



Enhancing Young Graduates' Intention Towards Halal Entrepreneurship Development in Brunei Darussalam: A Case of Universiti Islam Sultan Sharif Ali

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Abstract

Entrepreneurship involves creating ideas, generating innovative products or services, and problem-solving skills. However, entrepreneurial intention among the younger generation varies based on their behaviour from the aspect of psychological, environmental, cognitive, and demographic ones. Ultimately, understanding intention helps to grasp positive and encouraging factors towards starting a business. The purpose of this paper is to study the halalpreneur intention among UNISSA undergraduates who had undergone entrepreneurship courses in the university. In total, 85 respondents participated in a structural questionnaire to collect data and gather information on their social attitude towards the effectiveness of entrepreneurship education on their intention to start a business and become a halalpreneur. The questionnaire results are analysed quantitatively to find out factors that motivate to become halalpreneurs. On the implication aspect, it is hoped this research able to enhance and suggest foregrounding strategies to develop graduates' intention towards becoming halalpreneurs.

Keywords: *Brunei, entrepreneurship courses, halalpreneur, intention, university.*

1. Introduction

Entrepreneurship development is currently a crucial role in the economic prosperity of both industrialized and developing countries. The words "job creation" and "innovation that benefits society" are commonly used interchangeably to describe the notion. The three sorts of established entrepreneurs are Micro, Small, and Medium Enterprises (MSMEs). MSMEs make up more than 95% of all business establishments on the planet. Entrepreneurs operate in a wide range of sectors all across the globe (Habib & Awan, 2020). The Halal business, which symbolizes the global Islamic economy, is one of the world's fastest-growing markets. The primary contributors to the worldwide Halal business are Halal entrepreneurs (Halalpreneurs). Entrepreneurship has been characterized by many scholars, researchers, industry people, and academicians all around the world. In approximately comparable ways, most economies throughout the world have understood and accepted the concept. The idea of "entrepreneurship" in the Islamic economy, on the other hand, is not the same as in the conventional economy. Although the actions and literal meaning are the same, the notion is referred to as "Halalpreneurship" in Islam in a variety of ways. Thompson's Global Islamic Economy (GIE) study for 2018 In the Halal business, the word has been used by Reuters and Dinar Standard to allude to entrepreneurship. In the business, however, there is no agreed-upon definition of the phrase. At the



same time, several Islamic economists have incorporated entrepreneurs in their studies. In their study, Ramadani et al. (2017) looked at the activities, duties, and aims of Muslim entrepreneurs in the Islamic economy. Entrepreneurs in Islam are referred to as Islamic entrepreneurs, disputing the assumption that Islam is intrinsically anti-development and anti-modernization (Kayed & Hassan, 2010). To define entrepreneurship in the Islamic world, the term "Islamic entrepreneurship" was coined (Ratten et.al, 2017). Entrepreneurs in the Halal food sector have also been investigated as Halal food entrepreneurs. Finally, the word Halalpreneurship was established to characterize Halal-conscious entrepreneurship and to acknowledge SMEs' desire to become Halalpreneurs (Abdul Rahman, 2011). On the other hand, none of these studies have defined or refined the terms Halalpreneurs or Halalpreneurship (Soltanian et.al, 2016). Furthermore, the lack of an internationally accepted definition and proper understanding of Halalpreneurship has been identified as one of the significant gaps in the Halal industry (Soltanian et.al, 2016).

Halalpreneurship Vs. Entrepreneurship

Scarcity arises in a conventional economy because of unmet wants and restricted resources, which presents basic problems about what to create, for whom, and how to produce (Menger,1990). Halalpreneurs, on the other hand, believe that resources are always available. Scarcity results from a lack of expertise and insight, as well as poor resource use and distribution. As a result, Halalpreneurship responds to basic problems in a way that entrepreneurship does not. In terms of economic principles and other critical components of Halalpreneurship, Figure 1 demonstrates the differences between Halalpreneurship and entrepreneurship.

