

## How Cultural Intelligence Develop Students' Social Entrepreneurship in Indonesia?

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### Abstract

This study aims to identify the ability of cultural intelligence, intellectual capital, and risk perception of students in the formation and development of social entrepreneurship. Students are expected to be able to help solve social problems following the goals of social entrepreneurship. This study uses a deductive approach and quantitative data processing using the Structural Equation Model (SEM). The sample consists of 612 respondents who are students from 11 universities in Indonesia who have taken entrepreneurship courses. The results show that cultural intelligence and intellectual capital had a positive effect on social entrepreneurship, while risk perception did not have a positive effect. This is because students prioritize the formation and development of social entrepreneurship rather than think about the shareable risks. Furthermore, this research contributes to universities and the government in developing social entrepreneurship in the community.

**Keywords:** Cultural Intelligence, Intellectual Capital, Risk Perception, Social Entrepreneurship

## Bagaimana Kecerdasan Budaya Mengembangkan Kewirausahaan Sosial Mahasiswa di Indonesia?

### Abstrak

Penelitian ini bertujuan untuk mengidentifikasi kemampuan kecerdasan budaya, modal intelektual, dan persepsi risiko mahasiswa dalam pembentukan dan pengembangan kewirausahaan sosial. Mahasiswa diharapkan dapat membantu memecahkan masalah sosial sesuai dengan tujuan kewirausahaan sosial. Penelitian ini menggunakan pendekatan deduktif dan pengolahan data kuantitatif menggunakan Structural Equation Model (SEM). Sampel terdiri dari 612 responden yang merupakan mahasiswa dari 11 perguruan tinggi di Indonesia yang telah mengambil mata kuliah kewirausahaan. Hasil penelitian menunjukkan bahwa kecerdasan budaya dan modal intelektual berpengaruh positif terhadap kewirausahaan sosial, sedangkan persepsi risiko tidak berpengaruh positif. Hal ini dikarenakan mahasiswa lebih mengutamakan pembentukan dan pengembangan social entrepreneurship daripada memikirkan risiko yang dapat ditanggung bersama. Lebih lanjut, penelitian ini memberikan kontribusi bagi perguruan tinggi dan pemerintah dalam mengembangkan kewirausahaan sosial di masyarakat.

**Kata kunci:** Kecerdasan Budaya, Modal Intelektual, Persepsi Risiko, Kewirausahaan Sosial

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## INTRODUCTION

The existence of social problems on this earth which is always the center of attention is the problem of the welfare of citizens, especially in developing countries. These problems include unemployment, poverty, and human resources. Based on these problems, ideas emerged to make a model for the formation of social entrepreneurship among universities

to prepare students to start learning to overcome social problems so these thoughts are believed to have the aim of exploring and taking advantage of opportunities to create social value for social change (Blanco & León, 2017) and explore global phenomena in solving social problems with innovative approaches (Lee et al., 2019). Creating social impact, social change, and social transformation in the educational environment is highly recommended (Howaldt et al., n.d.2015; Wakkee, van der Sijde, Vaupell, & Ghuman, 2019; Sá & Pinho, 2019). Regarding the context of the ASEAN Economic Community, the millennial generation has an important role due to the large population of ASEAN which consists of 10 countries with 625 million citizens and 40.3% of them are Indonesians (255.5 million citizens). This means that out of 84 million millennials, 23% of ASEAN youth are Indonesian. Results of some studies show that the number of young social entrepreneurs has increased, caused by the development of the internet. However, in the last 3 years, their efforts did not last long (Purwani, 2019). The students feel that building social entrepreneurship is not easy as it requires hard work, extra time, and energy (Herlina et al., 2021a).

