

# Through the Theory of Planned Behaviour (TPB) for Extended Model of Entrepreneurs Intentions to Involve in Halal Industry



Siti Hindun Supaat, Nurul Zarirah Nizam, Amiruddin Ahamat

**Abstract:** SMEs from all industry sectors in Malaysia have shown the backbone of the economy. Therefore, a study would be useful to examine how entrepreneurs in SMEs entrepreneurs could develop and gain a deeper understanding of entrepreneur's attitudes and behavioural intentions. This marks a first step towards recognizing the development of factors to improve the performance of SMEs in accordance with National Entrepreneurship Policy 2030. The literature review through the implementation of the Theory of Planned Behaviour (TPB) suggested that the entrepreneur's intentions for the SME in the halal industry have six factors to influence: (i) halal awareness, (ii) halal business motivation, (iii) family support, (iv) peers influence, (v) feasibility and (vi) government support. This study employed quantitative methods in order to fulfil these research objectives, leading a self-administered survey of 250 SMEs in food manufacturing. Results from correlation and multiple regression showed that the halal awareness, family support, feasibility and government support were positive for entrepreneur's intentions to be involved in Halal industry. Understanding of the factors for SMEs' entrepreneur would increase the intentions of food manufacturing SMEs in Halal industry.

**Index Terms:** Halal Awareness, Halal Business Motivation, Family Support, Peers Influence, Feasibility, Government Support.

## I. INTRODUCTION

SMEs are recognized not only as a country economy backbone, they also serve to stimulate the country's gross national product for balanced and sustainable growth [3]. Trends in the food industries have developed investment possibilities for food product expansion and product development and, in specific, for food manufacturing industry of Malaysian SMEs. This opportunity should therefore be used by SMEs [3]. In addition, the food processing companies are the largest stream of Malaysian SMEs, which surprisingly starts at the end of 2017 in the Halal Industry Master Plan (HIMP) 2.0 (2018 - 2030) focus on formulating policies and legislation, strengthening capacity-building and capacity building for local halal business, promoting halal and

enhancing the development of human capital through halal programs and upgrading skill [19] and [31]. Halal has religious issues today in terms of certification of halal or halal standard, but also referred to as the "best value" in terms of country and economic growth [44]. We know that Halal industry can increase people's income and quality of life through trade, delivery of services, investment and many work opportunities. The participation of the halal economy, halal enterprise and the development of human capital will therefore be given special emphasis and attention.

However, even in 50 years after the New Economic Policy (NEP) was initiated which started in 1971, the attempts made to generate and develop more productive SMEs are not yet fulfilling their objectives, despite numerous government support for entrepreneurship. In this regard, the attitude of entrepreneurs and young entrepreneurs of Bumiputera who despite being entrepreneurs, remain passive in nature and mentality [41], [21] and [38] is not consistent with the original NEP objectives. Why does this phenomenon occur? This is why it is important for a research to look at entrepreneurial attitudes and behaviors among SMEs entrepreneurs and to create them as a catalyst for national progress. This corresponds to the position of the youth as a significant contributor to the workforce of the country, which makes up 40 percent of the Malaysia's population [41], [38] and [28]. One of the biggest challenges is that entrepreneurs continue to develop an interest in Halal and global halal industries [38]. Factors that influence Halal entrepreneurship intentions in Halal companies in SMEs should be understood to encourage Halal business operations in Malaysia. Understanding the implementation of the Theory of Planned Behaviour (TPB) for individual behavioral intentions will influence work culture which eventually determines how far the goal of involving entrepreneurs in the halal industry plus remains in this area.

This study is aimed to; (1) creating a new extended model as initial approach for the intentions of SME entrepreneurs who want to involve and remain in Halal industry to keep performance by utilizing the Theory of Planned Behavior (TPB) [5].

## II. THE IMPORTANCE OF SME'S IN MALAYSIA

According to the SME 2015/2016 Annual Report [37] a total of 37,861 food-sector businesses and more than half of them participated in food industry activities (including Halal food).

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Investing in market expansion and food product development in Malaysian food industries, especially in SMEs, has been provided possibilities in food trends. Therefore, SMEs should seize this opportunity [3]. The World Halal Forum (WHF) conducted annually by several public institutions to support Malaysian branded halal food goods by means of Malaysia International Halal Showcase (MIHAS) shows Malaysia seriousness in its development as a halal food centre in the world. Combination of powerful government and private institutions, particularly MATRADE, to make MIHAS a success in the future [40]. The crucial point of determinant is how SMEs companies are able throughout their life cycle to achieve their basic objectives which is survival, development and profitability [15]. This situation show how important to SME stay and keep remain their existence in that sectors.

