

# Entrepreneurial decision analysis on student through Islamic business management literacy model

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**Abstract.** Indonesia is a country with the fourth most populous population in the world. The high population growth of Indonesia raises various kinds of problems; such as the lack of job opportunities. Education is a process to improve the quality of Human Resources (HR). Students as the embodiment of the tri dharma of higher education, the first point on education and teaching is the basis for improving the quality of human resources through the Student Activity Unit (UKM) of the Islamic Economics Study Group (KSEI) by holding entrepreneurship education workshops. Respondents in this study were selected by non-probability sampling technique as many as 50 students. The research analysis tool uses multiple linear regression through SPSS version 26 software. After statistical testing, religiosity has a positive but not significant effect on entrepreneurial decisions. Motivation has no significant positive effect on entrepreneurial decisions. Education has a significant positive effect on entrepreneurial decisions. The implication of this research is that it is hoped that both state and private Islamic universities will be able to provide more Islamic business management training activities for students. So that students are able to become entrepreneurs and create new jobs.

**Keywords:** Religiosity, Motivation, Islamic Education Entrepreneurship.

## 1 Introduction

Indonesia is a country with the fourth largest population in the world with a population of 276,534,274 in 2020 (Kasih, 2021). This will have an impact on the existing economic conditions in Indonesia, especially the problem of the Indonesian people who do not have jobs and fixed incomes, as a result the number of unemployed is increasing. Education is a means to improve the quality of human resources, every year public and private universities produce young graduates who are expected to become human resources who have skills qualified and competitivetheir potential so that they have difficulty in getting a job.

Based on the data, it shows that the university unemployment rate fluctuates. However, as of February 2021, the University contributed the highest unemployment due to the pandemic, which was 999,543 people, compared to 2018 of 803,624 people, 2019 of 855,854 people, and 2020 of 824,912 people. This shows that educated unemployment is still a serious problem faced by Indonesia (Sari, I. P et al., 2017). The existence of this phenomenon motivates students to try to anticipate the occurrence of unemployment by trying to enter the business world. This is supported by research (Hidayah, 2015)

suggesting that efforts to overcome the problem of unemployment are by increasing human resources, creating new jobs and growing entrepreneurial businesses. It is a key driver of economic growth and sustainability, as well as a mechanism for social development (Rasmussen, E. et al., 2006).

**Table 1.** Unemployment Data by Education Level According to the Central Statistics Agency (BPS)

No.	Education Level	2018	2019	2020	2021
1.	No/never attended school	43,740	36,422	35,761	20,461
2.	No/not yet graduated from SD	452,326	443,495	346,778	342,734
3.	Elementary school	975,661	965,641	1,006,744	1,219,494
4.	Junior high school	1,265,421	1,235,199	1,251.352	1,515,089
5.	General high school/high school	1,672,601	1,690,527	1,748,834	2,305,093
6.	Vocational high school/vocational	1,445,340	1,397,281	1,443,522	2,089,137
7.	Academic/Diploma	304,744	274,377	267,583	254,457
8.	Universities	803.624	855,854	824,912	999,543
	Total	6,963,457	6,898,79	6,925,486	8,746,008

Source: (BPS, 2021)

Students of the Islamic Economics and Business Faculty of the State Islamic Institute (IAIN) Salatiga have been educated to become tenacious and creative entrepreneurs. As a student at an Islamic university, it is appropriate that activities should be carried out based on the Al-Quran and Hadith, therefore Islam provides a different way to get benefits and pleasure from God (Setiawan, 2021). Based on research conducted (Wibowo, et al., 2017) that the level of religiosity has a positive and significant influence on interest in entrepreneurship. In contrast to the research conducted by (Herweni, 2019), that the religiosity variable does not significantly affect student entrepreneurship interest. KSEI (Islamic Economics Study Group) as one of the SMEs in IAIN Salatiga in which there is a generation of rabbis who have a role in developing the sharia economy, through the Entrepreneurship Festival program. In this work program, education and mentoring will be provided on Islamic business management, Islamic entrepreneurship and business plans. Based on this background, the authors are interested in conducting this research.

## 2 Literature Review

### 2.1 Planned Behavior

TPB asserts that broad attitudes and personality traits can only have an indirect impact on certain forms of behavior by influencing factors closer to the action in question. An individual's general attitudes, values, and beliefs are considered further than actions. Therefore, developing adequate explanations of certain behaviors, such as the decision to become an entrepreneur, requires concepts closer to those behaviors. TPB hypothesizes that behavioral intentions are determined by three main antecedents: attitudes toward behavior, subjective norms and perceived behavioral control (Ajzen, 1991).

