THE INFLUENCE OF ENTREPRENEURSHIP EDUCATION ON ENTREPRENEURIAL INTENTIONS IN GENERATION Z MUSLIM

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ABSTRACT

Introduction: This study aims to examine the effect of entrepreneurship education based on the business history of the Prophet Muhammad on the intentions, motivation and knowledge of generation Z Muslims to become entrepreneurs.

Methods: The research approach used in this research is quantitative, using the PLS-SEM method as the evaluation model. Questionnaires were given to 100 respondents from East Java with Generation Z criteria and were Muslim.

Results: The results show that entrepreneurship education based on the business history of the Prophet Muhammad has a positive influence on the intentions and motivation of generation Z Muslims to become entrepreneurs. Likewise, entrepreneurial knowledge has a positive influence on the intentions and motivation of Generation Z Muslims for entrepreneurship and entrepreneurial motivation variables do not positively influence intentions to become entrepreneurs.

Conclusion and suggestion: These results indicate that entrepreneurship education based on the business history of the Prophet Muhammad has very significant potential in efforts to increase the number of entrepreneurs in Indonesia through increasing intention and motivation. The delivery of material can also use digital media and invite endorsers such as scholars or entrepreneurs related to Muslim entrepreneurs who apply Islamic values in their business and are widely known by Generation Z.

INTRODUCTION

The COVID-19 pandemic has brought significant changes in various sectors in the world, among them fears of an economic crisis and recession (Nicola et al., 2020). BPS Indonesia (2021) stated that the open unemployment rate in Indonesia in August 2020 was 7.07%, or an increase of 1.84% points compared to August 2019. One of the efforts
and solutions to reduce unemployment is to encourage people to create jobs by becoming entrepreneurs (Baptista & Thurik, 2007; Hart & Oulton, 2015; Niode, 2007).

Being an entrepreneur in Islam includes worship, even being an entrepreneur can be classified as jihad or fighting in the way of Allah SWT because it provides many benefits for others (Juhanis, 2013). In the Al-Quran and Al-Hadith, there are very many suggestions to become a trader or entrepreneur, just as the Prophet Muhammad SAW did. Fatoki and Olufunso (2010) found that there are supporting factors and inhibiting factors in increasing people’s intentions to become entrepreneurs. Entrepreneurship education is one way to reduce these barriers.

On the other hand, Bae et al. (2014) found that research on the effect of entrepreneurship education on intentions to become entrepreneurs had mixed results. There is a correlation between entrepreneurship education and the intention to become an entrepreneur, but the value is very minimal. In addition, this study found that the success of entrepreneurship education depends on several factors, such as the attributes of entrepreneurship education and the cultural values contained in society.

Oosterbeek et al. (2010) and Maresch et al. (2016) also found that entrepreneurship education programs negatively affected intentions to become entrepreneurs and depended on several influencing factors. However, an interesting thing was found in Iakovleva et al.’s (2011) research, that respondents from developing countries had stronger entrepreneurial intentions than respondents from developed countries, especially on the dimensions of subjective norms and perceived behavioral control.

The Prophet's business history and entrepreneurship education can be easily found in various books and literature. However, research that examines the effectiveness of comprehensive entrepreneurship education based on the business history of the Prophet Muhammad (PBUH) has yet to be found. With the above background, the authors want to analyze whether the application of entrepreneurship education based on the business history of the Prophet Muhammad SAW can influence the intentions and motivation of Generation Z in Indonesia to become an entrepreneur.

LITERATURE REVIEW
The Role of Entrepreneurship Education

Socializing entrepreneurship through entrepreneurship education is one step toward new entrepreneurs (Mulyani, 2014). Lekoko et al. (2012) revealed that entrepreneurship education can develop entrepreneurial skills, attitudes, and behavior to form a country’s economic growth. Chimucheka (2017) found that educational institutions encourage entrepreneurial growth in a country. Unfortunately, most of the education
systems in schools and colleges only provide a learning system that focuses on providing basic skills that are useful for students to get jobs in the future, not to become providers or creators of jobs for others (Volkmann et al., 2009).