Although entrepreneurs have made an important contribution, few study has been carried out on rural entrepreneurship, in particular in terms of possibilities based on entrepreneurship (contractual career opportunities) and in particular in relation to human capital [32]. Postulation by [35] give the statements on successful entrepreneurs are general and particular entrepreneurs. While, the specific characteristics of successful entrepreneurs is must be creative, capable in managing, future-oriented, motivated, knowledgeable, responsible and self-assured. But, the main questions is what the exactly integrating factor that can influencing the SMEs behaviour to getting engaged in Halal industry? This paper aims to explore the key factors in developing an extended model that can drive SMEs behavioural intentions to continue to perform in the Industry.

### III. THEORY OF PLANNED BEHAVIOUR (TPB) EXPLAINING ENTREPRENEURIAL INTENTIONS

The greater the intention, the greater the probability of actual behaviour is generally achieved from psychological factors [5]. The intent can be defined by persons willing to perform certain behaviours as a level of hardship, difficulty and effort. Many studies have substituted the terms “propensity”, “tendencies”, “motivations”, “intentions” with current literature, like the research by [38]. By inserting perceived behaving control (PBC) into a model, [4] expands an action-based model (Theory of Reason Action). This innovative, sophisticated model is then called Theory of Planned Behaviors (TPB). TRA focuses on the influence and effects of attitudes and normative factors on people’s intentions, which encourage actual behaviour. In past years TPB was used effectively not only to predict entrepreneurial intentions but also to understand entrepreneurial operations [43]. Therefore, this model is particularly useful in this study as the research question in this study is to find the factors that influence SME entrepreneur’s intentions to getting involve in the Halal industry. This theory mainly argues that “three precedents which is; (i) behavioural attitudes, (ii) subjective norms, and (iii) perceived behaviour control, are concluded with any intention to human behaviour”. In this instance, the propensity of motivation can be explained as the potential of behaviour that predict actual behaviour.

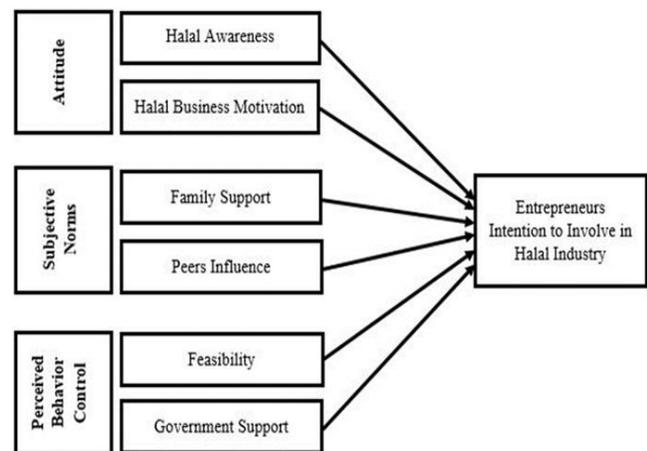
Understanding the application of the each independent

variables in terms of behaviour and purposes of intentions will influence the planned behaviour, which eventually determines the extent to which the SMEs entrepreneurs intentions to getting of involvement and survival, next to remain is achieved a good performance in the halal industry.

## IV. MODEL CONCEPTUALIZATION & HYPOTHESIS DEVELOPMENT

### A. Factors Influencing the Entrepreneurs Intentions to Involve in Halal Industry

The research objective set in part 1 above is predicted to stimulate the survival rate and development of entrepreneurs in Malaysia’s Halal industry, and also all variables described in **figure 1** below. The hypotheses extracted from the review of the literature can be developed as follows:



**Fig 1: Conceptual model for this research, adapted from [5].**

### B. Factor 1: Halal Awareness

**Halal awareness** [9] may include a construct of attitude. Halal, which covers the requirement for *Syariah* and the sustainable concept of hygienic, sanitation and safety, making halal food readily acceptable to those concerned with food safety and the health of life. As one of the world’s biggest food industry, the halal food industry is gradually recognizable. According to [6], there has been a growing awareness among Muslim global food consumers of the emerging and appearing food industry, as well as good acceptance of Non-Muslims because of Halal food products. The understanding and perception of consumers and the awareness they consume of halal food is determined by that person, social and environmental aspects, including marketing and information [9]. **Halal awareness** through accreditation is viewed as a benchmark (the reference point) for food safety, quality control and many advantageous qualities that Muslim consumers not only can enjoy but also Non-Muslims consumers. Halal values, on the other side, can be interpreted between non-Muslim customers due to their health, hygienic and food security advantages [9]. And that so, it shows that halal awareness is important in directing and forming one’s of behavioral intentions to getting the halal products that guarantee the safety and hygiene of the food.