### 2.2 Religiosity

Religion can influence entrepreneurial motives, activities, and behavior by increasing people's confidence in their skills, strengthening network relationships, and guiding their business practices (Griebel, et al., 2014).

### 2.3 Entrepreneurial Motivation

According to Mc. Donald suggested that, Motivation is an energy change within the person characterized by effective arousal and anticipatory goal reactions. Motivation is a change in a person's personality which is characterized by the emergence of feelings and reactions to achieve the desired goals. The change in a person's energy is in the form of a real activity in the form of physical activity. Because someone has a certain goal from what he does, then someone has a strong motivation to achieve it with all the efforts he can do to achieve it (Djamara, nd).

### 2.4 Islamic Entrepreneurship

Education Entrepreneurship education has the aim of integrating entrepreneurial concepts, theories, attitudes, and behaviors that are implemented in the form of entrepreneurial skills and developed with a learning model that combines entrepreneurial values and entrepreneurial behavior (Firdaus, 2017). The concept of Islamic Entrepreneurship is a business activity based on Islamic values in running a business. Business people need to pay attention to the rules of the Shari'a and the instructions from the best example, namely the Messenger of Allah regarding business activities (Setiawan, 2021).

### 2.5 Entrepreneurial Decision

Basically decision making by an entrepreneur is based on three approaches, namely, rational approach, instinct, and combination. Decision making is the selection of alternatives in problem solving. In making an individual decision is influenced by three main factors, namely individual values, personality, and tendencies in risk taking (Intan & Elisa, 2015).

### 2.6 Hypothesis

When the religiosity of each individual is getting better, the decision to entrepreneurship will also increase. Based on research conducted by (Farmaki et al., 2020) shows that religiosity has a positive and significant effect on entrepreneurial decisions. Therefore, H1: Religiosity has a positive effect on entrepreneurial decisions.

Individual motivation will affect entrepreneurial decisions, if individuals are more motivated it will make them confident and their decisions to become entrepreneurs will also increase. In a study conducted by (Rajabi et al., 2018) shows that motivation has a positive and significant impact on entrepreneurial decisions. Therefore, H2: Motivation has a positive effect on entrepreneurial decisions.

In research (Duong, 2021) shows that education has a positive and significant effect on entrepreneurial decisions. Thus, it can be concluded that when individuals increasingly participate in the "Entrepreneurship Festival" organized by KSEI UKM, they will understand how to become entrepreneurs and their decisions to become entrepreneurs will also increase. For this reason, H3: Islamic entrepreneurship has a positive effect on entrepreneurial decisions.

## 3. Research Method

The type of research in this scientific paper is Research and Development (R&D), which is a method to produce or improve existing products so that they can create new products in various stages (Nadila et al., 2022). The data in this scientific paper is obtained from primary data where the data collection technique is by distributing questionnaires through google form which we manage ourselves and also secondary data obtained from trusted references such as journals, articles, books, and official websites. In this study, the population used was IAIN Salatiga UKM KSEI (Islamic Economics Study Group) students

who took part in the "Gebyar Kewirausahaan" activity as many as 50 participants, who will also be used as samples. Where the sampling technique in this study uses saturated sampling, which is a sampling technique when all populations are used as samples.

The variables used in this study are independent variables consisting of entrepreneurial decisions and the dependent variable consisting of religiosity, motivation and education. After the data is collected, it will be analyzed using multiple linear regression. In calculating the data analysis using SPSS (Statistical Package for the Social Science) 26.0. for windows. The results of the analysis that have been obtained will be poured descriptively through a scientific paper. Broadly speaking, the analytical techniques used are descriptive analysis, validity test, reliability test, classical assumption test, statistical test (T test, F test, and R<sup>2</sup>).

## 4 Results and Discussion

### 4.1 KSEI IAIN Salatiga

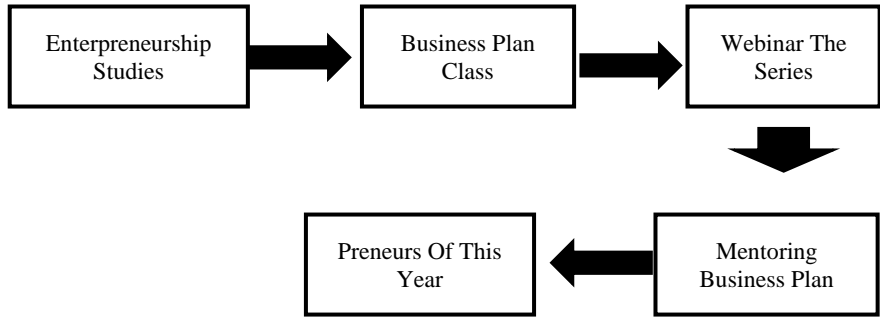
Islamic Economics Study Group (KSEI) IAIN Salatiga is a Student Activity Unit (UKM) which is engaged in developing student research skills and conducting studies on Islamic economics. In carrying out its activities, KSEI IAIN Salatiga is always based on 3 foundations, namely ukhuwah, da'wah and science. KSEI does not stand alone but has a forum, namely FoSSEI or the Islamic Economic Study Gathering Forum. FoSSEI is a forum for friendship that accommodates students who love Islamic economics who are members of the Islamic Economics Study Group (KSEI) at each campus throughout Indonesia. FoSSEI has a line of coordination which is divided into National FoSSEI and Regional FoSSEI. The purpose of the establishment of KSEI IAIN Salatiga is to become a forum for communicative interaction for movers and enthusiasts of Islamic economics at IAIN Salatiga, as a medium for studying Islamic economics, both theoretically and practically, and also as a medium for aspirations and sharing knowledge about Islamic economic discourse for all students IAIN Salatiga.