Research in the last 10 years explains that developing countries need entrepreneurship to reduce unemployment (Arome & Anyio, 2016). Furthermore, the study results showed that students' creativity, especially in the economic field, is still low. Students still have difficulty finding business opportunities. If students have high creativity, a creative economy will be created, and a creative response that will change social values and the economic situation for good will appear. In other words, creative activities are very important elements in the historical process of entrepreneurship (Amanatidou et al., n.d. 2018; Edwards-Schachter & Wallace, 2017). But now the digital era is one of the things that can give a new nuance and is expected to be able to provide solutions to these problems. The development of technological advances depends on the role of academic entrepreneurship in the field of technology is needed (Abd et al., 2015) and the opportunities to use digital technology for digital-based entrepreneurship (Pan et al., 2018).

Indonesia, which has a fairly wide area and is separated by thousand islands, has citizens with various cultures who need communication skills in entrepreneurship. A conducive university environment is possible to become business opportunities for students, where they begin to learn to open a business and develop it. Academic entrepreneurs can form new companies and generate profits based on intellectual property generated from innovation (Abd et al., 2015). The skill and ability to adapt to a heterogeneous environment is called Cultural Intelligent. In this research, cultural intelligence is the variable we would like to examine as one of the variables that we predict can influence the model for the formation of social entrepreneurship within the community. Furthermore, other variables are independent variables, which are intention and risk perception. The two variables were analyzed based on brief interviews with several students at one university.

The purpose of this research is to discuss the development of social entrepreneurship and its association with cultural intelligence, based on aspects of cultural diversity in the university and community environment.

## **THEORETICAL BACKGROUND AND HYPOTHESES**

### **Cultural Intelligence (CQ)**

Entrepreneurship subjects are those who are entrepreneurs. Entrepreneurs can come from outside the region but can also come from within the local area. Successful entrepreneurs need related knowledge to understand the culture in their environment. So that they are expected to be able to adapt, communicate, and blend with the environment so that it can be revealed that culturally intelligent people tend to be more cooperative in negotiating (Bazan et al., 2020). They are personally more receptive and open to share and advance their ideas with people from different cultures (Varma, 2019). Cultural intelligence (CQ) is a form of intelligence or personal ability to interact and adapt to foreign cultures by utilizing their knowledge (Phookan & Sharma, 2021).

In this study, students are exposed to various environments from various regions. As Sternberg said, Cultural Intelligence (CQ) has three main dimensions, namely analysis, adaptation, and experience. According to Sternberg's theory which states that intelligence is not only about being able to pass written tests but also about being able to solve problems well in real life (Sternberg, 1984 and Hockerts, 2017). In a student environment, this can be used to analyze what is happening. The student environment is also influenced by socio-culture which consists of family expectations and community attitudes that greatly affect their potential to open a business (Himawan et al., 2022). Students need to adapt to their environment and combine their experience for further collaboration in learning activities to have a business even in making social entrepreneurship models. Students' Competencies and Cultural Intelligence (CQ) can effectively function to increase understanding in the work environment (Bogilović et al., 2017). Furthermore, in this study, the 3 dimensions above (analytical ability, adaptation, and experience) which are part of Cultural Intelligence (CQ) are predicted to influence the formation and development of a social entrepreneurship model.

**H1:** Cultural Intelligence will have a significant positive impact on the formation and development of social entrepreneurship.

### **Intellectual Capital (IC)**

The recent research explains the relationship between corporate Intellectual Capital (IC) and operational performance, the performance of the financial department, and the value of the company itself (Bayraktaroglu et al., 2019; Ousama et al., 2020). The relationship between a firm's Intellectual Capital (IC) and its operating performance, financial performance, and firm value is an area of research encouragement (Khan et al., 2019; Ogaji & Isichei, 2019; Santis et al., 2019). Furthermore, this intellectual capital has also been studied by several researchers through various measures in describing the concepts of intellectual capital itself theoretically (Bellucci et al., 2021; Maji & Goswami, 2018; Bhatia,

2016). While others examine the relationship of IC with other factors at different levels (Lin & Edvinsson, 2020; Alfraih, 2018; Lippai-Makra, Rádóczy, & Kovács, 2019).

Another study also discusses the managerial perspective of intellectual capital in various studies on the relationship between the economic strength of company performance with IC (Ferreira & Franco, 2017), and IC with IC business innovation (Palazzi et al., 2020). To create economic development, developing countries focus on the formation of new businesses. Research also explores intellectual capital based on its role as a factor in the creation of new businesses or start-ups (Garcia-Perez et al., 2020; Pedro et al., 2018; Ahmed et al., 2020).