Government policies through promotions and invitations to the community to start entrepreneurship are not enough to make people have the intention of entrepreneurship, but more than that, comprehensive education with entrepreneurship material must be carried out, so that awareness and knowledge arise in the community about the importance of entrepreneurship (Liñán et al., 2011). Frank et al. (2007) explained that the application of entrepreneurship education should be carried out at the tertiary level and must be started earlier, namely from the middle school and elementary school levels.

**Entrepreneurship by Prophet Muhammad**

As an entrepreneur, Rasulullah SAW has four characteristics that can be emulated by Muslim entrepreneurs today (Taufikurrahman & Kholifah, 2020), namely (1) Fathonah (Intelligent), (2) Amanah (Trusted), (3) Siddiq (Honest and True), and (4) Tabligh (Communicative). In terms of the business and entrepreneurship education carried out by the Prophet Muhammad, he did not only review how the Prophet Muhammad was able to become a successful entrepreneur.

Prophet Muhammad also taught the values and business ethics applied by Rasulullah SAW to all business partners and customers, such as consistently applying honesty in every transaction, holding Amanah (trustworthy words and actions), being precise in weighing, avoiding everything that is Gharar (something that is not known for sure whether it is true or not), not hoarding goods that can cause harm to many people, especially goods that are needed by the community, and the last is not doing al Ghab (buying something at a higher or lower price than average price) and tables (hiding defects when a transaction occurs) (Saifullah, 2011).

**Indonesia Government Policies for Entrepreneurship**

The Indonesian government has made several policies, such as implementing entrepreneurship education as mandated by Law no. 20 of 2003 concerning the National Education System Article 3. Moreover, Presidential Instruction Number 4 of 1995 concerning the National Movement for Entrepreneurship Development and Development aims to increase the number of reliable and resilient entrepreneurs by growing awareness and solid entrepreneurial orientation to the community through institutions, socialization, and entrepreneurship-based programs.

At the tertiary level, the government, through the Directorate General of Higher Education, has designed several programs that aim to prepare graduates to become entrepreneurs, such as the Entrepreneurial Student Program (PMW), Entrepreneurship
Lecture Program (KWU), Entrepreneurship Internship Program (MKU), Business Work Lecture Program (KKU), and New Entrepreneur Incubator (UNWUB) (Hartono, 2018; Masruri & Utomo, 2012; Setyanti et al., 2018).

**Previous Study and Hypothesis**

Research by Anggadwita et al. (2017) explains that most respondents who work as entrepreneurs intend and motivate to become entrepreneurs because Allah SWT blesses them; the next intention and motivation is to worship Allah SWT to achieve personal goals. The last one is for profit. This is in line with Islamic teachings, where all activities or activities of a Muslim must be guided by the two main dimensions of Islam, namely the vertical dimension (Habluminnalah) and the horizontal dimension (Habluminnanas). Indriyani (2019) explains that motivation to become an entrepreneur is a process that makes a person have a desire for action. Some of the motivations that dominate a person to become an entrepreneur are getting more opinions and being free from pressure (Sloka et al., 2014).

In addition, several studies also focus on the influence of entrepreneurship education in influencing a person's intention to become an entrepreneur (Purwaningsih, 2021; Sriyakul & Jermsittiparsert, 2019). Entrepreneurial knowledge is a person's ability regarding entrepreneurial theories obtained through various media, including experiences from other entrepreneurs (Abdullah & Septiany, 2019). The more often someone receives information about entrepreneurial knowledge, it will positively impact increasing interest in entrepreneurship. Measuring the effect of entrepreneurial knowledge should be based on the skills and attitudes as potential entrepreneurs that they get from entrepreneurship education (Abun et al., 2018; Gedeon, 2017); someone who has received entrepreneurship education will be more creative, innovative, dare to take risks, and have a strong determination (Abun et al., 2018). Entrepreneurial motivation can increase the intention to become an entrepreneur because motivation can increase self-confidence, trigger enthusiasm and invite someone to carry out business activities that require innovation, think creatively, and dare to take risks in seeking business profits (Herdjiono et al., 2017; Santoso & Oetomo, 2018). Therefore, the hypothesis to be tested is as follows:

**H1**: Entrepreneurship Education Based on the Business History of the Prophet Muhammad SAW has a positive impact on the intention of Generation Z Muslims to become entrepreneurs.