### 4.2 Islamic Business Management Literacy Model

The management structure of KSEI IAIN Salatiga is divided into several divisions, one of which is the entrepreneurship division. Where it has a role as well as a task to foster the entrepreneurial spirit of Robbani economists so that they start entrepreneurship from an early age, as well as become the coordinator of KSEI cadres in the context of actualizing business ventures that have been designed in such a way as a form of implementation of the knowledge that has been obtained based on Islamic values.

"Gebyar Kewirausahaan" is a work program of the Entrepreneurship Division of KSEI IAIN Salatiga whose participants are aimed at IAIN Salatiga students, especially for KSEI cadres, so that students have an entrepreneurial spirit to prepare themselves to face the challenges and opportunities of the business world, especially in the halal industry. The stages of implementing this program are as follows (Figure 1).

*Study*, The entrepreneurial study on the "Gebyar Kewirausahaan" work program is held 4 times in a row every two weeks. This entrepreneurship study was held through Zoom Meetings and Whatsapp Groups. Where, routine studies are held through Zoom Meetings. Meanwhile, communication between participants outside study hours is via Whatsapp Group. The material themes presented in this study include the scope of entrepreneurship, opportunities and challenges for young entrepreneurs in the halal industry, the differences between sharia and conventional entrepreneurship and fostering the spirit of Islamic entrepreneurship for students.



**Figure 1.** Stages of Implementation of the "Gebyar Kewirausahaan" Work Program Entrepreneurship.

*Business Plan Class*, In the "Gebyar Kewirausahaan" work program, the business plan is a series of activities aimed at providing motivation, education, and skills in carrying out a business plan in the halal industry. Later, output will be in the form of business implementation. The series of activities from this business plan consist of: delivery of material on business plans, distribution of mentors and introduction of mentors, mentoring in the preparation of business plans, and collection of business plans.

*Webinar The Series*, Webinar the series provides a place for Rabbani Economists to share and discuss how to develop the contribution of youth as millennials in helping the transformation of the Islamic economy through the halal industry, as well as motivating students to raise awareness about the importance of conducting an economy according to Islamic law. webinar the series consists of 2 seasons. Which will be filled by speakers who are competent in that field.

*Mentoring Business Plan*, Mentoring business plans are carried out to assist and guide the participants so that the preparation of the plans directed and if there are difficulties in its preparation, it can be consulted directly.

*Preneurs of This Years*, The last series of activities from the work program "Gebyar Kewirausahaan" is preneurs of this year. Where the business plans that have been made by the participants are implemented in real life, namely starting a business. And the business plans that have been made will be recorded so that apart from creating businesses, they can also inspire readers to start entrepreneurship from an early age.

### 4.3 Validity and Reliability Test

**Table 2,** Summary of Instrument Validity Test Results Variable

Variable	Question item	Sig. (2-tailed)	Religiosity	Description
(X1)	Item 1	0.000	0.05	Valid
	Item 2	0.000		Valid
	Item 3	0.000		Valid
	Item 4	0.000		Valid
Motivation (X2)	Item 1	0.003		Valid
	Item 2	0.000		Valid
	Item 3	0.000		Valid
	Item 4	0.000		Valid
Education (X3)	Item 1	0.002		Valid
	Item 2	0.000		Valid
	Item 3	0.000		Valid
Entrepreneurial Decision (Z)	Item 1	0.019		Valid
	Item 2	0.000		Valid

Item 3	0.000	Valid
Item 4	0.000	Valid
Item 5	0.000	Valid

Validity test is a test data instrument used to knowing the level of accuracy of a question item in measuring a variable. If the significance value  $\leq 0.05$  then the item is declared valid, if the significance value  $> 0.05$  then the item is declared invalid (Purnomo, 2016).