Intellectual Capital (IC) conception has been widely applied to various dimensions of financial activity or performance. Therefore, IC is considered to have an important role in the creation of a new business or the intention to start a new business, especially in formatting social entrepreneurship. Experts who have studied IC believe that knowledge can increase a person's abilities and skills to be able to work more efficiently and productively (Alvino et al., 2021; Bayraktaroglu et al., 2019b). Part of someone's knowledge includes education and experience to find opportunities that can help them understand and integrate new information into their business activities compared to other people (Crupi et al., 2020; Martín-de Castro et al., 2019; Kamukama & Sulait, 2017). Intellectual capital in the form of knowledge can be in the form of the ability to address a business opportunity which consists of their level of education, knowledge, and skills related to the stages of new business creation and other factors such as experience. This study explores further the effect of dimensions of Intellectual Capital (IC), namely: knowledge and skills, ability to recognize opportunities, networking, dan educational level toward the formation and development of social entrepreneurship models.

**H2:** Intellectual Capital will have a significant positive impact on the formation and development model of social entrepreneurship.

### **Risk Perception**

Entrepreneurs always think about risks, and so do social entrepreneurs. In theory, it is also stated that an entrepreneur has and considers a more significant risk factor than any other job (Henderson et al., 2021; Holzmeister et al., 2021a; Andersen et al., 2019). Hence, it can be said that in carrying out a business activity plan, an entrepreneur always consciously thinks of risky actions (Breivik et al., 2020; Yacub et al., 2021). The importance of taking risks should be considered in social entrepreneurship as the development and protection of identity are valued in the context of social and everyday life (Zinn, 2016; Zinn, 2019; Cohen et al., 2019). The theory of Palich states that some people thought less about risk at the beginning and started their businesses without thinking about it. Some argue that individuals who want to start a business think that understanding entrepreneurial work has less risk than non-entrepreneurs (Jilinskaya-Pandey & Wade, 2019b). Jilinskaya-Pandey & Wade revealed in their research that risk-taking is one of the dimensions of the Social Entrepreneur Quotient (SEQ) psychometric scale (Jilinskaya-Pandey & Wade, 2019a).

Future research is expected to analyze additional factors or variables that directly or indirectly have possibilities to predict the formation of SMEs- social entrepreneurship through consideration of risk for business. Other risk perception factors that may be considered include changes in someone's employment status, the early stages of starting a business (Block et al., 2019), and other accesses on how to start a new business (Cohen et al., 2019). But the results of Herlina's research said that risk perception does not have a significant effect on the formation of social entrepreneurship as the students think that the business is funded by joint funds (Herlina et al., 2021b).

Furthermore, this study's assumption is according to the initial phenomenon to understand the relationship between risk perception or risk considerations and the formation of social entrepreneurship models. This research is conducted to analyze more about the development of the issue. Thus, this study would like to identify more on the 3 dimensions of risk perception, namely consideration of greater risk than other jobs, consideration of the importance of taking risks, and consideration of changes in job status. **H3:** Risk perception will have a significant positive impact on the formation and development of social entrepreneurship models.

This research is the pioneer of study on the formation of a social entrepreneurship model that links the factors of Cultural Intelligence (CQ), Intellectual Capital (IC), and Risk Perception. Based on the literature review, it has been identified that these factors are the best predictors of the formation of social entrepreneurship models. Thus, the researcher proposes a hypothesis which is then described in Figure 1.