**Hypothesis 1: There are positive relationship between halal awareness towards entrepreneur's intentions to involve in halal industry.**

### C. Factor 2: Halal Business Motivation

**Halal business motivation** are may be part of an attitude structure [1]. The intrinsic motivation for discovering an exciting halal business has an important beneficial impact on the implementation of halal business. Individuals with favorable attitudes towards their own creativity are more likely to be halal entrepreneurs in the future. A scholars [1] stated that motivation in business were identify customer requirements, improve product quality and product safety, are considered to be good practices, improve marketing advantages and also improve access to new local and international markets. Therefore, the drive for business motivation consists in applying food certification based on favorable opportunities in the halal business sector [38], engagement to deliver safer and quality food on the market, whilst ensuring that the goods are secure to consume for customers [1]. Thus, the motivation of Halal businesses is seen as a factor influencing the behavioral intent of the SMEs to engage and maintain their efficiency in this Halal industry.

**Hypothesis 2: Halal business motivation have a significant effect on entrepreneur's intentions to involve in halal industry.**

### D. Factor 3: Family Support

**Family support** plays a significant role in the development of new businesses, venture development and successful ventures [42], either through access to data and resources (in the view of family support). In fact, in study of [42] have stated, the entrepreneurs who take guidance from their families on the business are probably staying on the business (a type of family support). Family support is important not just to entrepreneurs in the United State, but also to Chinese entrepreneurs [7], because Confucianism influences Chinese people, places great emphasis on family life and strives to preserve the household. Family support is a significant social tool for reducing perceived obstacles and for motivating entrepreneurs to remain. Meanwhile, entrepreneur's family members are encouraged to offer entrepreneurs emotional and instrumental support. This is important both for the families of successful entrepreneurs and for those who still struggle with the business process. Successful entrepreneurs contribute significantly to the regional and country's financial development. This may help these entrepreneurs to accomplish more achievements with support from their families [42]. This is therefore compatible with present studies, which are a trend towards entrepreneurship and extend entrepreneurship and keep on working in the halal sector in Malaysian territory.

**Hypothesis 3: Family support have a positively influences towards entrepreneurs intentions to involve in halal industry.**

### E. Factor 4: Peers Influence

A scholars [12] cited in [38] have said that halal business (in halal industry) can share experiences from partners (**peers influence**), and that this condition can impact the choices of individual entrepreneurs to become halal entrepreneurs and

keep remaining them to stay performance in that field. Individual behavior is influenced not only by motivation and knowledge, but also by environmental opportunities, but by social interaction with peer influence, in a way which may not always be consciously reflective [24]. Peer influence is commonly defined as "the extent to which peers exert influence on an individual's attitudes, thoughts and behaviours". **Peers influence** can personally relate to the challenges of running a business and, in some cases, have specialized relevant expertise [23]. They may be a particularly important resource for SMEs entrepreneurs, for whom paid professional advisors may be less feasible or affordable. A scholars [29], [23] and [11] have suggested that a peers or friends in halal business (in halal industry) could share the experience of partners (peers), which may have a positive impact on the decision-making process of individuals to develop the entrepreneurs intentions in the Halal sector. Thus, from external consultation study from "**peers influence**" which is from the formal and informal source are achieve the causal of impact to form and shaping the intentions to remain in the business field.

**Hypothesis 4: Peers influence have a positively influences towards entrepreneurs intentions to involve in halal industry.**

### F. Factor 5: Feasibility

The perceived **feasibility** in [17] are the concepts of perceived behavioural control and confirms it as someone's belief in the entrepreneurship strength and potential in Halal sector. Hence, from [5] in 1991 have quoted in [38] state that the individual views on the strength of situational and internal elements of factors to enhance behavioural achievement determine the behavioural control. The feasibility perceived is described as "the individual perception of their strength or potential for specifics behaviour to do something" [22], cited in [27]. The perception of an individual's ability and capability to perform a specific task or set of tasks. The **feasibility** perceived as the degree in which entrepreneurs perceive their abilities to remain engaged and keep the performance in the halal industry are the conceptualized in this study. Thus, this situation shows that desirability of feasibility on individual, are vital to make an individual's entrepreneurs to perform the specific behaviour especially in halal industry.

**Hypothesis 5: Feasibility and entrepreneurs intentions to involve in halal industry have directly relationship.**

### G. Factor 6: Government Support

It is also a significant factor (**government support**) in entrepreneurial behaviour [38] and [26] and in real and expected behaviour [13] and [38]. In supporting bumiputera businesses particularly in the field of halal business, government support gained through strong connections and rapid interactions with SME entrepreneurs is important. Therefore [25], and [30] argue that as SMEs entrepreneurs in developing and industrial developed economies continue being the backbone of economic growth as well as of equitable development,

# Through the Theory of Planned Behaviour (TPB) for Extended Model of Entrepreneurs Intentions to Involve in Halal Industry

government needs to support their survival, growth and performance. The World Bank Group (2013) [42] shows that government assistance of support to cut transaction expenses can boost entrepreneurial intentions of SMEs survival and development [30]. Moreover, direct financial intervention by providing subsidized credit and government re-financing programs to loan at below market rates for target SMEs entrepreneurs can also reduce business costs, stimulate entrepreneurship, reduce poverty, reduce income inequality, and stimulate economic growth. Thus, the important of the importance of government intervention in shaping entrepreneurs interest in the halal industry and at the same time enabling the continued success of SME entrepreneurs in the halal industry.

