consumers and entrepreneurs. Fundamentally different from their previous generation, the Millennials, Generation Z, have gone through many political, social, technological, and economic disruptions within a much shorter time frame, including rapid technological advancement and a global pandemic (Pichler *et al.*, 2021).

Hyper-technological advancement and the global pandemic are the most fundamental catalysts to change values, attitudes, and behavior. While Millennials adapted to digital connectivity (Dimock, 2019), Generation Z was born into and grew up with this, making changes much more accelerated (Parker Graf, Igielnik, and Mitchell, 2019). With this generation's unlimited availability of internet access, technology is vital in how they communicate, socialize, and spend their leisure time (Lenhart, 2015). As result, Generation Z is reported to have technology addiction, attention deficit issues, and depression due to constant engagement with smartphones and digital entertainment (Twenge, 2017). Compared to the early Millennials, Generation Z spends less face-to-face interaction, relies more on electronic communication, and diminishes chances to develop social skills (Twenge, 2017; Twenge, Spitzberg, and Campbell, 2019).

The Pew Research Center reported that 70 percent of Generation Z identified anxiety and depression as major challenges (Horowitz, Graf, and Mitchell, 2019). A study by Duffy *et al.* (2019) found that Generation Z, mostly comprised of undergraduate students, experienced an increased anxiety rate–doubling since 2007. Generation Z is more individualistic and less social than their Millennials counterparts (e.g., 70 percent of Generation Z experience struggle with in-person communication)

(Bridgeworks, 2017). In the workplace environment, Generation Z tend to experience anxiety about working with others (Pichler *et al.*, 2021). These characteristics of Generation Z raise concerns about their ability to navigate challenging situations (e.g. getting sufficient funding or securing access to the market)) in their entrepreneurial journey.

On a much positive note, a survey by Deloitte (Contributor, 2021) revealed that Global Millennials and Generation Z believed that social issues such as inequality and the environment had been long neglected and thus needed a radical change. The generation has become more politically involved and interested in businesses that share similar values. They are also becoming more interested in companies that put societal issues as a priority. Businesses and governments are pushed to take significant action to ensure that society will have a better future. This action is an absolute baseline factor to becoming a social entrepreneur. To Generation Z, diversity is always good for society. As the most diverse generation and more open to diversity, this generation values purpose, ethics, and work-life balance (Chillakuri, 2020), whereas the Millennials value economic return (Chen and Choi, 2008). That said, Generation Z values the moral obligation to help others highly.

Prior Experience and Moral Obligations as Drivers to Self-Efficacy

Bandura (1997, 2001) defined self-efficacy as a motivational construct that can influence one's choice of goals, actions, reactions, and efforts. It relates to how individuals' function through beliefs and confidence in their abilities to change the environment with their behavior. It reflects one's capabilities to conduct a certain behavior deliberately (Bandura, 1977). Self-efficacy is one's belief that he or she would succeed in a particular situation, which will subsequently determine how he or she thinks, behaves, and feels. Individuals with stronger beliefs who view themselves as capable of conducting an intended behavior will be likelier to see themselves as highly competent in spotting prospects and seizing opportunities. Individuals with stronger self-efficacy will also put in greater efforts that endure longer times, persist through challenges and drawbacks, and develop better (Shane, Locke, and Collins, 2003).

Self-efficacy is not a trait (i.e., no high vs. low self-efficacy individuals) as it reflects beliefs – not abilities (Stajkovic and Luthans, 1998). In de Vries, Kremers, and Lippke's (2018) conceptualization, self-efficacy is achieved through the combined effect of cognitive, social, motivational, and behavioral skills, and it continues to evolve as people acquire new skills and experiences throughout their lifetime (Bandura, 1995). Therefore, self-efficacy can be influenced by factors such as mastery experiences, vicarious learning, psychological responses, and social persuasion. In Bandura's concept, mastery experiences refer to successful prior experiences in a task or situation, which strengthens individuals' beliefs in their own capabilities (i.e. stronger self-efficacy).

