

ENTREPRENEURSHIP EDUCATION: INSPIRATION FROM THE GREATEST ENTREPRENEUR

Norliana Abd. Majid

Faculty of Economics & Management Sciences
Universiti Sultan Zainal Abidin (UniSZA)
nurliana.unisza@gmail.com

Assoc. Prof. Dr. Fakhrul Anwar Zainol

Faculty of Economics & Management Sciences
Universiti Sultan Zainal Abidin (UniSZA)
fakhrulanwar@unisza.edu.my

ABSTRACT

Purpose: Nowadays, young people are urged to avoid the expectation of wage employment due to the competition in working industry. Hence, entrepreneurship becomes crucial as the recourse to avoid unemployment among youth. However, the youth unemployment in Malaysia as reported by the International Labor Organization presents a surprising number of 237,400 persons. Indeed, only two percent of university graduates choose to become entrepreneur. The staggering situation raises the question about the effectiveness of entrepreneurship education in shaping entrepreneurs. Build upon the statement that entrepreneurs can be formed, taught, and educated (Zaidatol Akmaliah, 2007), (F.Drucker, 1993); this research attempts to explore the concept of starting entrepreneurship education at an early age and depicts the aspects of entrepreneurship education in the Prophet Muhammad's life, whom the Muslims describe as the greatest entrepreneur in the history of humanity.

Design/methodology/approach: By reviewing the literature from various articles and books, this research uses secondary data to analyse the important elements of entrepreneurship education and the impacts, based on the intention model to predict entrepreneurial behaviour (Ajzen, 1991)

Findings: The findings show that an early teachings of entrepreneurship education in one's life may cultivate remarkable entrepreneurial knowledge, skills, and characteristics as exemplified by Prophet Muhammad. This research also indicates the importance of sowing Islamic tenets in entrepreneurial practices. Furthermore, the review of education concept adapts 3 important elements in entrepreneurship education; specifically receiver, content and method. Hence, this conceptual paper proposes knowledge as the significant antecedents to trigger entrepreneurial intention by specifying the involvement construct as a mediator.

Research limitations/implications: This research only reviews the secondary sources, include articles and books. Future research is recommended to test the proposed framework by implementing an empirical research.

Practical implications: Early entrepreneurship education is found to be crucial in cultivating entrepreneurial intention among young people by revealing knowledge as the pivotal antecedent to inculcate intention. Practically, the findings emphasize entrepreneurial intention as a key performance indicator (KPI) to measure the effectiveness of entrepreneurship education at the school level.



Originality/value: This research proposes an Islamic Approach of Intention by exploring the entrepreneurship education approaches in Prophet Muhammad's life; and delivers a conceptual framework in determining entrepreneurial intention to expand the Theory of Planned Behaviour.

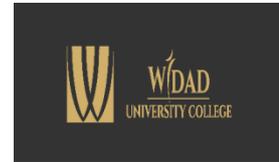
Keywords: Entrepreneurship Education, Greatest Entrepreneur, Prophet Muhammad (PBUH), Entrepreneurial Knowledge, Religious Knowledge, Entrepreneurial Intention.

1. INTRODUCTION

The determination of choosing entrepreneurship as a career remains unresolved when the statistic shows only two percent of university graduates opt to become entrepreneur. The staggering number of youth unemployment, presented by 237,400 persons escalates apprehensive in Malaysia. Hence, the process of entrepreneur's development, which frequently associated entrepreneurial intention is crucial to be refined and reviewed by the government. Entrepreneurial intention (EI) refers to the willingness of an individual to venture into entrepreneurship. In other words, EI is the tendency towards the decision in opening a new business (Norliana, Fakhrol Anwar, Wan Norhayate, Norfadzilah, & Asyraf, 2018). Most prominent scholars recommended EI as the best determinant of entrepreneurial behaviour (Ajzen, 1991), (Krueger, Reilly, & Carsrud, 2000), (Liñán, 2004). In fact, Islam also impresses intention in every action, even, intention is the prime stipulation in every human's behaviour, as stated in the greatest hadith by the Prophet Muhammad (PBUH); *Actions are judged by motives (niyyah), so each man will have what he intended.* (Abi Dawud, number 2201)

