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Integrating Religious Values in Entrepreneurship Activities among Malaysian Undergraduates Students

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Abstract

This study aimed to explore how religious values are integrated into entrepreneurial activities among students in Public Higher Education Institutions (PHEI) to develop holistic and entrepreneurial students in Malaysia. The study was conducted at three public higher education institutions in the state of Selangor. Respondents consist of staff and students involved in entrepreneurship programs or activities. Quantitative and qualitative approaches are used to gain a more accurate picture of the integration of religious values and entrepreneurial activities. Descriptive analysis is used to analyze quantitative data, while thematic analysis is for qualitative data. The results showed that there were no significant differences in the level of religious and moral values in student entrepreneurship activities. The findings also showed a high degree of application of religious values in entrepreneurship activities. However, there are no specific policies for integrating religious values into entrepreneurship programs at educational institutions that were being studied, despite knowing their importance.

Keywords: Religion, Values, Entrepreneurship, Students, Policy.

Introduction

The Malaysian Education Development Plan 2015-2025 (Higher Education), also known as PPPM (PT), is a comprehensive plan launched on April 7, 2015 by the Malaysian Ministry of Education, to transform the country's higher education system to meet current challenges. 10 pillars have been identified to drive the country's education level globally. Pillar 1, 'Holistic Graduate, Entrepreneurial Characteristics and Balanced', aims to create an active citizenry with an entrepreneurial mindset and balanced values. The definition of 'balanced' in the document is of akhlak and moral value. According to Beekun (1996), akhlak is a term that describes the ethics of a Muslim.

The basis of this integration of religious values and entrepreneurship has been reported by a hadith: "Abu Sa'ed recounts that the Prophet Muhammad said, "The honest

and trustworthy traders will be resurrected with the prophets, the righteous and the martyrs' (on the Day of Judgment)" (Naisaburi, 1992). A Muslim should not take the concept of entrepreneurship from the material, physical and intellectual aspects without considering the spiritual aspect (Salleh, 1999) as Islam also emphasizes metaphysical elements such as heaven, hell and reward (Gümüşay, 2015). Metaphysical elements play a role in shaping human behavior in the framework of building success in entrepreneurship (Faizal, Ridhwan & Kalsom, 2013).

Siddiqi (1972) also stated that more importantly, entrepreneurs should provide welfare services to the community by fulfilling their need to obtain the desired goods or services. Entrepreneurship is a form of worship that meets the needs of a balanced life, in the world and the hereafter (Mubarak, Rahman & Yaacob, 2015). Based on the argument above, it is clear that graduates who can integrate religious values and entrepreneurship are more balanced and meet national aspirations. Therefore, effective strategies can fulfill the target of the shareholders of developing holistic graduates that can excel in industries.

Literature Review

The Religion-Entrepreneurship Link

Based on the literature review, the specific relationship between entrepreneurship and religion has received limited attention from researchers (Kauanui, Thomas, Sherman, Waters, & Gilea, 2008). Although discussions on religion are rarely given attention in entrepreneurship studies (Dodd & Gotsis, 2007), scholars do not disregard the role of religion in entrepreneurial processes. Previous studies have found that the relationship between religion and entrepreneurship exists but this relationship is varied, depending on time and social circumstances (Dodd & Gotsis, 2007).

Protestant Christians state that religion is a fundamental driver of entrepreneurship in the aspects of ethics, leadership and decision-making (Dodd & Gotsis, 2007). The evidence shows that the specific religious impact on entrepreneurship is that entrepreneurs are motivated to start a business. Similar findings have been obtained from Evangelical Christians, whose beliefs influence business decisions (Lindsay, 2007). In addition to decision-making, beliefs are also found to have a strong impact on business culture and mission (Angelidis & Ibrahim, 2004).

For Muslims, the level of religiosity also influences their business practices (Gursoy et al., 2017) by bringing religious values into their business activities (Griebel, 2014). This is because Muslims who adhere to religious teachings deeply respect the community, the values of tradition and the norms of society. At the same time, people with strong religious values tend to views work as in line with the religious values held by them. Religious values' tendency to adapt to diverse cultures is shown by both religions (Islam and Christianity).