2. Methodology

This paper employed both qualitative and quantitative assessment method to reach a thorough understanding of entrepreneurial intention among the younger generation varies based on their behaviour from the aspect of psychological, environmental, cognitive, and demographic ones. The ultimate finding

Participants

This study was targeted for Universiti Islam Sharif Ali students who had undertook the general Entrepreneurship and Halal Product Entrepreneurship courses offered by the Faculty of Islamic Economics and Finance and Halalan Thayyiban Research Centre respectively. Eighty-five students whose ages ranged between 18 and 30 took part in the survey. The participants

Questionnaires, Data Collection and Analysis

The survey questionnaires was designed and distributed through Google form. They were designed with few central aspects such as perception, financial support, market availability, entrepreneurial attitude, entrepreneurial intention, internal driver and, external driver. Tables below list down the sample questionnaires.

Table 1: Perception towards Entrepreneurship Course (EC)

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| P1: EC develops my interest in halal entrepreneurship. |
| P2: EC provides me with the proper business practices needed. |
| P3: EC is important to increase the number of local halal entrepreneurs. |



P4: EC has successfully changed my mindset of depending on jobs offered by the government and private sector and instead becoming a halal entrepreneur.

P5: EC has the potential to reduce the unemployment rate among graduates.

Table 2: Financial Support

F1: The reward of being an entrepreneur is priceless.

F2: I will start my own business using my personal savings.

F3: It would be a good opportunity if there is financial support to start a new business.

F4: I am always looking for the opportunity of financial support to start my potential business.

F5: There is always the possibility of me investing in a new business.

Table 3: Market Availability

M1: The enhancement of purchasing power of society (the financial ability to buy products and services) has widened my opportunity to be an entrepreneur.

M2: The availability of e-commerce (e.g. Zalora, Lazada etc) has encouraged me to become an entrepreneur.

M3: The availability of social media has empowered me to become an entrepreneur.

M4: Social media provides a platform for me to develop a new brand.

M5: The product reviewing trend by Social Media Influencers has provided me with an opportunity to market my new brand.

Table 4: Entrepreneurial Attitude

EA1: My ambition is to be a (halal)entrepreneur

EA2: Being a (halal)entrepreneur will secure my future life

EA3: Being a halal entrepreneur will give me opportunity to challenge myself

EA4: Being a halal entrepreneur will empower my future life

EA5: Being a halal entrepreneur will show my real personality

EA6: I have always been interested in halal entrepreneurship

Table 5: Entrepreneurial Intention

EI1: I am preparing myself to become a halal entrepreneur

EI2: I will work hard to become a halal entrepreneur

EI3: I intend to become a halal entrepreneur

EI4: Being a halal entrepreneur is my priority after I graduate

EI5: Being a halal entrepreneur will show my real personality

EI6: The best investment in life is to be a halal entrepreneur

Table 6: Internal Driver

ID1: My understanding of the importance of halal influenced me to get involved in halal entrepreneurship

ID2: My understanding of trends in the halal industry influenced me to get involved in halal entrepreneurship

ID3: I intend to become a halal entrepreneur

ID4: My understanding of Maqasid Shari'ah influenced me to get involved in halal entrepreneurship

ID5: My Islamic practices motivate me to get involved in halal entrepreneurship

ID6: Islamic motivation drives me to get involved in halal entrepreneurship

ID7: My business experience (or business project experience) motivated me to get involved in halal entrepreneurship

ID8: Islamic business training motivated me to get involved in halal entrepreneurship



ID9: My perceived desire influenced me to get involved in halal entrepreneurship

ID10: My creativity and innovation skills influenced me to get involved in halal entrepreneurship



ID11: My financial status drives me to get involved in halal entrepreneurship

Table 7: External Driver

ED1: The increase in Muslim population has encouraged me to get involved in halal entrepreneurship