Realizing the importance of EI as the major necessity to predict future entrepreneurs, the question raises on what factors influence the one's intention to choose entrepreneurship as an alternative of wage employment. The most prominent theory in explaining this phenomena is Theory of Planned Behaviour, which stated 3 motivational factors as the dominant constructs, namely; (1) Attitude Towards Behaviour, (2) Subjective Norms, and (3) Perceived Behaviour Control (Ajzen, 1991). Attitude towards behaviour entails a consideration of the outcomes in performing the target behaviour (Krueger & Carsrud, 1993), which considers as perceived desirability and one of motivational factor in forecasting the intention to become entrepreneur (Ajzen, 1991); (Liñán, 2004). Meanwhile, subjective norm refers to someone's perception about the acceptance of the surrounding people towards their actions. This construct is also recommended as perceived desirability (Krueger et al., 2000), which reflected by someone's motivation to complete the action. Ultimately, Ajzen states that perceived behavioural control describes how the individual assess the ability to perform a behaviour by examining to what extent the convenient or difficulty of the actions, which can be regulated by control belief.

Although the TPB has a dominant role in determining entrepreneurial intention proposed by previous researches, some suggestions emerge to extend the model by adding other suitable variables. As discussed above, the TPB highlights the antecedents of EI influenced by motivational factors in predicting EI, and ignores other factors. Build upon the significant findings of entrepreneurship education impact on entrepreneurial intention (Liñán, Rodríguez-Cohard, & Rueda-Cantuche, 2011), (Zhang, Duysters, & Cloudt, 2014), (Ajike, Goodluck, Hamed, Onyia, & Kwarbai, 2015); this research will review the entrepreneurship education, which obtained by the Prophet Muhammad (PBUH) in developing the Prophet as



the greatest entrepreneur. Thus, this research supports the significant influence of future entrepreneur's knowledge in triggering EI. By reviewing the history of entrepreneurship in the life of Prophet Muhammad (PBUH) and revising the concept of education, the current research will derive an Islamic Approach of Intention, and proposes a graphical model to illustrate the effect of antecedents towards intention. Due to the opinion that entrepreneurs can be educated, taught, and formed (Zaidatol Akmaliah & Hisyamuddin, 2010); this conceptual paper highlights the importance of entrepreneurship education in shaping entrepreneurs. Hence, this research expected to contribute to the understanding of entrepreneurship education exemplified in the life of Prophet Muhammad (PBUH).

2. ENTREPRENEURSHIP EDUCATION IN THE LIFE OF PROPHET

Entrepreneurship is strongly encouraged in Islam, and considered as one of *Fardhu Kifayah*, which known as a societal obligation to instill human's need in life (Khan, 2009). The Prophet Muhammad (PBUH) was once asked by someone, what is the best work? Then, the Prophet replied that; *"The work that someone does with his hands and every trade that is burst (good)"*. In fact, the Al-Quran has long been mentioning entrepreneurship, as noted by the commercial terms in 370 times (Solahuddin, Che Zarina, & Nor Azzuwal, 2013). Furthermore, the Prophet's involvement in entrepreneurship reflects this encouragement to motivate Muslims engage in business.

History has proven that the Prophet Muhammad (PBUH) recognized as the best role model and greatest entrepreneur. His character is not only in governing the country, society and family; but he was renowned as a successful entrepreneur by implementing fair and honest business practices (Mohd Zain, 2014). Indeed, the Prophet is a victorious entrepreneur who has succeeded in building a holistic entrepreneurial culture through techniques, actions, and ways of working, decisions and insights by generating entrepreneurial figures amongst the companions (Muslim Kelana, 2011). The process to develop all these greatest characters has begun since the Prophet's childhood. Hence, we identify the entrepreneurial development in the life of Prophet Muhammad (PBUH) can be divided into three phase; (1) childhood, (2) adolescent, (3) before and after involve in Khadijah's business.

