



The Role of Problem-Solving Ability Among Halal Entrepreneurs' Startups in Brunei Darussalam

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Abstract.

The paper aims to investigate problem-solving ability of startups in Brunei Darussalam during their business pitching. The purpose of the paper is therefore to assist prospect startups to tap into halal market. The researchers collected the data through in-depth individual interviews with the selected experienced panels judges of business pitching or business plans from different organisations. The findings show that the concept of halal entrepreneurship is still subjective and there is still an issue of copy and paste business idea. Prospect halal entrepreneurs should experience the international market and engage with industrial experts in order for them to identify the potential and niche market in halal industry in Brunei. This will also help them to enhance their problem-solving ability. In order to ensure sustainability of their business, market validation is very important to be done. The significance of this paper is to promote the growth of startups in more diversified areas and involvement of youth in the halal industry through their problem solving ability. The limitation of this paper is it present only preliminary findings and empirical studies need to be done to prove the connection between problem solving ability, opportunity recognition and innovative behaviour

Keywords: Problem-solving ability, startups, business development, Entrepreneurs, halal market, Brunei Darussalam

1. Introduction

It is projected that Muslim population will increase from 1.86 billion to three billion by 2060. Therefore, Halal industry could be a major growing economic industry that is vital for Brunei Darussalam (herein Brunei) to penetrate further as part of its economic diversification policies.

Brunei has diligently worked towards the development of a Halal industry, particularly in ASEAN and BIMP-EAGA (Brunei, Indonesia, Malaysia and the Philippines) East ASEAN Growth Area. In addition, the Sultanate has been focusing on the advancement of its Halal food, beverages, cosmetics and pharmaceuticals. Brunei's strength lies in its Halal Certification. The *Zikir* Nation drive, the Malay Islamic Monarchy (MIB) concept and *Syariah* law give strength to its Halal products in the global arena. Furthermore, Brunei has the potential to become a hub for Halal products being centrally located in Southeast Asia (Othman, 2019).

Realising the potential, Bruneian youth are encouraged to respond to this opportunity through entrepreneurial activities in Halal industry (herein halal entrepreneurs) with good intentions to



generate the progress of the Ummah. To tap into Halal industry, problem solving technique is very important especially for halal entrepreneurs as halal entrepreneurship is based on *Maqasid-al- Shari'ah* (objectives of Islamic law) as guidelines. Therefore, it is very important for prospect halal entrepreneurs, especially among higher education institutions graduates, to meet the guidelines.

Brunei has offered an attractive ecosystem for local start-ups with involvement of some agencies, for instant Brunei Shell Livewire and Darussalam Enterprise (DARE). Some programmes offered by these agencies are Speed Mentoring for MSMEs, DARE Micro Business Bootcamp and LiveWIRE Brunei Business Awards. Therefore, this paper focuses on problem-solving abilities of startups in Brunei based on the programs they joined in any of the agencies in the ecosystem from the agencies perspectives.

Halal Entrepreneurship

The term Halalpreneurship (halal entrepreneurship) is explained by Abdullah and Azam (2020) in the fields of Halal industry that connects halal advancement with business practices through halal entrepreneurial activities. This includes the capacity and capability, exercises, and activities seeking opportunities and developing business establishment. However, the procedure of creativity and innovation in Halalpreneurship is complex.

Youth Entrepreneurship and Problem-Solving

In Brunei there are issues of new businesses adopting a 'wait-and-see' approach as they likely to try, copy and test business models of seen-to-be-successful-pioneer-businesses and this would stifle creativity and innovation in the long-term (Chin, 2016). Furthermore, lack of infrastructure and access to financing are some of the key hurdles faced by SMEs (Hj Abu Bakar, 2018). Therefore, problem solving ability is very important in order to boost creativity and innovation of entrepreneurs.

According to Kim et al. (2018, p.4) problem solving abilities in a volatile and sophisticated knowledge- and technology-based industry are an important ability to drive innovation and sustainable growth and development in the industry. The connection between problem-solving ability, opportunity recognition and innovative behaviour proposed by authors is illustrated in Figure 1.

Figure 1: The connection between problem solving ability, opportunity recognition and innovative behavior



Source: Authors' own



Brunei Youth Entrepreneurship Ecosystem

Brunei Youth Entrepreneurship Ecosystem aims to guide youth entrepreneur (18 to 35 years old) by providing directives on training and support services; financing; infrastructure; facilities; market access and opportunities to start and grow a business.

Figure 2: Youth Entrepreneurship Ecosystem in Brunei.



Source: https://www.dare.gov.bn/_files/ugd/06a3d1_1518021da66c41fe9d8a1ab0c8c186b1.pdf

2. Methodology

1.1. Research Time

Interviews were conducted from 18 July 2022 to 29 July 2022 at places convenient to participants, such as coffee houses and office.

1.2. Participants

The interview involved five participants from five different institutions who directly involved in youth entrepreneurship and willing to be interviewed. They are also selected based on their experience as panels judges of business pitching or business plans competitions. The participants were assured of confidentiality by using letters, such as Participant A, Participant B, and Participant C, in place of their given names.



Table 1: Participants Details

Participant	Role	Institutions
A	Founder	An online Islamic fintech company that facilitates an alternative form of financing for MSMEs in Brunei.
B	Program Director	A flagship program to develop an entrepreneurial culture through skills training, mentoring and knowledge sharing.
C	Consultant	A centre which provides a variety of Entrepreneurship and Innovation education programmes and activities in primary, secondary and higher institutions.
D	Senior manager on digital and business development.	A comprehensive Islamic banking solution that complements the needs of businesses, especially SMEs, which includes dedicated relationship management team, financial solutions and digital payments.
E	Officer on Start-up development program.	A body to provide an ecosystem of initiatives to help businesses at different stages of their lifecycle from startup to growth.