ED2: The growing halal market is encouraging me to get involved in halal entrepreneurship

ED3: The positive awareness of the halal industry drives me to get involved in halal entrepreneurship

ED4: The support from people around me motivates me to get involved in halal entrepreneurship

ED5: The support from local customers motivates me to get involved in halal entrepreneurship

ED6: The normative pressure (pressure from the market) drives me to get involved in halal entrepreneurship

ED7: The coercive pressure (pressure from the government/ stakeholders) drives me to get involved in halal entrepreneurship

ED8: The positive support by the government in term of ease of doing business motivates me to venture in halal entrepreneurship

ED9: The governmental policies are in favor of halal entrepreneurship

ED10: The positive future direction of halal industry motivates me to venture in halal entrepreneurship

ED11: The competitive and innovative business ideas in halal industry motivates me to venture in halal entrepreneurship

3.Literature Review

Religion is a system, a system of beliefs and practices by which a group of people interprets and responds to what they feel is supernatural and sacred (Johnstone, 1975). It is clearly stated in Islam what foods, drinks and products are permissible and non Halal product is forbidden. For example, in the Quran, there are 20 verses that described what foods are known as Halal and also Haram foods. Allah had commanded Muslims and all mankind to eat and live on Halal and Tayyib, among the many verses that convey the message is: O, ye men! Eat of what is in the earth, lawful and wholesome and follow not the footsteps of Satan; for verily he is an open enemy to you (Al-BaqaraH 2:168). From Hadith: Halal (the Lawful & Permissible) is clear and Haram (the Unlawful & Impermissible) is clear. Between halal and haram lays some doubtful things. Many people do not know whether it is permissible or not. Whoever leaves out these doubtful things in order to protect his religion and honor, then he is safe. Whoever indulges in these doubtful things/matters, it is very possible that he will fall into Haram, similar to a person who grazes his animals near the royal pasture it is very possible that one day he will graze in the royal pasture. Behold! Every king has a royal pasture and the royal pasture of Allah is those things which have been made impermissible. (Tirmidhi 1205). Precisely, Islam has guided the Muslim consumers with regard to the Halal food consumption. According to Mokhlis (2006), the highly religious person will evaluate the world through religious schemas and integrate the religion into their lives. Religiosity commitment also plays an important role in people's lives through shaping their beliefs, knowledge, and attitudes, regardless of their religious orientations (Muslims, Christians, Hinduism, and others). As mentioned by Mukhtar and Butt (2011), it is important to investigate the role of religiosity while investigating Muslim attitude towards Halal product because the greater the intensity of one's religious affiliation, the higher will be the chances that they will strive to conform to the religious obligations in the consumption world.

Islamic management system emphasizes vital skills, knowledge, expertise and temperament for smooth management. It also emphasizes on obedience and mutual respect, cooperation, equal opportunities, commitment to the work and full use of capacity. The key models of Islamic Management are *falah*, *aml*



saleh, sabr, adle, ikhlas, amanah and ihsan. These are the foundations of Islamic management systems. These models are helpful for developing a human relationship within working environment, which does not allow anyone to exploit other.

Halal entrepreneurial could lead to ethics attitude since halal entrepreneur will always follow Islamic rules and based on the “Syumul” concept which means that all business activities are considered religious activities. Islamic businesses are defined as business organizations that operate under the Shariah law. Therefore, their operations should be excluded from *riba'* (interest), *maisir* (gambling), *haram* (forbidden) and *gharar* (uncertainty).

Halal entrepreneurship is a concept of entrepreneurship where halal is regarded as “entrepreneurial process for innovatively using opportunities to obtain economic gains and society equity on an equal footing” (Bustamam, 2012). Some called halal entrepreneurship as “halal driven entrepreneurship” and “halal minded entrepreneurship”. Entrepreneurs must be exposed to business opportunities and must expand the market for halal products by sharing knowledge and the success of halal entrepreneurs in various business fields. Individuals who are interested in innovating and exploiting opportunities generated by halal business development are known as halal entrepreneurs or halalpreneurs.