During the first phase, the Prophet Muhammad (PBUH) engages in entrepreneurial activities since eight years old. The Prophet was hired as a goat's shepherd as stated in *Sahih Bukhari*, volume 2, number 1105; *From Abu Hurairah from the Holy Prophet, said: "Allah has not sent a Prophet, but the man is a shepherd. "The companions asked: "And how about you? "The Prophet replied, " Yes, I used to be a shepherd in Mecca by earning some qirath (wages)*. Implicitly, the work as shepherd teaches the Prophet a lot of entrepreneurial characteristics, such as patience, hardworking, focus, and discipline (Mohamed & Aizuddinur, 2010). Moreover, shepherding is a work that requires emotional intelligence and exercises honesty, empathy, affection and courage (Muslim Kelana, 2011). On the same note, the work as an entrepreneur needs leadership and management function in order to sustain and succeed in business challenges. Thus, the messenger of Allah has started to learn important techniques in educating the prophet to become entrepreneur. Eventually, the Prophet Muhammad (PBUH) learns the leadership and management function as stated in the below table to trigger entrepreneurial skills and knowledge.

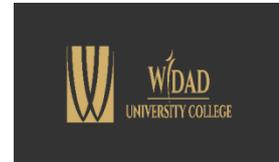


Table 1: Adaptation of Leadership Functions in Shepherding (Antonio, 2007)

| Leadership Functions | Shepherd Functions |
|-----------------------------|---|
| Searching | Looking for a fertile pasture |
| Leading | Bring livestock to pasture |
| Controlling | Ensuring the livestock are not lost or separated from the group |
| Protecting | Keep the livestock out of predators and thieves |
| Staring | Reflect on the nature, man and God |

The second phase shows the Prophet has started to engage directly in entrepreneurship at the age of 12 years old, by following the Abu Talib's trader troupe to the state of *Syam* (Mohd Zain, 2014). As a responsible and caring uncle, initially Abu Talib did not intend to bring along the Prophet in his trading group, due to the long distance. Instead, the Prophet Muhammad (PBUH) has highly desire to follow and gains some knowledge about entrepreneurship by assisting his uncle. Ultimately, this historic journey has succeed in instilling knowledge, skills, and nourishing the intention to opt a career as an entrepreneur (Muslim Kelana, 2011). Therefore, this is a clear sign that at the age of 12 years old, the Prophet has a strong desire to become an entrepreneur.

The way how the Prophet conducts the trades manifested by fairly, honestly, and Abu Talib becomes a great mentor to the Prophet in entrepreneurship. When reaching on adulthood, the Prophet chooses jobs as a trader or entrepreneur, although without having any capital (Mohd Zain, 2014). Due to the greatest entrepreneurial characteristics, the Prophet was chosen by the larger investor in Mecca, Khadijah Khuwailid as a manager for her trading troupe (Mohamed & Aizuddinur, 2010). The Prophet's skills as an entrepreneur have brought huge profits for him and his investors. This is the beginning of the third phase, when Prophet Muhammad (PBUH) establishing the reputation as the greatest entrepreneur. The entrepreneurship's development in the life of Prophet is simplified in the below table;

Table 2: Entrepreneurial Development in the Life of Prophet (Mohd Zain, 2014)

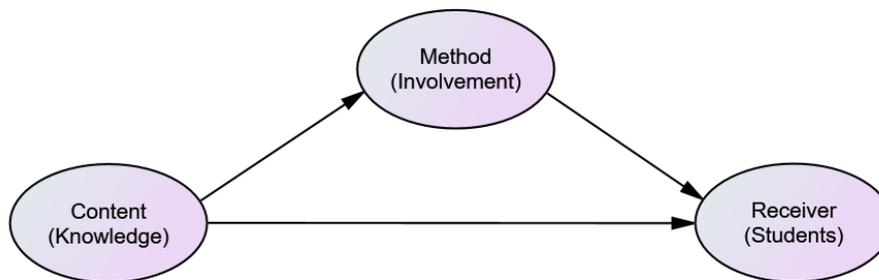
| First Phase | Second Phase | Third Phase |
|---|--|--|
| The seed of entrepreneurial knowledge is sown since childhood, when the Prophet was hired as a shepherd | Exposure and involvement directly (learning by doing) in entrepreneurship since youth by assisting and following the Abu Talib trader troupe | Establish the reputation in entrepreneurship reflected by the prophet's good manner and wisdom in entrepreneurial activities (before and after involve in Khadijah's business) |