Traditionally, prior experience in entrepreneurship has been defined as exposure to entrepreneurial knowledge and practices. Entrepreneurial education and hands-on experience encourage individuals to start business ventures (Keat, Selvarajah, and Meyer 2011; Khuong and An 2016). Hockerts (2017), however, found that prior experience with social issues or problems – such as working with social institutions, exposure to social problems, familiarity with social challenges – was strong enough to drive social entrepreneurial intentions through strengthened self-efficacy. These experiences represent mastery experiences in Bandura's framework. Stumpf, Dunbar, and Mullen (1991) further noted that mastery experiences could be cultivated through learning process embedded in entrepreneurship education.

Individuals with prior entrepreneurial experience are more inclined to participate in social entrepreneurship (Mair and Noboa, 2006); however, in his extended model, Hockert (2017) included self-efficacy as a mediator in the relationship between prior experience and social entrepreneurial intention. Furthermore, Hockert's research showed that including self-efficacy as a mediator in the constructed model weakened the direct association between prior experience and social entrepreneurial intentions. In addition, Hockert's findings also confirmed that prior experience with social issues was a good predictor of self-efficacy. The hypothesis is thus proposed:

H₁: Prior experience with social issues positively relates to social entrepreneurial self-efficacy.

Moral obligation is defined as helping marginalized people (Urban and Galawe, 2019) and has been perceived as a driving factor in social entrepreneurial intention (Miller *et al.*, 2012). Moral

obligation is the degree to which an individual perceives a sense of duty to behave morally and ethically in line with his own and peers' norms (Hockerts, 2015). While Mair and Noboa (2006) incorporated moral judgment in their model, Hockerts (2015) used moral obligation as a direct antecedent of social entrepreneurial intention. However, they resulted in no significant effect between the two variables. This condition provides an opportunity to examine whether moral obligation might not have the power to predict social entrepreneurial intention directly but through a certain mediation mechanism.

Moral obligation is a sense of moral duty that arises from individuals' conscience or moral beliefs. The importance of doing good and helping others is often nurtured during childhood through familial values and eventually makes up one's character. As the individual grows up, doing good and helping others are seen as duties that are done out of conscience – not out of enforcement. Thus, a sense of duty to behave morally or ethically is intrinsic in nature and is internally driven. People with authentic motivation (i.e. internal driven) are more likely to experience interest, excitement and confidence in the activity, when compared to those who are externally driven (Deci and Ryan, 2000). In turn, such confidence built by intrinsic motivation is manifested as persistence and self-efficacy. When one perceives that helping others is aligned with his internal authentic values, it leads to a strong will to achieve the goal (e.g. helping others). Thus, in the social entrepreneurial context, when an aspiring social entrepreneur perceives a goal to help others as morally imperative, the motivation would predominantly be an intrinsic fulfillment. The internalization of moral purpose maintains motivation despite the challenges and fosters a belief in the capacity to persist – critical factor of self-efficacy.

Regarding the conceptual understanding of self-efficacy as a motivational construct that continues to evolve and is driven by social modeling or vicarious learning, it is theoretically logical to think that the sense of helping others may drive the formation of self-efficacy. A belief that one can do well (i.e., self-efficacy) in a social entrepreneurial journey may be driven by one's intrinsic value to help others (i.e., moral obligation). Thus, the hypothesis is proposed:

H₂: Moral obligation predicts social entrepreneurial self-efficacy positively.

Self-efficacy is linked to the willingness and determination of an individual to initiate and continue a certain behavior, even when faced with uncertainty (Bandura, 1996). As previously described, as part of social cognition theory (SCT), Zhao (2005) stated that self-efficacy denoted one's effort, persistence, and choice of action. According to Wood and Bandura (1989), higher self-efficacy expectation about a certain performance (e.g., social entrepreneurial self-efficacy) leads individuals to approach that performance setting (e.g., social entrepreneurial intentions) and vice versa. Numerous studies in entrepreneurship confirmed that self-efficacy was associated with stronger confidence to establish a new business venture. For example, Chen, Greene, and Crick (1998) found that self-efficacy positively predicted entrepreneurial intentions. In the social entrepreneurship realm, Hockerts (2017) found the dominance of social entrepreneurial self-efficacy in predicting social entrepreneurial intentions, supporting Mair and Noboa's (2006) previous study. Therefore, the hypothesis is proposed:

H₃: Self-efficacy predicts social entrepreneurial intention positively.