**Table 3.** Summary of Instrument Reliability Test Results Variable

Variable	Alpha Value	r <sub>table</sub>	Description
Religiosity (X1)	0.409	0.235	Reliable
(X2)	0.257		Reliable
Educational	0.264		Reliable
Decision (Z)	0.591		Reliable

Basic decision making on the reliability test is if the Alpha value  $> r_{table}$  5% then the questionnaire items used are declared reliable or consistent. On the other hand, if the Alpha value  $< r_{table}$  5%, then the questionnaire items used are declared unreliable or inconsistent (PB, 2005)

#### 4.4 Multiple Linear Regression Analysis Test Multiple

Linear regression analysis is used to determine the strength of the relationship between the variables of religiosity, motivation and education on entrepreneurial decision variables. In this multiple linear regression analysis, the structural equations are as follows:

$$Z_1 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon_1$$

**Table 4.** Results of T-Test

Variable	$\beta$	Sig.	a
Religiosity	0.301	0.218	0.05
Motivation	-0.109	0.633	
Education	0.623	0.042	
Square	0.133		
F	2,355		
Sig F	0.084		

On the results of the SPSS test, obtained a regression equation that describes the variables in this study, as follows:

$$Z_1 = 9.470 + 0.301 X_1 - 0,109 X_2 + 0,623 X_3 + \epsilon_1$$

The results of SPSS analysis on the model summary shows that the magnitude of R square is 0.133 or 13.3%. So that the entrepreneurial decision variable can be explained by religiosity, motivation and education by 13.3% and the rest is explained by other variables outside the model.

Based on the test in the table above shows that the results of the F test in this study have a coefficient value of 2.355 with a significance value of 0.084  $> 0.05$ . So it can be concluded that the independent variables simultaneously do not have a positive and insignificant effect on entrepreneurial decisions.

On the partial test results obtained from individual religiosity testing showed that the unstandardized coefficients beta value was 0.301 and the significant value was 0.218  $> 0.05$ . Thus it can be concluded that religiosity has a positive but not significant effect on entrepreneurial decisions. The motivation shows that the unstandardized coefficients beta value is -0.109 and a significant value is 0.633  $> 0.05$ . Thus it can be concluded that

motivation has no effect and is not significant on entrepreneurial decisions. Meanwhile, education shows that the unstandardized coefficients beta value is 0.623 and a significant value is  $0.042 < 0.05$ . Thus it can be concluded that education has a positive and significant effect on entrepreneurial decisions.

#### 4.5 Discussion

Based on the results of data processing, it is known that religiosity has a positive and insignificant effect on entrepreneurial decisions. This is in line with research (Fauzan, 2014) that religiosity may influence individual choices in carrying out entrepreneurial activities.

Then the motivation variable has no effect and is not significant on entrepreneurial decisions. This shows that motivation does not affect the decision to become an entrepreneur. Because being an entrepreneur has two possibilities, namely success and failure (Edmonson, 2016). Various worries arise based on the consequences that will be faced if you fail in entrepreneurship. This is an obstacle for young entrepreneurs to step up and realize their dreams in the field of entrepreneurship. This is supported by research conducted by (Chua & Bedford, 2016) which states that one of the obstacles in entrepreneurship is the fear of failure.

Furthermore, the education variable has a positive and significant effect on entrepreneurial decisions. Meanwhile, simultaneously the independent variables do not have a positive and insignificant effect on entrepreneurial decisions.

#### 5 Conclusions

Based on the results of research that has been carried out through the stages of data collection, data processing, and data analysis regarding religiosity, motivation, education and entrepreneurship decisions through the Entrepreneurship Festival by KSEI SMEs, it can be concluded that religiosity has a positive but not significant effect on entrepreneurial decisions, motivation has no and no significant effect on entrepreneurial decisions, and education has a positive and significant effect on entrepreneurial decisions.

Based on the results of the research that has been done, there are limitations in this study, namely, the respondents in this study were only limited to IAIN Salatiga students. The content and results of this research are still far from perfect, so it is hoped that further research can increase respondents from other universities, both PTN and PTS, to explore information related to the readiness of Indonesian students graduates.

From some of the limitations of the research above, the researcher proposes a number of important suggestions that can be useful for higher education institutions, namely, the need for holistic entrepreneurship education, such as through expo seminars and periodic business incubation. In addition, KSEI UKM is expected to be able to hold an Entrepreneurship Festival in the next period. Then, for DISNAKER with this research, it is hoped that this research can be input for the government in making policies and be an alternative solution in reducing the unemployment rate in Indonesia through the Gebyar Entrepreneurship concept. For the community, it is hoped that the community, especially the younger generation, can take part in reducing unemployment by participating in Islamic entrepreneurship and being able to become young entrepreneurs with a rabbinic spirit.

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