Studies on halal entrepreneurial intention within Malaysian-Brunei context among younger generation is still limited. Young generation who are healthy physically and mentally are required to achieve sustainable economic growth. In recent years, younger generation has been the significant role in many studies because of the dramatic distinct in terms of their attributes, behaviours, values and perceptions as compared to the antecedents (Hoyer and Macinnis, 2010). The rationale for focusing on younger generation is marked by their heavily consumption oriented, savvy generation, trendsetters and established brand conscious. Based on generational cohort theory, a generation includes members born in same time and experiencing the common formative events during their developmental times, leading to a similar value system, perceptions, and attitudes (Kupperschmidt, 2000). Most of them are born to parents with stable financial background and groomed in a multicultural, technology-rich contextual environment. The contextual environment has a profound influence in moulding their personality as carefree, fun-loving, and risk-taking individuals. Thus, data of halal entrepreneur awareness conducted on different generation might not be generalized to younger generation due to their unique consumption behavior and preferences. Due to the limitation, this study responds to study Halal entrepreneurial awareness among younger generation.

The concept of entrepreneurship, the term entrepreneurship originates from the French word *entreprendre*, which means “to achieve” or “to embrace.” it is considered a creative activity that requires the capacity to create and set up something out of practically nothing. Entrepreneurship is a change process in which the entrepreneur's most important function is invention. It is a necessary condition for economic progress in a free operation or mixed economy where innovation is the motivating factor. A system's marginal productivity of the factors of production can be increased through innovation (Amiri et al, 2012). Entrepreneurship is at the heart of the modern business, and it is the driving force behind innovative enterprises that define the modern economy. It is a dynamic process of individuals building incremental wealth by taking big risks in terms of equity, time, and/or career commitment in exchange for a product or service (Kuratko, 1998).



The word "Halal " is an Arabic or Quranic word that refers to an Islamic lifestyle and means legal or lawful in its literal sense. That is to say, the term's implication applies to every aspect of human life, whether it be social, personal, economic, cultural, or political. When it comes to economics, the word "Halal industry" has been used to describe the Islamic economy.

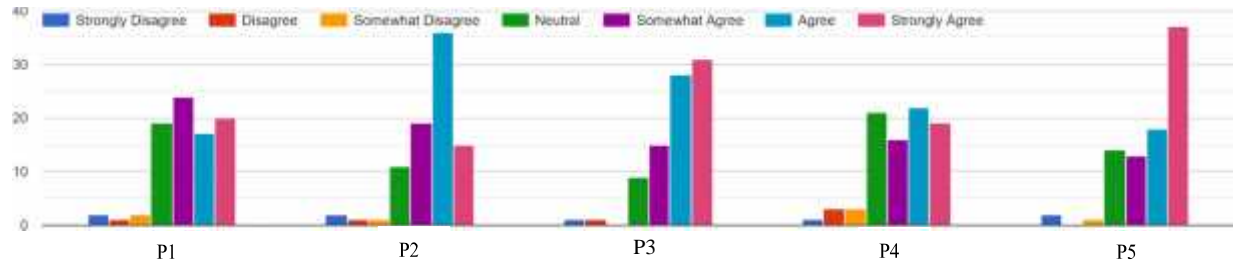
Haram, which means forbidden, is contrary to Halal. Allah Subhanahu wa ta'ala has also commanded what is prohibited and what is to be avoided in terms of eating and human conduct for Muslims and the entire ummah in the Quran. In Islam, for example, drinking alcohol and eating pork are both forbidden. Gambling, pornography, *riba* (usury), hoarding items, misleading clients, and other illegal activities are also prohibited. To define Halalpreneurship, all three categories must be considered, i.e., Halal, tayyib, and haram.