Fear of Failure as a Moderating Effect

Fear of failure is an integral part of an entrepreneurship journey and has been portrayed as a construct of stable motive disposition that drives people away from initiating entrepreneurial ventures (Minniti and Nardone, 2007; Cacciotti and Hayton, 2015; Cacciotti, Hayton, Mitchell, and Giazitzoglu, 2016; Cacciotti, Hayton, Mitchell, and Allen, 2020). Fear of failure can be identified as an emotional response stemming from contemplation about how some experiences might bring threats that can jeopardize the attainment of one's objective (Conroy, 2001). Established and aspiring entrepreneurs encounter a mix of fear and enthusiasm when creating and nurturing new ventures, knowing they will have to tackle many tasks that could lead to either success or failure. These tasks may range from launching a new product to securing funding and investments, maintaining customer relationships, and striving for profitability to ensure economic sustainability (Baron, Franklin and Hmieleski, 2016).

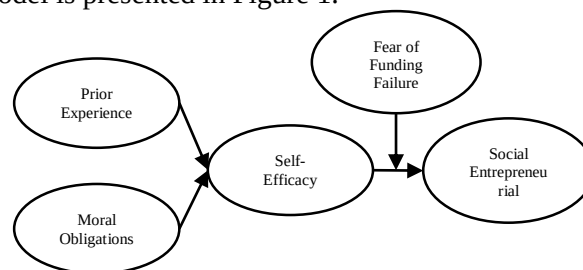
As a construct that changes over time, the fear of failure related to entrepreneurial venture is not expected to stay stable as the entrepreneurial experience continues to evolve (Cacciotti *et al.*, 2016). According to Cacciotti *et al.* (2020), as the experience unfolds and adds up, the fear of failure may change or shift from one aspect to another. Fear of failure is conceptualized as a construct with multiple dimensions of fear of (1) inability to fund the venture, (2) lack of potential of the idea, (3) threat to

social esteem, (4) lost opportunity cost, (5) lack of personal ability, and (6) financial security. Different from the general anxiety, fear of failure tends to be situational and domain specific. The fear of failure examined in this study is related to inability to find funding or fund the venture, which is relevant to Generation Z's condition. While Generation Z is associated with heightened psychological anxiety, the fear of failure in entrepreneurship context reflects cognitive appraisal towards venture-related risks. Being more individualistic and less social put Generation Z in an uneasy situation to build a network, which is one of the important things to secure funding for the venture. In addition, due to the age bracket, Generation Z's relatively limited life experience (compared to their Millennials and Gen X counterparts) also brings certain challenges in starting an entrepreneurship journey.

Fear of failure has always been identified as an antecedent to the avoidance of entrepreneurship (Kollmann, Stöckmann, and Kensbock, 2017), barriers to entrepreneurial activities (Kong, Zhao, and Tsai, 2020), or as a mediating effect in the entrepreneurial process (Ng and Jenkins, 2018). Wyrwich, Stuetzer, and Sternberg (2016) and Duong (2022) treated fear of failure as a spur weakening the conversion of entrepreneurial attitude to action. This situation is believed to be the case, especially when considering that social entrepreneurship has been receiving doubts about whether a business can do well by doing good. There has been a common argument that, compared to business ventures in general, social entrepreneurship will need help balancing social and financial objectives (Abhi, 2017). Fear of failure will be treated as a moderating effect on the relationship between self-efficacy and social entrepreneurial intentions among Generation Z in this study to close the literature gap. More specifically, fear of failure towards inability to secure funding for or even fund the venture. Thus:

H₄: Fear of failure toward an inability to secure funding moderates the relationship between self-efficacy and social entrepreneurial intentions.

The complete research model is presented in Figure 1.