The relationship between religion and entrepreneurship can have a positive impact if religion serves as a value system that leads to moral values such as honesty and trust. This is also agreed by Griebel (2014). Nevertheless, Rawwas et al. (2006) found that religious education is not enough to eliminate dishonesty in daily activities, but it does help to reduce unethical behavior. Thus, learning institutions need to play their roles to create awareness among students to develop the mindset, acquire sufficient knowledge and skills to manage a business within the Islamic framework (Hoque, Mamun & Mamun, 2014).

Muslim Entrepreneurs

According to Hoque et al. (2014), Muslim entrepreneurs are people who start and run businesses according to Islamic guidelines. Their study found specific characteristics of Muslim entrepreneurs: knowledgeable, risk-taking, honesty, hard work, patience, trust, morality, strategic thinking, caring for one's welfare and relationships, optimism, not wasting and consuming halal, and so on. Rhouse et al. (2017) in the study of female entrepreneurs also found that special traits in them were halal and illegal, moderate, interest prohibition, and maintained relationships. As a religion, Islam only offers a general framework about entrepreneurship so that it can evolve. Although Islam does not mention a solid theory on entrepreneurship, it discusses the basic framework for shaping entrepreneur and entrepreneurship models (Gümüşay, 2015).

Muslim entrepreneurs who value religious values will avoid doing things that are illegal, harmful to others, and fraud. Also, a Muslim entrepreneur should emphasize the principles of justice and freedom and reject any element of coercion or cruelty on the part of buyers and sellers (Hamid, Sa'ari, Dahlan, & Dato' Dahaman 2016). On the operational side, Al-Faruqi (1992) explained that entrepreneurial operations should be based on four principles, first, *shariah* does not allow the production of products based on profit alone, but rather promotes the provision of products that are beneficial to the public. Secondly, the product prohibited by Islamic law cannot be produced unless it is necessary (emergency). Third, the product must be presented honestly, namely, that packaging for deception is not allowed. Fourth, belief is the foundation that motivates manufacturers to practice the truth.

Methodology

The study will be conducted through a quantitative and qualitative approach. The quantitative data obtained from the survey were analyzed using descriptive analysis and t-test. The questionnaire used in this research was developed based on the description of Pillar 1 PPPM (PT): 'Developing holistic graduates, with entrepreneurship characteristic and balanced'. The 15 items questionnaire has a Cronbach alpha value of 0.92 and uses a 5 point Likert scale ranging from strongly disagree (1) to strongly agree (5).

Sampling to obtain quantitative data was conducted by purposive sampling technique. Samples are students from three public universities who have been and are directly involved in entrepreneurship activities organized by their universities. Questionnaires were administered using online Google Form. 198 respondents completed online surveys. However, only 144 were used because the rest were never involved in entrepreneurship activities. Out of the 144 respondents, 27.1% are males and 72.9% are females. The majority of respondents (44.6%) are in their third year of study.

Qualitative data were obtained from semi-structural questionnaires and analyzed using NVivo. Respondents were lecturers involved in student entrepreneurship activities in the selected public universities. One respondent from each university was chosen based on their position as the person in charge of students' entrepreneurship activities. They all supervised the students and were responsible for the implementation of any entrepreneurship programs. Content analysis was also performed on formal institutional documents as triangulation to the interview transcripts.

Results

Descriptive Analysis

Findings of the t-tests indicated no significant differences between males ($m = 4.36$, $SD = 0.28$, $n = 38$) and females ($m = 4.42$, $SD = 0.32$, $n = 103$) in terms of religious values embedded in their entrepreneurship activities, $t(28) = 0.54$, $p = 0.05$. The mean of both genders showed that the level of religious values practiced in entrepreneurship activities are high.

Table 1 shows the details of the t-test.

Table 1 Religious Values in Entrepreneurship Activities.