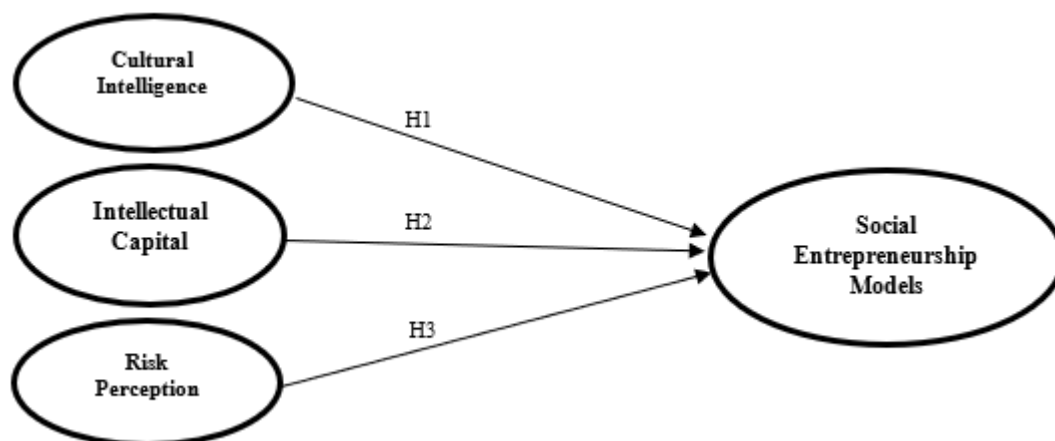


Figure 1. The Conceptual Model of the Study

## **METHOD**

### **Respondents and survey instruments**

This research aims to identify the formation of a social entrepreneurship model for students in Indonesia using a deductive approach involving 612 Indonesian students with age range from 18 to 24 years. The survey tool used was a prepared questionnaire adopted

from the literature analysis by considering the above-mentioned variables. The social tool is expected to be accepted simply and understood by small businesses in the community.

### **Sampling procedure and sample size**

The 612 collected data was obtained through the distribution of online questionnaires using Google Form. The researcher guaranteed that the collected data was confidential, accurate, and anonymous. The data was recorded in Google Drive accurately after the respondent fills out the questionnaire.

### **Measurements**

The measurement used in this study was a Likert scale measurement with 5 points, ranging from '1' (strongly disagree) to '5' (strongly agree), with the following details: 8 items of cultural intelligence, 7 items of intellectual capital, 6 items of risk perception, and 5 items of the social entrepreneurship model (see attachment for more details). Initially, the researcher prepared 31 statement items which were distributed to several students as validity tests. The final Questionnaire consists of 26 valid statement items obtained from the validity results. The questionnaire items were formulated from the theory related to Cultural Intelligence (Bazan et al., 2020, Varma, 2019), Intellectual Capital (Bayraktaroglu et al., 2019; Ousama et al., 2020), and Risk Perception (Henderson et al., 2021; Holzmeister et al., 2021a; Andersen et al., 2019; Bogilović et al., 2017).

### **Data Analysis Techniques**

This study used cross-sectional data collection techniques. Structural Equation Modeling (SEM) was used to analyze the questionnaire instruments.

## **FINDING AND DISCUSSION**

### **Respondents' demography**

The demographic profile of 612 respondents is expected to be useful to study social and economic issues as well. The selected respondents were those who had received entrepreneurship courses. The final data consisted of 221 male respondents (36.1%) and 391 female respondents (63.9%). The respondents' ages were as follows: respondents aged 19 to 21 years were 324 (52.9%), aged 22 years to 23 years 288 (47.1%). Regarding their level of education in university, it was found that 188 respondents (30.7%) were in senior year, 208 (34%) were junior, 216 (35.3%) were sophomores and the remaining were freshmen (Table 1).

### **Descriptive statistics, reliability assessment, and Pearson's correlation**

Observation of respondents' participation used descriptive statistics. The Cultural Intelligence variable showed the highest average value of 1,692, the intellectual capital variable was 1,555, and the social entrepreneurship model was 1,623, while the risk perception of 884 was the lowest value. The classification of research variables was categorized as follows (Table 2).