*Figure 1. Research model
(Source: Author's Own Work)*

METHODS

Data Collections and Sample

A survey was originally distributed to 320 undergraduate business students, as representatives of Generation Z, at a private university in a metropolitan city of the most populous country in Southeast Asia, for an exchange of credit points. The metropolitan city was chosen as it offered vast opportunities for entrepreneurship, access to market, resources and network. The dynamic nature of metropolitan city provides ground for individuals to explore and pursue entrepreneurial ventures. The chosen private university was selected as a pool of participants because it has a strong business and entrepreneurship major that had been known to produce entrepreneur graduates in Indonesia. After initial analysis, 29 questionnaires were excluded due to incomplete responses, leaving 291 valid responses. Of the 291 participants, about 57 percent were female, and 43 percent were male, with an age range between 19 - 23 years old, representing Generation Z age bracket. Twenty-six percent of the participants were 20 or younger; while 74 percent were between 21 and 23. All responses were voluntary and anonymous. Details of the participants' profile are provided in Table 1.

After agreeing to participate by clicking the consent button, participants were directed to a link of online survey. Upon arrival on the landing page of the survey, participants were presented with an article on social issues and enterprise and were instructed to read the article. This preliminary step was conducted to ensure that participants were familiar with the context. After reading the article, participants were asked to briefly describe the content of the article. Next, participants were asked to fill out the questionnaire. At the end of the survey, participants were thanked and debriefed.

Table 1. Demographic Profile of Participants

	N = 291	percent
Gender		
Male	126	43.3
Female	165	56.7
Age		
21 – 23 years old	215	73.8
≤ 20 years old	76	26.2
Class Cohort		
4 th year	90	31
3 rd year	125	43
2 nd year	41	14
1 st year	35	12
Major		
Marketing	105	36.1
Entrepreneurship	186	63.9

Variables and Measures

Antecedents of self-efficacy, such as prior experience with social issues, moral obligations, and self-efficacy were all adopted from Hockert (2017). Prior experience with social issues was measured by 3-item statements reflecting past encounters with social institutions and issues (e.g., "I have some experience working with social issues or problems"). Moral obligation was measured using 3-item statements reflecting ethical sense to help others (e.g., "We are morally obliged to help socially disadvantaged people"). Three item statements were used to measure self-efficacy (e.g., "I am convinced that I can contribute to addressing environmental sustainability if I put my mind to it.").

Measures of fear of failure were adapted from Cacciotti *et al.* (2020), consisting of 3-items statements that reflect fear toward an inability to secure fund venture (e.g., "I have been afraid of not being able to get the required funding for the business"). Lastly, the social entrepreneurial intention was measured using Ip, Wu, Liu, and Liang's (2017) 8-item statements reflecting intentions to initiate a social entrepreneurship journey (e.g., "My professional goal is to become a social entrepreneur"). All items were measured using a 5-point Likert scale (1 = strongly disagree; 5 = strongly agree).

RESULTS AND DISCUSSIONS

Measurement Validation

This study used SmartPLS version 4, utilizing 20 measurement items in analyzing the measurement and structural model. Factor loading above 0.6 and AVE over 0.5 were used to ensure convergent validity (Hair, Ringle, and Sarstedt, 2011). Data shows that the factor loadings range from 0.731 to 0.884, whereas the AVE scores range from 0.613 to 0.727. As shown in Table 2, the discriminant validity is fulfilled, following Fornell and Larcker's (1981) rules (i.e., $\sqrt{\text{AVE}}$ scores > correlation between constructs). All constructs were above 0.7 (Hair *et al.*, 2011), ensuring item reliability.

Table 2. Convergent Validity and Composite Reliability

Construct	Factor Loading	AVE	CR
Prior Experience with Social Problems (PRI)		0.709	0.798
1. PRI1	0.861		
2. PRI2	0.829		
3. PRI3	0.834		
Moral Obligations (MO)		0.676	0.814
1. MO1	0.839		
2. MO2	0.742		
3. MO3	0.881		
Self-Efficacy (SE)		0.665	0.771
1. SE1	0.740		

2. SE2	0.866		
3. SE3	0.835		
Fear of Failure (FF)		0.727	0.812
1. FF1	0.843		
2. FF2	0.884		
3. FF3	0.831		
Social Entrepreneurial Intention (SEI)		0.613	0.912
1. SE1	0.784		
2. SE2	0.802		
3. SE3	0.731		
4. SE4	0.804		
5. SE5	0.758		
6. SE6	0.808		
7. SE7	0.799		
8. SE8	0.771		