**Hypothesis 6: Government support have a positively influences towards entrepreneurs intentions to involve in halal industry.**

## H. Entrepreneurs Intentions to Involve in Halal Industry

The questions posed by this study concern the extent to which SMEs entrepreneurs are involved in the Halal sector in Malaysia. One of the key challenges is to continue to develop the business interests of SMES entrepreneurs in Halal and the global halal sector [38]. The factors which influence halal entrepreneurship intentions in Halal companies among SMEs entrepreneurs must be understood to promote halal business operations in Malaysia. Understanding the implementation in shaping individual intentions of the Theory of Planned Behaviour (TPB) will have an effect on the job culture, which eventually determines how far entrepreneurs are interested in the halal sector. In line with this study, the main objective is to propose of a new extended model to influence the cultural background work of SMEs entrepreneurs in the halal industry at national or international level.

This corresponds with the government’s aim to make Malaysia a leading entrepreneur by the year 2030, under the National Entrepreneurship Policy (NEP, 2030) [14]. The development of small and medium-sized entrepreneurship (SMEs entrepreneurs) in Halal industry has become a major government asset. It is not only aimed at improving people’s economies, it is also a strategy and initiative to get this country out of the middle income trap. On the occasion of the opening of “National Entrepreneurship Policy 2030” on 11 July 2019, YAB Tun Mahathir Bin Mohamad, Premier of Malaysia, stated: “The values and culture of entrepreneurship are not unfamiliar to Malaysians. They are values and a spirit that from the beginning can be instilled and resilient”. Through his speech, the value of entrepreneurial culture is clearly strengthened by intentions to shape the actual attitude, behavior and culture of entrepreneurship.

Intention is also based on behaviour’s attitude, subjective norms and perceived control of behaviour. The significance of these predictors related to the behavior and population of interest or motivations was weighted [5]. The stronger the intention in a psychological aspect, the higher the probability of behaviour. The intentions shows a person’s willingness to conduct a specified conduct. It is regarded as the immediate antecedent of behaviour [5]. Intentions is the most significant factor for individuals involved in

entrepreneurship. The intention of entrepreneurs is to use this opportunity to involve and engage in their own business by creating a new product or services [21], [46] and [45]. The entrepreneurial purpose is an intention, according to [27], that encourages or drives individuals to construct just not a new business but also can shaping the intention to keep remain in the halal industry.

Lastly, [33], based on the Theory of Planned Behavior (TPB) the researcher has extended and proposed the development of a **new extended model** of the theory based in which attitudes towards behavior: (i) **halal awareness** [9]; (ii) **halal business motivation** [1], subjective norms: (iii) **family support** [21] and [12]; (iv) **peers influence** [23] and [11]; also perceived behavioral control: (v) **feasibility** [27]; (vi) **government support** [44], are defined and explained. **The new extended model** based on the TPB model also recommends that people intend to conduct their behaviour, so that they have a positive assessment of the behavior concerned and are in agreement with its key reference points and so that the resources and opportunities required must be provided [5]. Thus, this **new extended model** is therefore suitable for used in this research.

## V. METHODOLOGY

A quantitative method has been employed in this study and a questionnaire has been used to conduct studies. In Malaysia, the study was conducted and 357 surveys were circulated to the target population. 250 answers were obtained following the completion of the distribution of the questionnaire. Data from owners or top managers of small and medium-sized enterprises (SMEs) who produce the Halal food in the **food manufacturing** in Malaysia were gathered for this research. Researchers have gathered data through questionnaires that are self-administered. This technique was selected because the participants could collect the constructed questionnaires in a brief time and because they had any doubts about any questionnaire item on the spot [3] and [36].

Moreover, each item has a scale of Likert 7 point, varying from “1 = **strongly disagree**” to “7 = **strongly agree**”, in order to show the amount of agreement and disagreement between the respondent and the declaration provided. For measurement validation and testing of the structural model, version 22.0 of SPSS was used. In this research, the demographic target respondent was described by frequency and proportion in descriptive analyses. Another analysis used in the evaluation of the reliability analysis was Cronbach’s Alpha and the Pearson Moment Correlation Coefficient (PMCC), as shown in the following table, to determine the relationship strength of these two variables and also Multiple Linear Regression.

## VI. ANALYSIS AND RESULTS

**Table 1. Descriptive Analysis of Respondents Demographic Profile**

Respondent Demographic	Frequency	Percentage
Gender		
Male	189	75.6

	Female	61	24.4
Race	Malay	189	75.6
	Chinese	61	24.4

Source : Taken from the results of this study.