Table 1. *Respondent Demography*

<b>Classification</b>	<b>Category</b>	<b>Frequency</b>	<b>Percent</b>
<b>Gender</b>	Male	221	36.1
	Female	391	63.9
	Total	612	100
<b>Age</b>	19 - 21	324	52.9
	22 - 23	288	47.1
	Total	612	100
<b>Year of study</b>	Fourth year	188	30.7
	Third year	208	34
	Second year	216	35.3
	Total	612	100

Similarly, the highest upper range for the standard deviation was the risk perception variable (1.953), while the lowest was the social entrepreneurship model (1.106). Values of 1.127 and 1.133 were observed on the variables of cultural intelligence and intellectual capital. Moreover, higher consistency was noted among the items for the social entrepreneurship model variable (0.847), compared to other variables (cultural intelligence = 0.823, intellectual capital = 0.700, and risk perception = 0.511). Finally, we detected an acceptable Pearson correlation with a range between 0.100 and 0.477 (Table 3).

Table 2. *Criteria of Research Variable Classification*

<b>No.</b>	<b>Variabels</b>	<b>Classification Range</b>				
		Very low 612-832	Low 833-1053	Enough 1054- 1274	High 1275- 1495	Very high 1496- 1716
1.	Cultural Intelligence	–	–	–	–	1.692
2.	Intellectual Capital	–	–	–	–	1.555
3.	Risk perception	–	884	–	–	–
4.	Social Entrepreneurship	–	–	–	–	1.623

**Model fitness and hypotheses estimation**

The statistical suitability of a model (absolute and incremental indices) was used to ensure the strength of this statistical test. Regarding the Absolute Fit Index, the chi-square value

Table 3. Descriptive Statistics, Reliability, and Correlation

No.	Variable	Mean	Standard Deviation	Alpha ( $\alpha$ )	1	2	3	4
1.	Social Entrepreneurship	1.623	1.106	0.847	***			
2.	Cultural Intelligence	1.692	1.127	0.823	0.412**	***		
3.	Intellectual Capital	1.555	1.133	0.700	0.379**	0.477**	***	
4.	Risk Perception	866	1.953	0.511	0.267**	0.407**	***	

\*\*Correlation is significant at the 0.01 level (2-tailed)

\*Correlation is significant at the 0.05 level (2-tailed)

highlighted the insignificant value of 2/CMIN (2.865;  $p > 0.005$ ) which further confirmed the positive value of the model fitted with the data. Similarly, the goodness of fit index (GFI= 0.961) values, the adjusted goodness of fit index (AGFI= 0.943), and the mean root squared error of the approximation (RMSEA= 0.033) were found to be within the acceptable range. Furthermore, the values of the fit index in incremental, including the value of the normed fit index (NFI= 0.957) and the magnitude of the comparative suitability index (CFI = 0.939), were found to be acceptable. This score satisfied the absolute requirements of model fit (Cheung, 2013). (Table 4).

Table 4. Goodness of fit statistics

Model fit indicators	CMIN/df	GFI	AGFI	NFI	CFI	RMSEA
	2.865	0.961	0.943	0.957	0.939	0.033
Suggested values	< 3	> 0.90	> 0.90	> 0.90	> 0.90	< 0.05

Abbreviations: Note: CMIN=  $\chi^2$ /Chi-square/df; df=, degree of freedom; GFI=, goodness of fit index; AGFI=, adjusted goodness of fit index; NFI= normed fit index; CFI= comparative fit index; RMSEA=, root mean square error of approximation.

Furthermore, the researchers used Structural Equation Modeling (SEM) to explain the relationship between some of the variables above. This technique allows researchers to examine the relationship between several dependent and independent variables instantly. We processed the proposed relationship data based on standard error (SE), critical ratio (CR), and level of significance (at  $p = < 0.01$ ). The results showed a positive and significant relationship between cultural intelligence and the social entrepreneurship model (SE = 0.089; CR = 6.555;  $p = < 0.01$ ). Therefore, H1 is supported. Likewise, the SEM for H2 (SE = 0.079; CR = 6.413;  $p = < 0.01$ ) stated a positive and significant relationship between intellectual capital and the social entrepreneurship model. So, H2 is accepted. Finally, the relationship between risk perception and the social entrepreneurship model (H3) which was declared as negative (SE = 0.043; CR = 0.254;  $p = < 0.01$ ) (Table 5 and Figure 2). In general, H1 and H2 are accepted while H3 is not accepted.