Table 3. Discriminant Validity

	FF	MO	PRI	SE	SEI
FF	0.853				
MO	0.382	0.822			
PRI	0.437	0.348	0.842		
SE	0.502	0.592	0.511	0.815	
SEI	0.566	0.477	0.662	0.560	0.783

Hypotheses Testing

Results of the structural model testing show the significance for all paths (Figure 2) tested ($p < 0.05$), as shown in Table 3. Prior experience with social issues (PRI) is found to significantly predict self-efficacy (SE) ($\beta = 0.347$, $p = 0.000$), providing support for H_1 . The more participants were exposed to prior experience with social issues, the stronger their self-efficacy in visioning for a social entrepreneurial journey. Moral obligation (MO) is also positively related to self-efficacy ($\beta = 0.471$, $p = 0.000$), supporting H_2 . As participants indicate a stronger drive to morally oblige to help others, self-efficacy is also stronger. In support of H_3 , results revealed a significant positive association between self-efficacy and social entrepreneurial intention (SEI) ($\beta = 0.349$, $p = 0.000$). Thus, the stronger the self-efficacy of participants, the more likely they will pursue social entrepreneurial action.

Table 4. Hypothesis Test Results

Hypothesis	Path	Path Coeff.	t-stat	p-Value
H_1	PRI $\rightarrow$ SE	0.347	8.262	0.000
H_2	MO $\rightarrow$ SE	0.471	11.891	0.000
H_3	SE $\rightarrow$ SEI	0.349	5.756	0.001
H_4	FF*SE $\rightarrow$ SEI	-0.116	2.315	0.021

Results also reveal a significant moderating effect of fear of failure in the inability to secure funding on the relationship between self-efficacy and social entrepreneurial intentions ($\beta = -0.116$, $p = 0.021$), supporting H_4 . More importantly, the direction of the moderating effect is negative, as seen in the path coefficient column of Table 3. The fear of not obtaining funding weakens the connection between self-efficacy and the intention to pursue social entrepreneurship.

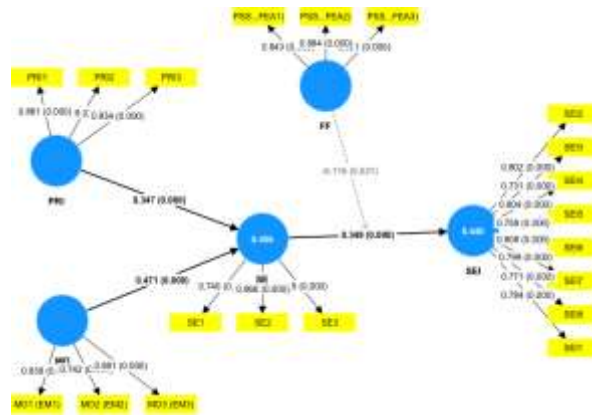


Figure 2. Results of path analysis

Further interpretations can be explained by the simple slope analysis, as depicted in Figure 3. The simple slope analysis shows that fear of failure (FF) is at - 1 SD and steeper than when FF is at Mean and +1 SD. This result shows that the connection between self-efficacy and social entrepreneurial intention is particularly strong for low fear of failure (meaning less fear of failure) when it comes to social entrepreneurship. The correlation is even more pronounced when individuals experience a higher fear of failure. When the fear of failure is high, the relationship between self-efficacy and social entrepreneurial intention is weaker despite the existence of the relationship. This condition illustrates that an increase in self-efficacy translates stronger into an increase in social entrepreneurial intentions for individuals who express a low fear of failure and vice versa. In other words, when participants express less fear of their inability to secure funding for their future social entrepreneurship journey, their self-efficacy drives their intentions to pursue a social entrepreneurial journey stronger.