3. THE CONCEPT OF ENTREPRENEURSHIP EDUCATION

Education is a process to deliver the content or knowledge to the target recipients (Al-Attas, 1980). The discussion of education definition revolves within the three Arabic words; namely *tarbiyyah*, *ta'lim*, and *ta'dib*. *Tarbiyyah* is a process to cultivate, and inculcate growth to a mankind. Meanwhile, the word *ta'lim* refers to any action of teaching, training and consists the element of knowledge. On the same note, the term *ta'dib* expresses the meaning of educating, and improving intellectually, spiritually, and socially, even refers to the word of *adab*, which consists of knowledge (Nik Rosila, 2013). Although the three terms reveals slightly different meaning, this research adapts similarity of the three terms. In explaining the concept of education, the words *tarbiyyah*, *ta'alim* and *ta'dib* explain how the knowledge transfers to the receiver. Thus as stated by Al-Attas (1980), the definition of education covers the three pivotal elements, specifically receiver (recipient), content or knowledge, and the process or method implemented to deliver the content. Hence, in discussing the concept of entrepreneurship education, the current research will focus on the three elements of education.

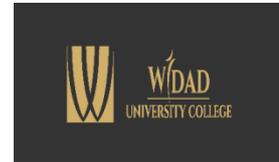
In delivering entrepreneurship education, the focus still remains to the three elements in achieving the effectiveness. The main question of this effectiveness is about the effect of this education towards the mankind as receiver (Al-Attas, 1980). Due to the ultimate goal of entrepreneurship education which depends on the acceptance of students as recipients (Noraishah, 2013); this research adapts entrepreneurial intention to examine the successfulness of entrepreneurship education. Besides that, the content is also important in triggering entrepreneurial intention, which refers to the related knowledge. The current research also emphasizes the method of transferring knowledge, and the researchers adapt involvement as mediator in explaining how the knowledge transfers to the students. This is parallel with the nature of mediator construct, which clarifies the relationship between independent and dependent variable (MacKinnon, 2012). To simplify, the figure 1 shows how the three elements of education adapts in entrepreneurship education;

Figure 1: Education Elements



4. FINDINGS AND DISCUSSION

The history has proven that entrepreneurship education received by the Prophet Muhammad (PBUH) succeeded in revealing the Prophet as an exemplary and greatest entrepreneur (Norliana et al., 2018). The researchers found that entrepreneurship education in the life of Prophet was started at an early age and infused religious elements to educate noble



personalities as an entrepreneur. Furthermore, the finding shows that the direct involvement in entrepreneurial activities is the effective way to deliver entrepreneurship education. Thus, we suggest that entrepreneurship education should start at the school level by involving the students in any entrepreneurial activities such as entrepreneurship clubs and school cooperatives. Ultimately, this research emphasizes the way of learning by doing in transferring entrepreneurship education. This opinion is also agreed by most prominent scholars, which stated the significant effect of entrepreneurship education in triggering intention to opt entrepreneurship as career choice (Liñán et al., 2011). Therefore, we derive some important findings in this research, as stated in the below table;

Table 3: Research Findings

| Findings | The Lessons | Key Findings |
|---|---|---|
| The Prophet was hired as shepherd (Sahih Bukhari, volume 2 (1105) since 8 years old | * Cultivate the skills of management, which is vital in manage business * Early teachings of entrepreneurship education in one's life may cultivate remarkable entrepreneurial knowledge, skills, and characteristics. | *Entrepreneurial Knowledge *Early education |
| The Prophet exposed and involved in entrepreneurial activities by following the trading troupe to Syam Since 12 years old | * Importance of sowing Islamic tenets in entrepreneurial practices, to contribute to the good manners such as patience, honesty, commitment and responsibility | *Involvement *Religious Knowledge *Instilling entrepreneurial intention |

Meanwhile, the analysis of education concept shows that content, method, and receiver as the important elements in education process. Therefore we adapts all these elements in delivering entrepreneurship education, as stated in the Table 4 below;