Table 5. *Hypotheses testing weights*

No.	Independent variable	Dependent variables	Estimate	SE	CR	p	Decision
1.	Cultural Intelligence	Social Entrepreneurship	0.577	0.079	6.554	***	Accepted
2.	Intellectual Capital	Social Entrepreneurship	0.498	0.079	6.413	***	Accepted
3.	Risk Perception	Social Entrepreneurship	0.053	0.043	0.254	***	Not Accepted

Abbreviations: CR, critical ratio; p, significance level; Note: SE= standard error; CR=critical ratio; p=significance level= \*\*\*p<0.05

The three hypotheses proposed in this study were obtained from the prediction of conceptual influence, namely cultural intelligence, intellectual capital, and risk perception on the formation of social entrepreneurship. As for the results of the first data processing, it was found that there was a significant influence between Cultural Intelligence (CQ) on the formation of social entrepreneurship. So H1 is accepted, this shows that the cultural intelligence possessed by the students can be said to be high. This result is possible because of the environmental conditions of students who are surrounded by friends/relatives from various regions which cause students to be able to adapt to communicate, interact, and

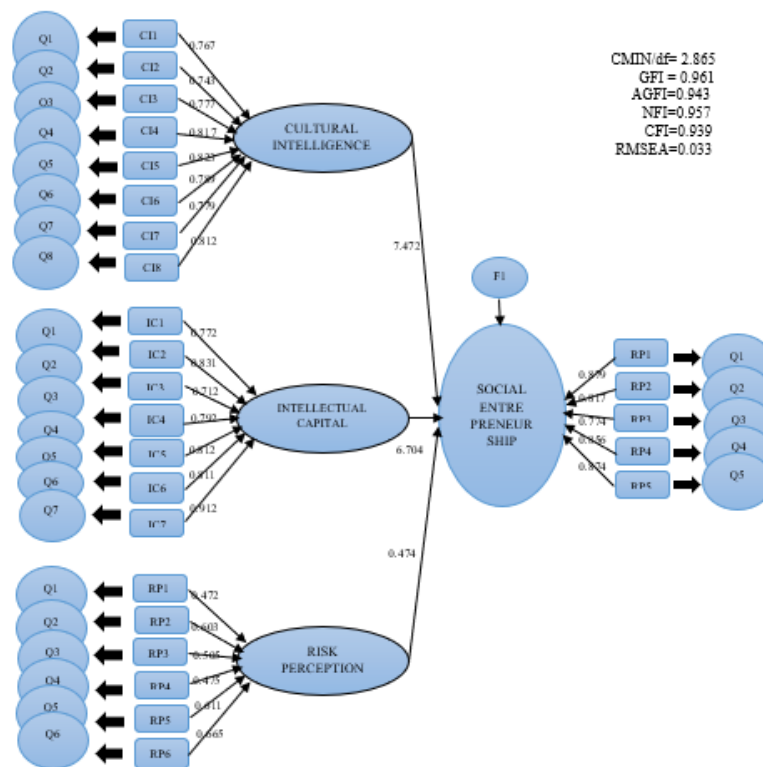


Figure 2. *Structural Equation Model*

engage in joint activities both in learning and in business activities so they have an experience. This is in accordance with Sternberg's theory of Cultural Intelligence (CQ) which has three main dimensions, namely analysis, adaptation, and experience (Sternberg, 1984; Hockerts, 2017). The results of this study are relevant to the theory. Further, their cultural intelligence grows by itself and develops as long as they are willing to join and adapt to their environment, so that with a variety of characters they can understand and understand. This analysis is in line with the results of research from Imai and Gelfand which states that successful entrepreneurs need knowledge in understanding how the culture in their environment is. So that they are expected to be able to analyze, adapt, communicate, and blend with the environment so that it can be revealed that culturally intelligent people tend to negotiate more cooperatively (Bazan et al., 2020) and are open to sharing and advancing their ideas with people from other cultures (Varma, 2019). In this research study, students have also been faced with a diverse environment from various regions. In accordance with the theory of Sternberg that an intelligence in question is not only able to pass a written test but also able to solve problems well in real life (Sternberg, 1984). The rest of the entrepreneurship will be more developed and advanced with the ability of CQ in each actor. Students with higher CQ counts build trust with people from different cultures and more easily than people with lower degrees (Phookan & Sharma, 2021). On the other hand, other research contradicts the effect of CQ on entrepreneurial success, namely that in general, people who have high CQ do not necessarily have higher sales (Bogilović et al., 2017). Thus, people who have a higher CQ are generally not better at running their businesses but only when they do business with people from different cultures (Rüth & Netzer, 2020).