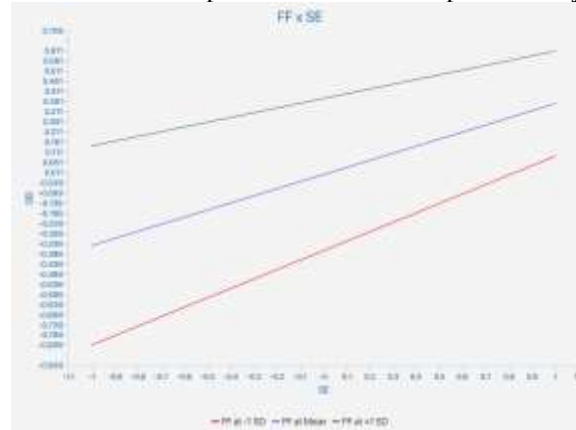


Figure 3. Simple slope analysis

Discussions

The structural model testing reveals critical insights into the mechanisms driving social entrepreneurial intentions (SEI) among Indonesian Generation Z, emphasizing the roles of self-efficacy, moral obligation, prior experience, and fear of failure. The path analysis confirmed support for all hypotheses. Hypothesis 1 predicts the relationship between prior experience with social issues and self-efficacy. The findings show support to the idea that having previous experience with social issues or problems enhances social entrepreneurial self-efficacy, in line with Bandura's social cognition theory (1996), Zhao *et al.* (2005), and Heckerts' (2017) work. Specifically in alignment with Bandura's Social Cognitive theory, mastery experiences build confidence in one's capabilities. As individuals acquire more experiences in a certain domain, they learn ways to navigate and deal with certain circumstances and challenges. The more exposed they are to a great variety of issues or problems, the richer their vocabulary of actions and solutions, thus increasing their beliefs that they will succeed in pursuing those actions. In the context of social entrepreneurship, as individuals are exposed more to social issues or problems, they gain more experience reading the situations and making the right decisions. This finding also aligns with Gist and Mitchell's (1992) work that confirms the positive linkage between task

familiarity and self-efficacy. Prior experience with social issues or problems reflects task familiarity. Prior personal experience serves as a piece of accessible information to individuals in assessing their knowledge and skills to execute strategies that use those abilities (Gist and Mitchell, 1992).

Hockert's (2015) study failed to confirm the direct relationship between moral obligations and social entrepreneurial intentions. This study addresses the issue by confirming the mediating role of self-efficacy in the connection between moral obligations and social entrepreneurial intentions. Moral obligation is a sense of helping marginalized people by doing good. Using Bandura's conceptualization of self-efficacy, moral obligation can be seen as a reflection of vicarious learning. Observation of moral acts that drive the sense of moral obligation (which serves as vicarious learning) increases the self-efficacy of the observer. This finding aligns with the work of Rullo, Heering, and Lalot (2022), which found the relationship between moral identity, moral self-efficacy, and moral intentions and behavior, in which self-efficacy serves as a mediator in the relationship between moral identity and intentions. Despite slight differences in the constructs used in their study, the underlying theme is similar to those of this study.

In line with most studies on self-efficacy and social entrepreneurial intentions, this study confirmed that beliefs in their capability of doing social entrepreneurial action elevate their intentions to pursue that action. Also applicable to Generation Z is that, in general circumstances, as they believe they can pursue social entrepreneurial actions, they express a stronger drive to pursue social entrepreneurship. However, this drive is moderated by their perception of the ability to secure the funding for the journey. When they worry less about the inability to secure funding (i.e., perceive themselves as more capable of getting the funding), their self-efficacy boosts the drive to pursue social entrepreneurial intentions. On the contrary, as they fear failure to get enough funding, despite their high self-efficacy, the drive to pursue the social entrepreneurial journey is still there, but perhaps with less intensity. Thus, the moderation effect is attenuating rather than suppressive. This finding is in line with Cacciotti and Hayton's (2015) findings that fear of failure alters the intensity and temporal horizon of entrepreneurial motivation. Duong (2022) also found that fear of failure plays a significant role in moderating the relationship between entrepreneurial attitude and actual behavior, yielding negative effects. However, for Generation Z who often have financial precarity and sensitivity towards economic instability, fear of failure to secure funding shapes their entrepreneurial engagement to be more cautious and incremental, rather than total withdrawal from the journey.