From the perspective of Halal, Halalpreneurship is a phrase that has just been used in the global Halal industry to describe how Halal progress is linked to business practices through Halalpreneurial activities. This covers capacity and capability, exercises, and actions aimed at identifying opportunities and establishing a business. In Halalpreneurship, the process of invention and innovation is complicated. This phenomenon, however, is critical to comprehending Halalpreneurial development.

Halalpreneurship emphasizes the Halalpreneur's responsibility to prioritize fulfilling demand for necessities first, followed by luxury and embellishments. Regarding Halalpreneurship, A Halalpreneurship is a Muslim who runs a business in the global Halal market intending to create exclusively Halal products and services while adhering to Shari'ah guidelines.

4. Results

A Likert scale method is used to measure attitudes, knowledge, perceptions, values, and behavioral changes. This involves a series of statements that respondents may choose from in order to rate their responses to evaluative questions (Vogt, 1999). All the respondents fulfilled the questionnaires completely. Based on the questionnaires, they were 85 respondents among undergraduate students who had enrolled to the University Required Course for entrepreneurship. The courses they had taken were Entrepreneurship and Halal Product Entrepreneurship. Prior to this course, 85.9% of the respondents never received a proper entrepreneurship outside the University, while the minority of the respondents had knowledge on entrepreneurship. Result below shows the majority of respondents acknowledge EC provides with the proper business practices needed to start a new business and help to reduce graduate employment rate. Pittiway and Cope (2007) concludes entrepreneurship education has had an impact on student propensity and intentionality.



It is found that the access to financial and business funds plays a critical role to start a new business. Most of the respondents learnt to actively looking for potential- business funding that help to keep up with needs intrinsic to the industry changes, challenges and requirements. This is particularly vital when a business is under research and development where every business needs to stay relevant and innovative align with the trends.

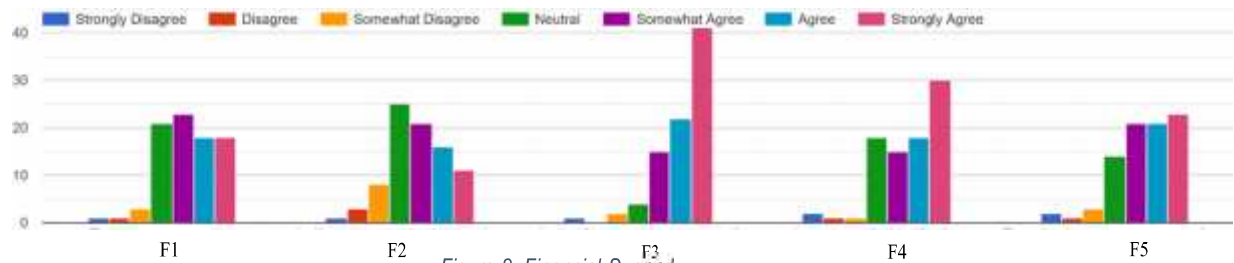


Figure 2. Financial Support.

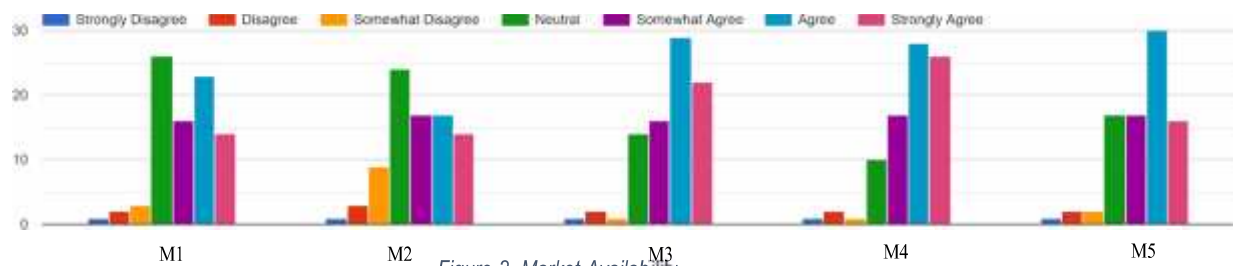


Figure 3. Market Availability.