The results of the second data processing show that there is a significant influence between Intellectual Capital (IC) on the formation of social entrepreneurship and in this study H2 was accepted. This can be said to be significant because it has been found that students who have adequate knowledge tend to be bolder in making decisions in entrepreneurship. Meanwhile, those who have the skills will find it easier to issue new ideas or ideas in the formation of social entrepreneurship. In this study, the IC owned by students is a combination of education and experience that strongly supports the creation of opportunities so that they are able to understand and integrate them into a new business formation (Khan et al., 2019; Kamukama & Sulait, 2017; Crupi et al., 2020). The intellectual capital owned by the students, it is very supportive of their behaviors that show the intention in the formation of social entrepreneurship. This is in line with other studies that have also explored intellectual capital based on its role as a factor in the creation of new businesses or start-ups (Ahmed et al., 2020; Pedro et al., 2018; Garcia-Perez et al., 2020). While the advantage of a business is an investment owned by the business/company itself, namely an IC which will later become a big profit, this is in line with what Ling said that there is a relationship between the economic strength of the company's performance and IC (Seng et al., 2018; Ferreira & Franco, 2017; Rosmadi et al., 2019). Also obtained with the skills possessed by students, innovations will be formed and realized (Palazzi et al., 2020). It is also supported by the results of Becker and Jan's

research that knowledge can improve a person's abilities and skills so that they are predicted to be able to work more efficiently and productively (Alvino et al., 2021; Bayraktaroglu et al., 2019b). Apart from the above regarding IC which is a combination of knowledge and experience as well as skills, then IC in the form of education level and network has a considerable influence on the formation of social entrepreneurship. It is analyzed that students at the educational level of undergraduate candidates will be more advanced in their thinking compared to school-age children or junior or senior high school graduates. So with the provision of a higher level of education, the ability, knowledge, and courage will be greater in the creation of new businesses. Thus, it is hoped that the goals of social entrepreneurship will be realized, namely creating social impact, social change, and social transformation (Howaldt et al., 2015; Wakkee, van der Sijde, Vaupell, & Ghuman, 2019; Sá & Pinho, 2019). Likewise, the network owned by students will certainly be wider than the others. The importance of networks or relationships for the growth of new businesses has been supported theoretically from theories based on human resources and the social environment and it is possible for a scholar to have a pattern of relationships with the people around him. The network here is a friendship or relationship that students have based on the breadth of their association and the breadth of their knowledge.

Furthermore, the third data processing results obtained an insignificant effect of risk perception on the formation of social entrepreneurship and in this study H3 was not accepted. This is obtained based on the results that students tend not to think too much about the perception of risk, they think that this social enterprise involves many people so as to minimize losses (Herlina et al., 2021a). This is in line with the results of researchers which state that understanding entrepreneurial work has a smaller risk than non-entrepreneurs. Students also hope that the formation of social entrepreneurship will get donations from various related parties both regarding funds, thoughts, energy, and infrastructure facilities so that they do not make the perception of risk a significant challenge and even think about developing entrepreneurship first rather than thinking about risk. The analysis of risk perception in this study focuses on the 3 dimensions stated in the research instrument that make the reference for the analysis, namely the consideration of greater risk than other jobs, the consideration of the importance of taking risks, and the consideration of changes in job status. From the three things above, students know that in the formation of entrepreneurship a big challenge is needed, but according to them the risk factor is no greater than other jobs. This is different from the theory of Brockhaus which states that entrepreneurs have and consider risk factors that are more significant than other occupations (Andersen et al., 2019; Henderson et al., 2021; Holzmeister et al., 2021b). The importance of considering taking risks they are able to overcome because they work together so that they think more about action than thinking about risk. Not all entrepreneurs are concerned with risk, they choose to be more daring to act first (Yacub et al., 2021). As for the consideration of changes in employment status, most students already know that the jobs prepared by the government are in the form of jobs as civil servants, army, police and private institutions; not able to accommodate all graduates from all state universities in Indonesia and private. They think and intend to