**H2**: Entrepreneurship Education Based on the Business History of the Prophet Muhammad SAW has a positive impact on the motivation of Generation Z Muslims to become entrepreneurs.
H3: Entrepreneurship Education Based on the Business History of the Prophet Muhammad, SAW has a positive impact on the Entrepreneurship Knowledge of Generation Z Muslims.

H4: Entrepreneurship Knowledge Based on the Business History of the Prophet Muhammad SAW has a positive impact on Generation Z Muslims' intentions to become entrepreneurs.

H5: Entrepreneurship Knowledge Based on the Business History of the Prophet Muhammad SAW has a positive impact on the motivation of Generation Z Muslims to become entrepreneurs.

H6: Motivation for entrepreneurship has a positive impact on the intention of Generation Z Muslims to become entrepreneurs.

![Figure 1. Hypothesis Model](image)

RESEARCH METHODS

The research approach used in this research is quantitative. The score was measured using a Likert scale of 5. The type of data used in this study were primary data. Primary data are obtained directly from the responses and answers of respondents to the statements in the questionnaire given and answered by the respondents. Data samples were taken using the purposive sampling method. Purposive sampling is a data sample that is specifically selected based on the research objectives (Sugiyono, 2018).

The influence of entrepreneurship education based on the story and business history of the Prophet Muhammad was measured using four traits and characteristics of the Prophet Muhammad, which were developed from the research of Liñán et al. (2011) with five questions. The intention to become an entrepreneur uses a six-item scale
adapted from Solesvik (2013). A ten-item scale developed by Vijaya and Kamalanabhan (1998) was used for entrepreneurial motivation. As for entrepreneurial knowledge, the variable is measured through a ten-item scale developed from Abun et al.'s (2018) research.

The population used are men and women who are Muslim and domiciled in East Java. Respondents from East Java were chosen because, based on the Kemenag (2022) data, East Java is the province with the second largest number of Muslims in Indonesia. As for the age criteria, the respondents selected in this study are Generation Z or those born after 1995 (Cilliers, 2017; Csobanka, 2016; Grace, 2017). Generation Z was chosen in this study because, according to research from Singh asnd Dangmei (2016), Generation Z has unique characteristics such as being more familiar with good communication technology, and has great motivation to become an entrepreneur.

The data obtained from the main study were analyzed using the PLS (Partial Least Squares) method using the SmartPLS 3.0 program, which can describe the relationship between all latent constructions simultaneously, evaluate the measurement of latent variables and examine the relationship between latent variables (Babin et al., 2014; Hair et al., 2013).

RESULT AND ANALYSIS

Demographic data obtained for the age of most respondents are 18-21, with a total of 57 people or 57% of the total respondents. Meanwhile, the respondents’ education level is dominated by undergraduate students (Bachelor Degree), namely 72 people or 36% of the total respondents.

Table 1. Demographic Profile of Respondents

<table>
<thead>
<tr>
<th>Profile</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Female</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td><strong>Age (in Years)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14-17</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>18-21</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>22-25</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Educational Level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior High School</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Diploma Degree</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Bachelor Degree</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Master Degree</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Doctoral Degree</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Data Processing

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Table 2. Construct Reliability and Validity