Ahmad (2019) explains that it is important for a methodology to get participants with rich information because the central idea of qualitative research is to gain an in-depth understanding of a phenomenon. The responses given by the participants were based on their involvement in organising entrepreneurship related programme.

1.3. Data Collection Procedure

Interview questions were emailed to the respective participant a few days before the interview. Before the interviews started, the participants were briefed on the flow of the interview and they were required to sign a consent form. Interviews with participants were conducted face to face by the authors. Each interview took approximately 60 minutes. The conversation was recorded, and manual transcription took place successfully. The results from the interview are analysed by using thematic analysis. Braun and Clark (2006) define thematic analysis as a method for identifying, analysing and reporting patterns (themes) within data.

3.Result and Analysis

Table 2: Key Findings

Participant	Key Findings	Analysis	Recommendation
A	The problem is too 'optimistic' with the current market which. Their current focus are still on	Problem Solving: Still lacking.	Focus on halal sectors where Brunei have



	Food and Beverage (F&B). They should explore in the area of Islamic Financial Services such as Islamic fintech and Islamic <i>retakaful</i> . Majority are still not known about them offering Islamic Financial Services.	Opportunity recognition: Need to be able to identify other areas such as Islamic Fintech Innovative behaviour: Still lacking.	competitive advantage other than F&B. However, awareness in the potential areas for them to explore is very important.
B	The problem is students tend to copy and paste business ideas but it would be good to take a step further like to find a niche idea. For instance, in F&B, Coffee Grounds can be used say for compost. There's a value chain and circular economy. For Halal entrepreneurship, branding and IP is a way forward. Some ideas may include a device to easily detect whether the food is halal etc. However, it does not restrict to that, the concept is vast. In order to be critical in terms of problem solving and other supports, it is good to have different parties to help them and match with the industry needs.	Problem Solving: Still lacking as there are still copy and paste ideas. Opportunity recognition: Need to be able to find niche, take an extra step, and get opportunity from existing business. Innovative behaviour: Still lacking and need to be able to match them with industrial experts.	It is very important for them to be connected with industrial experts. Some students have good ideas (in terms of ideation). To execute is the problem. They can produce prototype or proof of concept (POC), get an Intellectual Property (I.P.). It can be commercialised with good money.
C	Halal Entrepreneurship should be refined on how it fits in Brunei and <i>Maqasid Syariah</i> . It provides from Educational perspectives. The important role of education especially teacher/lecturer as a facilitator to develop and shape the students' problem-solving techniques from Ideation to Execution. The use of existing resources and skills is important and combined with different expertise in a group could give positive impact. In terms of ecosystem, it would be better for the students to experience the international	Problem Solving, Opportunity, recognition and Innovative behaviour of the students depends on how entrepreneurship subject or course is conducted and facilitated.	In entrepreneurship education, teacher or lecturer should play a role as a facilitator. This is to develop problem-solving techniques and how the students can leverage of their existing skills and engage with industrial experts. International exposure is essential to get ideas and the ideas should align with <i>Maqasid Syariah</i> .



	market to identify the niche market.		
D	Their role is into financing and grant, they will look at viability of businesses which includes <i>Syariah</i> compliant. He also emphasised on the importance of management in every aspect when they received the financing like financial management and team management etc. In terms of monitoring whether any of businesses come up with "halal" product, they always refer to <i>Syariah</i> Advisor.	Problem Solving: The feasibility and viability of business is important especially on <i>Syariah</i> compliant. Opportunity recognition: Lacking. Innovative behaviour: Lacking.	As the definition of halal is still subjective. It would be better to go for more awareness and roadshow. It would be good to identify potential halal market for prospect halal entrepreneurs and halal business in Brunei. In terms of sustainability, management skills is also important.
E	They are doing more on outreach to get people involved in entrepreneurship. It starts with the passion of the prospect entrepreneurs and develop the idea and halal concept comes along the way. Market validation is very important in problem solving ability. It is always a problem that we always overlook over good and feasible ideas. There is always a problem of dropouts along the process in their programme of around 70% and end of the day 10% remain.	Problem Solving: There are good ideas but market validation is lacking which affects the sustainability of the business. Opportunity recognition: Lacking but the idea is developed throughout the programs for them to be able to see other opportunities in the market. Innovative behaviour: Lacking as there are high number of dropouts.	The importance of continuity and sustainability should be highlighted through the process of market validation. This should be emphasized in their problem-solving process.

Source: Authors Own.

4. Conclusion

The role of problem-solving ability is very important as it will enable young halal entrepreneurs in different areas of halal businesses, apart from F&B in the area feasible to them. The problem-solving ability will lead to opportunity recognition and innovative behaviour. The feasibility and viability of business is important and it includes *Syariah* compliant. However, they should not focus solely on the process of setting up a business as market validation is very important to ensure sustainability of their business. There is still an issue of copy and paste business idea. Youth need to realise that industrial expert's engagement, both locally and abroad, is very important to them in order to find niche idea, business model with competitive advantage and exposure of other potential areas such as focusing on Islamic financial services and producing prototypes and apply for IP. This can only be done by identifying their existing resources and skills and engaging with different expertise in a group could give positive impact. As the concept of halal entrepreneurship.

is still subjective, exposure, awareness on the potential areas and way forward is very important. Prospect halal entrepreneurs should experience the international market in order for them to have more unique ideas and identify the niche market. Eventually, this will enhance their problem-solving ability. The significance of this paper is to promote the growth of startups in more diversified areas and involvement of youth in the halal industry through their problem-solving ability. The limitation of this paper is it only presents preliminary findings. More deep analysis and empirical studies need to be done to prove the connection between problem solving ability, opportunity recognition and innovative behaviour.



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