There was a time in the digital world when marketing was merely confined to website building and pondering information over the first ten pages of Google.com. Today, the most powerful source of marketing – be it, online or offline is undoubtedly ‘Social Media’. Social Media is all about community building and your target audience getting interested in your brand and its value. For instance: A potential customer should walk up to any given business rather than the opposite happening. Social Proofing is immensely necessary for engagement i.e. a majority of interested audience committed over digital platforms to your business. The mainstream perception lies on the fact that where there are more people, the business works better there.

Entrepreneurial attitudes are behavioral traits that can help an entrepreneur grow and succeed in business. There are so many attitudes an entrepreneur should possess that will build and promote their business. Without these entrepreneurial attitudes, it may be challenging to grow in business (Abdullah and Azzam, 2020). The following result shows that by being a halalpreneur is an opportunity to challenge oneself. Most of the respondents feels that halalpreneurs will empower their future life.

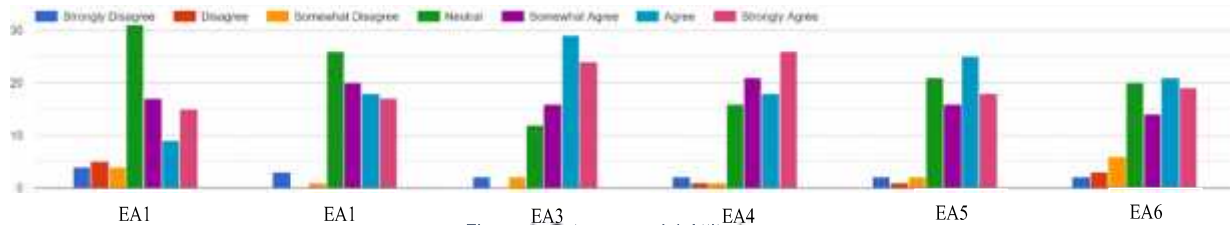


Figure 4. Entrepreneurial Attitude.

Many studies have been conducted on the correlation between attitude and intention. The attitude may influences our intentions to perform the act and that intention has a direct influence upon our behavior. Furthering this idea, Sheeran et al (1999) conducted a study on the attitude-intention link where it is found that attitude has positive influence towards intention and that intention has a direct influence towards behavior. This can be proved in a study by Du and Zhao (2012) that individuals with high psychological capital show a positive psychological state. When an entrepreneur faced with challenges, they are more likely to look for solutions to address the problems. They can view failure as a great chance to grow, resonate on, and summarize failure, and then further develop to accomplish their entrepreneurial goals (Zhuang, 2018).

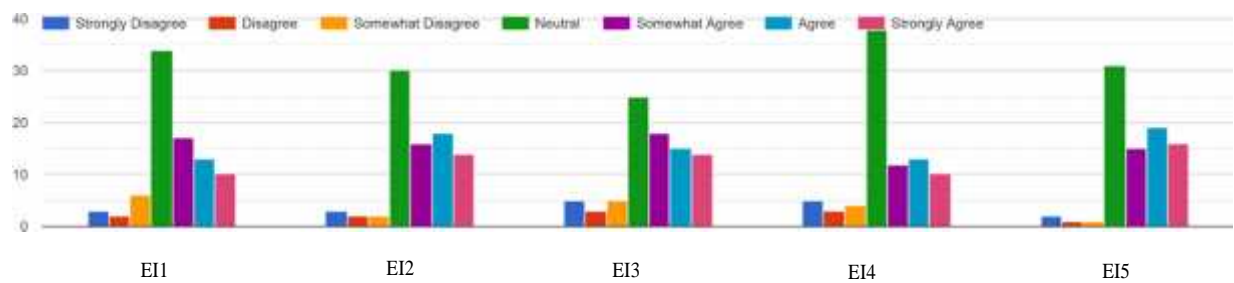


Figure 5. Entrepreneurial Intention.