In conducting research, the background and profile of the respondent is important. This can be used to determine if the participants are qualified to be surveyed [39]. The analytical data were collected from owners or managers of SMEs entrepreneurs producing Halal Food in Malaysia (food manufacturing). General information on gender, race, age, marital status, level of education and monthly income of respondents (see **Table 1** above). This table shows that there are even 75% men and 24.4% women who responded above gender distribution. In short, 189 out of 250 men (male) surveyed of respondents, while 61 women (female) responded to the research. Male participants in the research were the gender of the dominant group. The race group, as mentioned above, has 75.6 percent of respondents, of which 189 of 250 are members, where Malays is the main race group. The group of Chinese races drops by 61 or 24.4 percent. This study, however, was viewed by the dominant group as Malay participants. Although this scenario does not contrast greatly from the Chinese race group, it obviously shows the beneficial effect of the halal sector on all ethnic groups, in particular in terms of profit and revenue.

**A. Reliability Test Using Cronbach’s Alpha**

**Table 2. Cronbach’s Coefficient Alpha**

Variable	Cronbach’s Coefficient Alpha	Number of Item / Variable
Halal Awareness	0.982	5
Halal Business Motivation	0.931	5
Family Support	0.969	5
Peers Influence	0.916	5
Feasibility	0.934	5
Government Support	0.968	5
Entrepreneurs Intentions to Involve in Halal Industry	0.849	5
<b>Total</b>	<b>0.913</b>	<b>7</b>

Source : Taken from the results of this study.

The coefficient of Cronbach’s Alpha reliability stands for ‘a’ value that usually ranges from zero (0) to 1 (one). The closer the coefficient to 1.0, the higher the internal consistency of the item on the scale (variables) [8]. The above table in (Table 2) shows that Cronbach’s Alpha is a powerful sign of internal consistency for all independent variables which is include: (i) halal awareness, (ii) halal business motivation, (iii) family support, (iv) peers influence, (v) feasibility, and (vi) government supports.

Each independently based variables has been ranked accordingly with; (1) first **halal awareness** ( $\alpha = 0.982$ ), (2) second with a **family support** ( $\alpha = 0.969$ ), (3) third with **government support** ( $\alpha = 0.968$ ), (4) fourth with **feasibility** ( $\alpha = 0.934$ ); and (5) in fifth ranked are **halal business motivation** ( $\alpha = 0.931$ ), and finally (6) in sixth ranked are **peers influence** ( $\alpha = 0.916$ ). Each independent variables have been ranked accordingly. Researchers can conclude, according to the table above (**Table 2**), that the ‘ $\alpha$ ’ coefficients value indicates a strong relationship. Additionally, the dependent variable Cronbach’s Alpha

Coefficients, the Entrepreneurs Intentions to Involve in Halal Industry, with value’s ( $\alpha = 0.849$ ) and shows the variable’s excellent internal consistency. For this overall model, the Cronbach’s Alpha Coefficients value shall be  $\alpha = 0.913$ . Therefore, due to all variables (**the overall model**) values above  $\alpha = 0.9$ , the results of a strong and satisfactory internal consistency are shown to rise in the same directions as the positive correlation.

**B. Relationship between Factors Effecting and Entrepreneurs Intentions to Involve in Halal Industry**

**Table 3. Descriptive Statistics of All Variable**

Variable	Mean	Standard Deviation
Halal Awareness	5.89	0.855
Halal Business Motivation	6.15	0.727
Family Support	5.90	0.865
Peers Influence	5.96	0.732
Feasibility	5.87	0.820
Government Support	5.91	0.799
Entrepreneurs Intentions to Involve in Halal Industry	5.88	0.705

Source : Taken from the results of this study.

**Table 3** shows descriptive statistics of the factors performing as independent variables, as entrepreneur’s intentions to involve in Halal Industry as a dependent variable in this studies. The primary factor is that the higher mean score average; (i) **halal business motivation**, with mean rate score was 6.15; (ii) the second factor was **peers influence** at 5.96 mean score; (iii) the total mean government support was 5.91; and (iv) the mean **family support** was 5.90. The mean level next is; (v) **halal awareness** is 5.89; (vi) finally the **feasibility** factor (in sixth level) were 5.87. Dependent variable “entrepreneurs intentions to involve in Halal Industry” with the mean score rating is 5.88. Therefore, the researchers concluded from the results above that all independent variables can encourage or predict entrepreneur’s intentions to getting involve in the Halal industry.

**C. Pearson Product Moment Correlation Coefficient**

**Table 4. Pearson’s Product Moment Correlation Coefficient**

Variable	IV 1	IV 2	IV 3	IV 4	IV 5	IV 6	DV
IV 1	1						
IV 2	0.517**	1					
IV 3	0.571**	0.542**	1				
IV 4	0.547**	0.603**	0.513**	1			
IV 5	0.557**	0.445**	0.536**	0.466**	1		
IV 6	0.570**	0.603**	0.539**	0.736**	0.505**	1	
DV	0.794**	0.649**	0.768**	0.718**	0.748**	0.848**	1

Note : N = 250 Respondents

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source : Taken from the results of this study.