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach’s Alpha</th>
<th>Rho A</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship Education</td>
<td>0.981</td>
<td>0.981</td>
<td>0.985</td>
<td>0.930</td>
</tr>
<tr>
<td>Entrepreneur Intention</td>
<td>0.948</td>
<td>0.987</td>
<td>0.965</td>
<td>0.827</td>
</tr>
<tr>
<td>Entrepreneur Motivation</td>
<td>0.983</td>
<td>0.985</td>
<td>0.985</td>
<td>0.870</td>
</tr>
<tr>
<td>Entrepreneur Knowledge</td>
<td>0.986</td>
<td>0.986</td>
<td>0.988</td>
<td>0.888</td>
</tr>
</tbody>
</table>

Source: Data Processing

The entrepreneurial education variable based on the business history of the Prophet Muhammad has a positive effect on entrepreneurial intentions (H1 is accepted). There is an emphasis on the central values and characteristics that the Prophet applied when trading, namely Fathonah, Amanah, Siddiq, Tabligh (Anggadwita et al., 2017). The results of this study also confirmed that the variable of entrepreneurship education based on the business history of the Prophet Muhammad had a positive effect on the motivation of Generation Z Muslims to become
entrepreneurs (H2 was accepted). Anggadwita et al. (2017) stated that respondents who work as entrepreneurial owners have the intention and motivation of entrepreneurship because they get the blessing of Allah SWT, the next intention and motivation are to worship Allah SWT, after that to achieve personal ambitions, and the last is to seek profit. Entrepreneurship education based on the business history of the Prophet Muhammad in this study was able to have a positive influence on entrepreneurial knowledge (H3 accepted). Abdullah and Septiany (2019) explained that entrepreneurial knowledge could be found from learning entrepreneurial theories obtained through various media, including experiences from other entrepreneurs.

If someone knows entrepreneurship, it will be more profitable to increase interest in entrepreneurship. Someone who knows will have a greater motivation to become an entrepreneur because they will be more creative, innovative, not afraid to take risks, and have high determination (Abun et al., 2018). This follows the fourth and fifth hypotheses, where knowledge about entrepreneurship will have a positive effect on intentions and motivation to become entrepreneurs (H4 and H5 are accepted). Research conducted by Tateh et al. (2014) also confirms that knowledge about entrepreneurship influences the intention and motivation to become an entrepreneur because it can provide confidence in taking risks through innovation. The exciting thing is in the sixth hypothesis, where the results obtained by the Entrepreneur Motivation variable do not affect Entrepreneur Intention (H6 is rejected). This study used item scale item measurements developed by Vijaya and Kamalanabhan (1998). In the item scale, measurements used are variables that tend to achieve success globally. Meanwhile, research by Anggadwita et al. (2017) explained that a Muslim entrepreneur has a solid motivation to seek success in the hereafter by expecting the pleasure of Allah SWT and making the profession as an entrepreneur to worship Allah SWT.

CONCLUSION

Entrepreneurship education based on the business history of the Prophet Muhammad SAW has a significant role in increasing the intentions and motivation of Generation Z Muslims. The materials and curriculum developed by the Ministry of Education and Culture have not included material about the business history of the Prophet Muhammad. The author suggests that the Ministry of Education and Culture consider providing these materials to madrasah/institutional/college students where all the learning materials and curriculum used previously are also based on Islamic values. Material debriefing can be given in class and can also be given in webinars or seminars. In addition, the delivery of material can also use digital media and invite endorsers such as scholars or entrepreneurs related to Muslim entrepreneurs who apply Islamic values in their business and are widely known by Generation Z.

This study has several limitations, including the coverage of respondents which only took a sample of respondents in East Java Province. Each province has different community...
characteristics regarding the cultural conditions of the community (economically, geographically). So that, in future research, the authors suggest taking a more comprehensive sample of respondents to get more mixed results. In addition, the researcher also suggests further trying to analyze the effect of entrepreneurship education based on the business history of the Prophet Muhammad SAW. An entrepreneurial attitude is one of the most critical factors in influencing intention. Research by Krueger et al. (2000) and Lüthje and Franke (2003) found that attitudes can shape behavior, which will shape the choice to do something.

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