When an entrepreneur embark on their Halalpreneurship journey, they are many factors contributed to their intention such as growing halal market trends, knowledge on halal and Islamic beliefs. The result in the following chart indicates majority of the respondents believed understanding halal market trends internally drive their halal entrepreneurial intention.

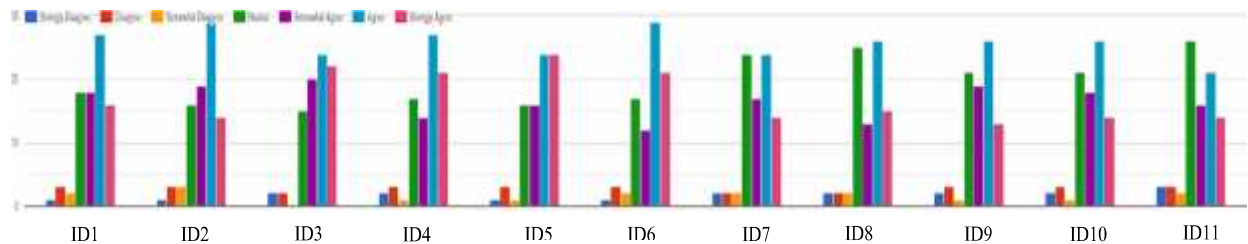


Figure 6. Internal Driver.

The questionnaires also managed to identify the external factors that have an impact towards entrepreneurial intention. The positive awareness in halal industry plays a significant role to start a business. Such awareness describes the perception of consumers towards halal as a driving force in the halal industry. Muslim consumers spent more than \$2 trillion globally in 2019, indicated research by the State of the Global Islamic Economy Report 2020/2021, therefore based on the previous data, halalpreneurs are tapping in to the halal industry because of the strong market demand (Elias et al., 2016, Puspaningtyas, 2021).

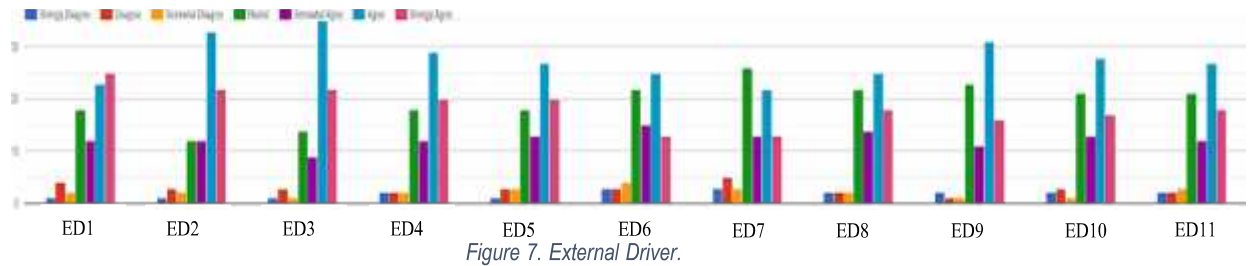


Figure 7. External Driver.

5. Conclusion

Generally, the present study found that (1) Entrepreneurship course offered by UNISSA has a significant contribution to reduce employment, (2) expanding options to gain capital fund to new business from the banks or government, (3) social medium as a great medium to expose products and business, (4) embarking on Halalpreneurship is just an option from the general entrepreneurship intention, (5) entrepreneurial education provokes intention to start a business, (6) trends in halal industry determined halalpreneurial intention, and (7) positive awareness in halal industry incites the external factor to become halalpreneur. This study demonstrates positive implications of halal entrepreneurship courses between religious awareness and strong halal market trends towards Halalpreneurial intention among younger generation particularly in the case of Universiti Islam Sultan Sharif Al.



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