The relationship between the factors which were; (i) halal awareness; (ii) halal business motivation; (iii) family support; (iv) peers influence; (v) feasibility; and (vi) government support, as independent variables and the “entrepreneurs intentions to involve in Halal industry” as a dependent (favourable correlations) variable was illustrated in Table 4 above. For independent and dependent variables, it is easy to see how both rise or fall in the same direction together.



# Through the Theory of Planned Behaviour (TPB) for Extended Model of Entrepreneurs Intentions to Involve in Halal Industry

According to [18] the correlation values 0.80 to 1.0 as being very high or very significant, values of correlation 0.60 to 0.80 indicates as strong, values 0.40 to 0.60 designate as medium or moderate, values of correlation between 0.20 to 0.40 direct as poor and weak; and values between 0.00 to 0.20 specify as none or non-significant imply that they have no relationship at all.

The highest level of correlation value is government support and entrepreneurs intentions was 0.848 and “r” value indicated very strong relationship. Because value of  $p = 0.000$  less than 0.01 (level of significant), researcher denied the null hypothesis and concluded there is have a good significant correlation. The second highest level of correlation is halal awareness towards entrepreneurs intentions with 0.794 values indicated as strong correlation. Because of  $p = 0.000$  less than 0.01 ( $< 0.01$  level of significant), we rejected null hypothesis and concluded there is significant correlation between two variables.

The third, fourth and fifth highest level of correlation values was 0.768 (family support and entrepreneurs intentions) and 0.748 (feasibility and entrepreneurs intentions), followed by 0.718 (peers influence and entrepreneurs intentions). The respectively values of correlation between them, indicates as high and strong correlation. Because of values  $p = 0.000$  less than 0.01 at significant level, researcher rejected the null hypothesis and concluded there is significant correlation between family support, feasibility and peers influence towards entrepreneurs intentions. The sixth level of correlation values is halal business motivation towards entrepreneur’s intentions with 0.649. Pearson correlation values of 0.649 represents as strong correlation. Because  $p = 0.000$  less than 0.01 of significant level, the null hypothesis must be rejected. Researcher concluded there is have significant correlation between the independent and dependent variables due to all value of  $p = 0.000$  were significant at the 0.01 level.

Additional, the highest correlation values among independent variables was government support and peers influence, with value 0.736 indicates as strong correlation, due to value of  $p = 0.000$  less than 0.01 (significant at the 0.01 level). However, the lowest correlation values among independent variables is 0.445 (feasibility and halal business motivation) but still represents correlation in moderate relationship ( $p = 0.000$  is significant at the 0.01 level) and researcher rejected the null hypothesis. So, based on the result (Table 4) researcher concluded there is have significant correlation between all independent variables as a result of the highest and lowest Pearson Correlation value is between 0.736 and 0.445, with all values of  $p = 0.000$  is significant at the 0.01 level ( $p = 000 < 0.01$ ).

## D. Multiple Linear Regression

**Table 5. ANOVA<sup>a</sup> Results**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	118.335	6	19.723	902.544	0.000 <sup>b</sup>
Residual	5.310	243	0.022		
Total	123.645	249			

a. Dependent Variable: Entrepreneurs Intentions

b. Predictors: (Constant), Government Support, Family Support, Halal Business Motivation, Halal Awareness, Peers Influence.

Source : Taken from the results of this study.

The statistical technique ANOVA was used to determine the significance of this model in forecasting entrepreneur’s intentions before multiple regression analyses were measured. On the basis of Table 5 as shown above, a substantial 1% level of significance ( $p = 0.000$  is important because the  $p$  value is below 0.01) was observed. It can be assumed that sufficient evidence exists to suggest that at least one of the independent variables has significant differences from the dependent variable. The higher the  $F$ -ratio value, the greater the variance in the dependent variable associated with the independent variables. As the value of  $F$ -ratio is 902.544 and significant level of  $p = 0.000$  less than 0.01, which is below than 0.01, it can be determined that all six (6) variables of factors in this study can explained the statistically significant (variation) of the dependent variable.

**Table 6. Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.978 <sup>a</sup>	.957	.956	.148	2.342

a. Predictors: (Constant), Government Support, Feasibility, Family Support, Halal Business Motivation, Halal Awareness, Peers Influence.

b. Dependent Variable: Entrepreneurs Intentions

Source : Taken from the results of this study.