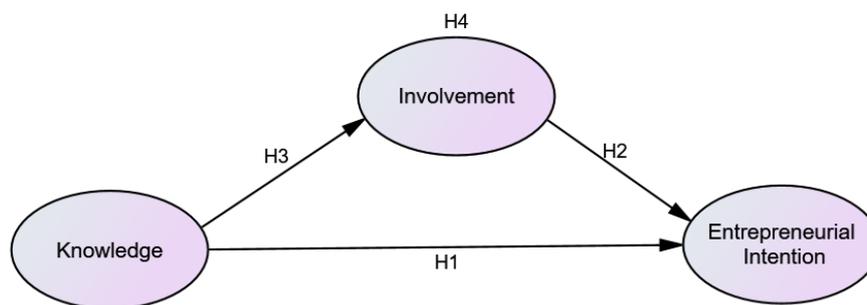
Table 4: Adaptation of Education Elements

| Education's Elements | Adaptation in Entrepreneurship Education |
|----------------------|--|
| Recipient | *Students as the receiver and examine by entrepreneurial intention |
| Content or Knowledge | * Related knowledge in realizing entrepreneurship as career choice |
| Process or Method | * Early involvement in entrepreneurial activities * Involve students directly in entrepreneurial activities (learning by doing) |

Ultimately, as the early discussion of this research, we highlight the role of entrepreneurial intention as the assessment of entrepreneurship education. Besides motivational factors as stated in TPB by Ajzen (1991), this research introduces knowledge as the significant

construct to trigger entrepreneurial intention especially among young people. This knowledge refers to the related knowledge, reflected by entrepreneurial knowledge and religious knowledge. Finally, the researchers propose an Islamic Approach of Intention for the future research. Future researchers highly recommended to employ empirical research to attain the clear findings in clarifying the role of entrepreneurship education.

Figure 2: Proposed Framework (Islamic Approach Intention)



The following four (4) hypotheses suggested by this conceptual paper:

1. (H1) Knowledge has a positive and significant effect on Entrepreneurial Intention;
2. (H2) Involvement has a positive and significant effect on Entrepreneurial Intention;
3. (H3) Knowledge has a positive and significant effect on the Involvement;
4. (H4) Involvement mediates the relationship between Knowledge and Entrepreneurial Intention;

5. CONCLUSION

The entrepreneurship education received by the Prophet Muhammad (PBUH) has revealed the Prophet as a greatest entrepreneur in the history of humanity. To summarize, the entrepreneurship education in the life of the Prophet was initiated as early as within the age of eight and twelve years old. The Prophet has learn more via direct involvement in entrepreneurial activities, specifically shepherding and trading. Both of this activities successfully inculcate entrepreneurial knowledge and skills; eventually trigger entrepreneurial intention. As agreed by Muslims and Western scholars; entrepreneurial intention will determine entrepreneurial behaviour (Krueger et al., 2000), (Liñán & Chen, 2006), (Zaidatol Akmaliah & Hisyamuddin, 2010), (Ahmad Isa & Fakhrul Anwar, 2016). We also strengthens this research by reviewing the concept of entrepreneurship education, which clearly emphasizes the three elements; students, knowledge, and involvement. Finally, the introduction to Islamic Approach of Intention by exploring knowledge construct will contribute to the corpus of entrepreneurship's development knowledge.