THEORETICAL AND MANAGERIAL IMPLICATIONS

This study provides several contributions to the development of social entrepreneurship theory. First, among Generation Z, who prioritize social issues and equality, moral obligations can boost their self-belief in their ability to pursue social entrepreneurial actions. Moral obligation serves as a vicarious learning manifestation to Generation Z. Second, prior experience with social issues or problems allows Generation Z to build stronger self-efficacy. As a manifestation of mastery experiences in Bandura's self-efficacy model, exposure to social issues or problems provides spectrums of possible choices and alternative actions to solve social issues. Thus, such experiences and exposures build their confidence and belief in the self. Third, to Generation Z, fear of the inability to secure funding is critical and impactful to transforming their belief into intentions.

This study calls for coordinated policy efforts between the government and higher education institutions to create an ecosystem that supports the development of social entrepreneurship. First, as exposure to social issues or problems is highly critical for Generation Z, universities should institutionalize experiential and community-based learning as core elements of business and entrepreneurship courses. Familiarity with social issues and problems and a wide array of possible solutions would improve their self-efficacy, which eventually turns into an intention to start a social enterprise. Second, a sense of helping others, especially in the context of social welfare and inequality, must be boosted. Exposures to and importance of moral values and behavior must be reinforced from their 1st year of study through courses such as Business Ethics and Social Entrepreneurship. Third, to accommodate the moderating role of fear of failure to secure funding, universities and government must collaboratively address perceived structural barriers. Universities can integrate funding literacy into the curricula, provide exposure to grant mechanisms and university-supported seed funding; whereas the government can help by sponsoring a 'match-up' program that allows university students as young entrepreneurs, to connect with angel investors and venture capitalists for Generation Z. This will ease

off their fear of pursuing a social entrepreneurial journey.

CONCLUSIONS, LIMITATIONS, AND FUTURE RESEARCH

This paper examined the driving factors of social entrepreneurial intentions in Generation Z by incorporating fear of failure as a moderator of the relationship between self-efficacy and social entrepreneurial intentions. The proposed model also incorporates the role of prior experience with social issues or problems and moral obligations as factors that drive the establishment of self-efficacy. The findings of this study confirmed the proposed path model, revealing that prior experience with social issues or problems and moral obligation drive self-efficacy. Self-efficacy, in turn, drives the intentions to pursue social entrepreneurial actions but with a certain moderation of fear of failure to secure finding among Generation Z.

Several limitations should be acknowledged. First, the cross-sectional study design captures a static snapshot of dynamic processes, which limits both the ability to infer causality and how such intention evolves over time. Longitudinal studies by tracking the same cohort of Generation Z individuals over months, or perhaps years, can capture dynamic factors that may co-evolve over time. For example, does securing initial funding change the relationship between self-efficacy and intentions a few months later? Or, whether social entrepreneurial intentions alter after Generation Z individuals are exposed to funding opportunities? Future studies could build on this study's novel focus on funding-related fear among the Generation Z in Indonesia by examining the role of digital crowdfunding in alleviating such fears.

Second, intentions and fear are inherently dynamic and may evolve in response to experience, events, and contextual shifts. For example, fear of funding failure might either intensify after a rejected grant application or diminish after securing mentorship. The role of moral obligation and self-efficacy can be further studied in relation to the sustainability of intentions. How would people with high moral obligation react despite repeated funding rejections? Would people with high moral obligations sustain their social entrepreneurial intentions after being rejected several times in comparison to those driven primarily by self-efficacy? Moving beyond cross-sectional snapshots should allow researchers to uncover how and why intentions form, persist, and dissolve. Deeper understanding on the underlying mechanisms would provide critical insights in nurturing resilience among social entrepreneurs in Indonesia's dynamic system.

Third, the exclusive emphasis on Generation Z in Indonesia restricts the applicability of the findings to other cohorts (where generational attitudes and norms may differ) and other cultures (where societal norms and funding ecosystems may differ). Thus, intergenerational and intercultural comparison studies would help identify cohort- and culture-specific drivers of social entrepreneurship.

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