Values	Male n=38	Female n=103	df	t-value
M	4.36	4.23	28	0.60
SD	0.28	0.32		

* Significant at $p < 0.05$

Thematic Analysis

Based on the interview transcript, two main themes were identified, first is trustworthy and the second is social issue. All respondents acknowledged the importance of trustworthy in entrepreneurship activities and the need to have clear policies for integrating religious and moral values into student programs. Trustworthy is a fundamental part of our daily work and life. This attitude has been emphasized in Islam:

Indeed, the best one you can hire is the strong and the trustworthy. (Al-Quran, 28:26)

Al-Qaradhawi (2001) in interpreting the term trustworthy in this verse, stated that in a behavioral aspect, it is to have the feeling of fear of God in whatever we do. In other words, trustworthy is closely related to one's religious level. The relevance of the nature of trustworthy and the level of religion has also been acknowledged by Ismail (2010) by stating that an understanding of Islamic law can realize the attitude of trustworthy in work. This statement is in line with Rhouse et al. (2017) study of women entrepreneurs in Malaysia, who found that religious practices influence Muslim women entrepreneurs in managing their businesses.

According to Gümüşay (2015), Islam shapes the behavior of Muslim entrepreneurs by providing internal motivation. As a social phenomenon, he emphasized that spiritual connection with God can influence social behavior. As with many other major religions in the world, the main goal of religion is to achieve prosperity, and if entrepreneurship can be a tool for achieving that goal, religious people will certainly be more motivated to use the tools to achieve their goals.

The second theme, which is social issues, address the implications that could occur if entrepreneurship activities do not integrate religious and moral values in it. The absence of policies and monitoring on the implementation of moral values in student programs can have negative effects such as the act of dishonesty and promiscuity. The respondents also stated:

Each semester there is only one traceable (broken trust). For example this semester there was a case of money shortage. (Respondent 1)

When we brought these students outside to do activities, boys and girls can be seen socializing. We have to be careful (about social issues). (Respondent 1)

Nonetheless, informal continual monitoring still happened in meetings with students, where financial issues are highlighted:

If there are any issues involving finances, we highlight them monthly. We do not want problems in the future. (Respondent 2)

Based on the interviews, evidence (interviews and documents) shows that at the administrative level, no formal policy has been established to ensure that religious and moral values are embedded in every student's entrepreneurship activities. When asked "Are religious and moral values an essential element of the student entrepreneurship program?", all respondents gave negative answers. One of the respondents replied:

Not yet (establish). No. Maybe we will do it. (Respondent 3)

Another respondent replied:

I would not say directly. It is implemented in the program, it's just not specified. (Respondent 2)

Conclusion

This study highlighted the issue of integration of religious and moral values in entrepreneurship activities, specifically at the learning institutions' level. The findings showed that respondents agreed that religious values need to be integrated into entrepreneurship activities, but so far none of the learning institutions implement it formally in their policies. This is not in line with the ministry's target of producing students with ethical values and entrepreneurship characteristics. Embedded values in policies will ensure that it will be monitored formally and hinder expected negative implications such as dishonesty in the business transactions. On top of that, it can formally assess to see the effectiveness of such implementation and to have a sense of accountability on the part of the institutions.

Through the survey that has been done, it showed that there was no significant difference between male and female students in terms of religious values embedded in their entrepreneurship activities. The survey also confirmed that religious values were highly embedded in student's everyday entrepreneurship activities, albeit no formal execution on the part of the institutions.

The implication of the study to learning institution and policymakers is huge since it is mentioned in The Malaysian Education Development Plan 2015-2025 for higher learning institutions, but the implementation and effectiveness have not been assessed thoroughly. The findings contribute contextually in the strategic education policy planning whereas the consistency in the communication of the policies and the degree of cooperation between all

relevant agencies must be effective to avoid implementation deficits. This is aligned with the challenges that are faced by the implementation of PPPM at a micro-level (Hussein, 2014). The findings can be an indicator of the relevant parties to ensure that monitoring and enforcement of the plan are carried out.

The findings also contribute theoretically to the Muslim entrepreneurship literature. Although Islam has a basic framework for shaping entrepreneur, without fostering and proper alignment with entrepreneurship education and policies, there would be no evidence that the framework can truly develop better entrepreneurs in terms of integrity, trustworthiness and transparency. Further empirical studies need to be carried out to verify this framework.

This study, however, cannot be generalized to other populations due to the respondent's background and limited to the context that it was meant for. This study can be considered a preliminary attempt to uncover the mechanics of religion underpinning entrepreneurship behaviors. Further study on the topic should be carried out with more in-depth exploration and using inferential statistics. A bigger sample in future research should give a broader picture of the phenomena.

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