Based on Table 6, with values of 0.957 ( $R^2$ ) for multiple determinations is a coefficient; consequent, all independent variables ( $x_i$ ) explain about 95.7% of variations in the ( $y$  = dependent variable) intentions of entrepreneurs to involve in Halal Industry, whereas 4.3% of the variation cannot be explained. The formula for regression seems extremely useful in forecasting because the value of  $R^2$  is close to 1. According to [18] and [36], the  $R^2$  values tend to be very significant and great if 0.80 to 1.0 or near to one. If the rule is concerned, the Durbin-Watson value range is relatively normal between 1.5 and 2.5. Thus, researcher can conclude from the above findings that the value of Durbin-Watson indicates as normal (at values 2.342).

**Table 7. Coefficients<sup>a</sup> Analysis of Factors**

Model	Unstd Coef		Std Coef		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Const)	-0.155	0.093		-1.691	0.092		
IV 1	0.216	0.015	0.262	14.144	0.000	0.514	1.946
IV 2	0.001	0.018	0.001	0.072	0.942	0.525	1.904
IV 3	0.200	0.015	0.246	13.530	0.000	0.535	1.868
IV 4	0.019	0.020	0.019	0.922	0.357	0.405	2.472
IV 5	0.209	0.015	0.243	14.101	0.000	0.593	1.687
IV 6	0.378	0.019	0.428	19.963	0.000	0.384	2.605

a. Dependent Variable: Entrepreneurs Intentions to Involve in Halal Industry

Source : Taken from the results of this study.

The factors affecting entrepreneurs’ intentions to engage in the Halal industry were listed in Table 7. In the regression formula the beta function of the unstandardized coefficients is:  $y = - 0.15 + 0.216 + 0.001 + 0.200 + 0.019 + 0.209 + 0.378$ . The scale of Tolerance and VIF is measured by researchers on Multicollinearity. For Tolerance, low values demonstrate that the collinearity is not present. Tolerance is the opposite of VIF.

The tolerance values in this case is 0.514, 0.525, 0.535, 0.405, 0.593 and 0.384, respectively, between halal awareness, halal business motivation, family support, peer influence, feasibility and government support. VIF values of halal awareness are 1.946. The halal businesses motivation is 1.904, followed by family support (1.868), peers influence (2.472), feasibility (1.687), and government support (2.605). Because the value of the tolerance is substantially above 0.10 and the value of the VIF is much smaller than 10 ( $VIF < 10$ ), the researchers conclude that multicollinearity is not a problem for independent variables.

The unstandardized coefficient in the Halal awareness is 0.216, from the equation Table 7. This implies that the halal awareness with a value of 0.216 is increased for every unit increase in each variable. The standardized coefficient of beta value is  $\beta = 0.262$  and the  $t$ -value is 14.144. This  $p$ -value is significant if  $p = 0.000$  where  $p < 0.01$  (less than 0.01 significant level) indicates the not accepted null hypothesis (dismiss  $H_0$ ).

Second, the unstandardized “Halal business motivation” coefficient is 0.001. Which implies that the motivation of halal business is increasing with a value of 0.001 for each unit increase in every variable. The coefficient of beta standardized is  $\beta = 0.001$  with a  $t$ -value of 0.072. The value of  $p$  is a not significant  $p$  value if  $p = 0.942$ ,  $p$  is more than 0.01 ( $p > 0.01$  at significant level) in order for null hypotheses to be allowed ( $H_0$  need to accepted).

Thirdly, the unstandardized coefficient for “Family Support” value is 0.200. This implies that the family support with a value of 0.200 is every for every unit increase in each variable. The standardized beta value of coefficient is  $\beta = 0.246$ , and  $t$ -value was 13.530. In this case,  $p = 0.000$ , where  $p < 0.01$  (less than 0.01 significant level), the researcher has denied the null hypothesis,  $p$  is a significant value of family support.

Fourth, the unstandardized coefficient from peers influence is 0.019. This means that for every unit increase in every factor, there is an increase in the peers influence with a value of 0.019. The standardized coefficient value of beta is  $\beta = 0.019$  with a  $t$ -value of 0.922. The  $p$  value of factor peers influence are not significant where  $p = 0.357$  where  $p > 0.01$ , and reported the null hypothesis not rejected ( $H_0$  need to accepted).

Fifth, the unstandardized coefficient from feasibility is 0.209. This means that for every unit increase in every factor, there is an increase in the feasibility with a value of 0.209. The standardized coefficient value of beta is  $\beta = 0.243$  with a  $t$ -value of 14.101. The  $p$  value of factor feasibility are significant where  $p = 0.000$  where  $p < 0.01$  (significant at the 1% level), this indicates that null hypothesis rejected.

Lastly, the unstandardized coefficient from government support is 0.378. This means that for every unit increase in every factor, there is an increase in the government support with a value of 0.378. The standardized coefficient value of beta is  $\beta = 0.428$  with a  $t$ -value of 19.963. The  $p$  value of factor government support are significant where  $p = 0.000$  where  $p < 0.01$  (significant at the 0.01 level), so that null hypothesis rejected.