References

- Abi Dawud, S. B. al-A. al-S. (1994). *Sunan Abi Dawud*. Beirut, Lubnan: Dar al-Fikr.
- Ahmad Isa, A., & Fakhrol Anwar, Z. (2016). The Impact of Socio-cultural Business Environment on Entrepreneurial Intention: A Conceptual Approach. *International Journal of Academic Research in Business and Social Sciences*, 6(2). <https://doi.org/10.6007/IJARBS/v6-i2/2013>
- Ajike, E. O., Goodluck, N. K., Hamed, A. B., Onyia, V. A., & Kwarbai, J. D. (2015). Entrepreneurship Education and Entrepreneurial Intentions the Role of Theory of Planned Behavior. *International Journal of Advanced Research in Social Engineering and Development Strategies*, 3(1), 118–135.
- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)
- Al-Attas, S. M. N. (1980). The Concept of Islamic Education. *The Keynote Address Delivered at the First World Conference on Muslim Education*, 16. <https://doi.org/10.1007/s13398-014-0173-7.2>
- Antonio, M. S. (2007). *Muhammad saw: The Super Leader Super Manager*. Jakarta, Indonesia: ProLM.
- F. Drucker, P. (1993). *Essay based on Peter F. Drucker (1993)*. (H. B. Edition, Ed.), *Innovation and Entrepreneurship* (First). New York: Harper Collins Publisher.
- Khan, T. M. M. (2009). *Sahih Bukhari*.
- Krueger, N. F., & Carsrud, A. L. (1993). Entrepreneurial intentions: Applying the theory of planned behaviour. *Entrepreneurship & Regional Development*, 5(4), 315–330. <https://doi.org/10.1080/08985629300000020>
- Krueger, N. F., Reilly, M. D., & Carsrud, A. L. (2000). Competing models of entrepreneurial intentions. *Journal of Business Venturing*, 15(5–6), 411–432. [https://doi.org/10.1016/S0883-9026\(98\)00033-0](https://doi.org/10.1016/S0883-9026(98)00033-0)
- Liñán, F. (2004). Intention-based models of entrepreneurship education. *Piccola Impresa/Small Business*, 3(January 2004), 1–30.
- Liñán, F., & Chen, Y. (2006). Testing the Entrepreneurial Intention Model on a two-country Sample. *Documents de Treball*, 06/7(May 2014), 1–37.
- Liñán, F., Rodríguez-Cohard, J. C., & Rueda-Cantuche, J. M. (2011). Factors affecting entrepreneurial intention levels: A role for education. *International Entrepreneurship and Management Journal*, 7(2), 195–218. <https://doi.org/10.1007/s11365-010-0154-z>
- MacKinnon, D. P. (2012). Integrating Mediators and Moderators in Research Design. *NIH Public Access*, 21(6), 675–681. <https://doi.org/10.1177/1049731511414148>. Integrating
- Mohamed, S., & Aizuddinur, Z. (2010). *Peribadi Bisnes Muhammad bin Abdullah*. (A. Imran, Ed.) (First). Selangor, Malaysia: PTS Professional Publishing Sdn. Bhd.



- Mohd Zain, M. (2014). *Keusahawanan Islam Berasaskan Ciri Personaliti dan Kerohanian di Negeri Kelantan*. Universiti Malaysia Terengganu (UMT).
- Muslim Kelana. (2011). *Menjadi Usahawan Sehebat Muhammad Bin Abdullah*. (Irma Indayu Omar, Ed.) (Ketiga). Selangor, Malaysia: PTS Millennia Sdn Bhd.
- Nik Rosila, N. Y. (2013). An Islamic Perspective on the Role of Education in Responding to Social Issues Among Students in Malaysia. *US-China Education Review B*, 3(6), 2161–6248.
- Noraishah. (2013). *Pendidikan Keusahawanan* (First). Bangi Selangor, Malaysia: Penerbit Universiti Kebangsaan Malaysia.
- Norliana, A. M., Fakhrol Anwar, Z., Wan Norhayate, W. D., Norfadzilah, R., & Asyraf, A. (2018). Entrepreneurial Intention from the Islamic Perspective: A Holistic Approach. *Entrepreneurial Intention from the Islamic Perspective: A Holistic Approach. International Journal of Academic Research in Business and Social Sciences*, 8(12), 820–833. <https://doi.org/10.6007/IJARBSS/v8-i12/5077>
- Solahuddin, A. H., Che Zarina, S., & Nor Azzuwal, K. (2013). Meneladani Pembangunan Keusahawanan Zaman Rasulullah S.A.W: Teori dan Aplikasi. In *Konferensi Antarabangsa Islam Borneo VI 2013* (p. 10). Kuching.
- Zaidatol Akmaliah, L. P. (2007). *Usahawan dan Keusahawanan Satu Perspektif Pendidikan* (Pertama). Serdang, Selangor, Malaysia: Penerbit Universiti Putra Malaysia.
- Zaidatol Akmaliah, L. P., & Hisyamuddin, H. (2010). *Memperkasa Tekad Keusahawanan* (First Edit). Serdang: Penerbit Universiti Putra Malaysia 2010.
- Zhang, Y., Duysters, G., & Cloudt, M. (2014). The role of entrepreneurship education as a predictor of university students' entrepreneurial intention. *International Entrepreneurship and Management Journal*, 10(3), 623–641. <https://doi.org/10.1007/s11365-012-0246-z>