explore the field of business. Considering the conditions of employment in Indonesia, the results of the analysis of students regarding changes in employment status are not in line with the results of previous researcher which discusses other risk perception factors, namely the consideration of changes in one's employment status (Block et al., 2019; Cohen et al., 2019; Zinn, 2016; Zinn, 2019). Finally, this is what causes the insignificant risk perception factor for the formation of social entrepreneurship among students in Indonesia.

## **CONCLUSION**

The formation of student social entrepreneurship at Indonesian state universities requires students who have good cultural intelligence (CQ) and intellectual capital (IC). Culturally relevant intelligence is the ability to analyze, interact, and combine them in an experience. While intellectual capital is in the form of knowledge, skills, and networks. Students who have a good CQ are expected to be able to bring social change to their respective environments. Through mastering CQ, they can know better and master the potential of regional diversity so that they feel strong and confident to form social entrepreneurship. With the ability of CQ, students are also able to choose the right partner in a heterogeneous environment to advance further or improve their business. Overall, cultural intelligence (CQ) and intellectual capital (IC) are the important roles for students in the process of forming social entrepreneurship which aims to make social change, solve problems, and social transformation in Indonesian society.

## **Recommendation**

All parties who have policies in the academic environment and local and central government agencies are expected to provide support or facilities in the learning process of students in the formation of this social entrepreneurship. It is believed that economic change in a region or even a country starts from the efforts of its entrepreneurs. The young generation in this case needs to be prepared for sake of improving the national economy.

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**APPENDIX**  
**Survey Tools**

No.	Variables	Indicators	Likert Scale
1.	<b>Cultural Intelligence (CQ)</b>	I like cultural differences	SDA, DA, DB, A, SA
		I'm easy to adapt to my campus environment	
		I can interact well with friends	
		I can understand the characters of my friends	
		In the formation of social entrepreneurship, cultural intelligence is needed	
		Cultural intelligence can be learned in everyday life	
		Cultural intelligence can help solving social problems	
2.	<b>Intellectual Capital (IC)</b>	Intellectual capital is needed in the creation of new businesses	SDA, DA, DB, A, SA
		Someone who has good intellectual capital will be able to run his business well	
		Intellectual capital is needed in the formation of social entrepreneurship	
		Intellectual capital encourages the grow of good leadership	
		Knowledge and skills are the intellectual capital needed in the creation of new businesses	
		Social entrepreneurship requires networking, which is part of intellectual capital	
		The level of education affects the efforts to create social entrepreneurship	
4.	<b>Risk Taking</b>	I thought more about profit than risk	SDA, DA, DB, A, SA
		The risk of social entrepreneurship is relatively smaller than an independent business	
		I don't consider changing work status to be a problem	
		In my opinion, business risks can be handled together	
		Striving for risk management as much as	

No.	Variables	Indicators	Likert Scale
		possible	
		I thought more about profit than risk	
5.	<b>Social Entrepreneurship</b>	Social entrepreneurship aims to create social change	SDA, DA, DB, A, SA
		Social entrepreneurship can improve community welfare	
		Social entrepreneurship can help transform traditional businesses into modern businesses	
		With this social effort, it is hoped that the unemployment rate will decrease	
		With this social effort, it is hoped that there will be economic development in our area	

SDA= Strongly Disagree, DA= Disagree, DB= Doubtful, A= Agree, SA= Strongly Agree