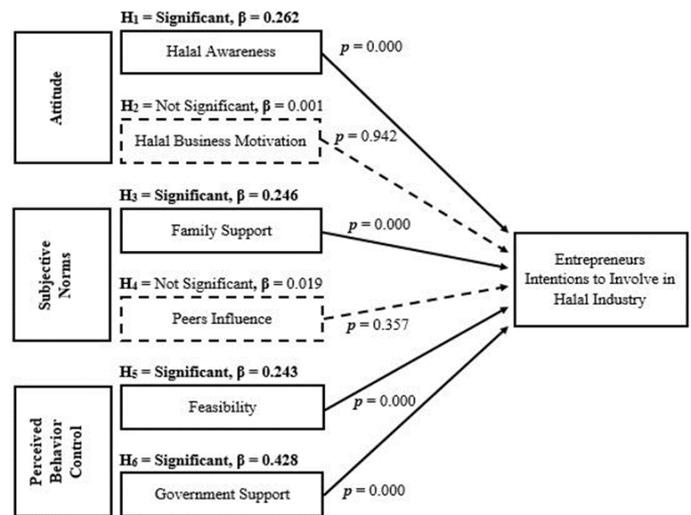


Fig 2: Finalized extended model for relationship between Factors Effecting the Entrepreneurs Intentions to Involve in Halal Industry (taken from the results of this study).

E. Findings of Hypothesis Testing

Table 8: Summary of Testing the Hypothesis

Hypothesis	Results	Value $\beta$	Sig. (0.01)
$H_1$	SUPPORTED	0.262	0.000
$H_2$	NOT SUPPORTED	0.001	0.942
$H_3$	SUPPORTED	0.246	0.000
$H_4$	NOT SUPPORTED	0.019	0.357
$H_5$	SUPPORTED	0.243	0.000
$H_6$	SUPPORTED	0.428	0.000

Source : Taken from the results of this study.

After seeing the results from the multiple regression analysis, there are four independent variables that are positively significant to the entrepreneur’s intention to involve in Halal industry, and they are **halal awareness, family support, feasibility and government support**. As factor of **halal business motivation** (0.942) and **peers influence** (0.357), this study found that the relationships between this factors and the entrepreneurs intentions to involve in Halal industry are not positively significant due to significant level of  $p$  value are more than the 1% or 0.01 significant level ( $p = 0.942$  and  $p = 0.357 > 0.01$ ).

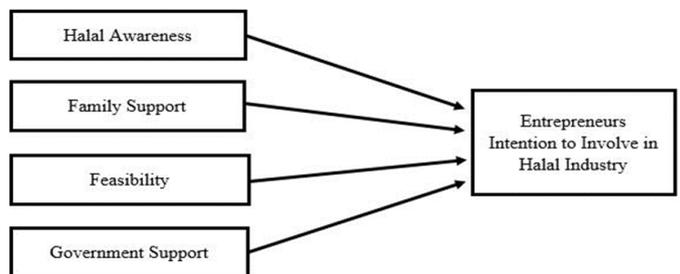


Fig 3: Extended model for Factors Effecting the Entrepreneurs Intentions to Involve in Halal Industry (taken from the results of this study).

Based on the result researcher knowing the positive and significant variables, enhancement and improvement of entrepreneur’s intentions can be achieved by selecting a good factors in the specific variables.

# Through the Theory of Planned Behaviour (TPB) for Extended Model of Entrepreneurs Intentions to Involve in Halal Industry

Researcher found that four factors positively affected the entrepreneur's intentions to involve in halal industry: (1) **halal awareness**, (2) **family support**, (3) **feasibility**, and (4) **government support**, as illustrated in **Figure 2** above. Through Multiple Linear Regression analysis found four factors which positively significant to the entrepreneur's intentions to involve in halal industry and sustain the performance to survival in that area. Thus, the result (**Table 7** and **Figure 2**) are answered the prime research objective.

## VII. CONCLUSIONS & FUTURE RESEARCH DIRECTIONS

This research represents a rare opportunity for businesses, academia, and policy makers to benefit from the results of the empirical analysis. Academicians have the opportunity to study and research the relationships between the factors and entrepreneurs intention to engage in halal business, business owners may increase their chances for commercial success, and for policy makers and government ministries, the results can be used as a reference for formulating policies or support programs to help SMEs gain better access to global markets, technology and finance, and to improve their management capabilities as well.

Future research could examine the influence of social capital on Islamic entrepreneurship and the recognition of opportunities. This would help to identify entrepreneurial policies that promote cultural sustainability in Islamic societies on a long term basis. Other research opportunities include exploring how and why religious entrepreneurship influences the sustainable regional development of Islamic communities worldwide. More support could be required in order to integrate religious values into the process of risk creation in order to meet the needs of **Islamic communities**. The focus of this research is likely to be to build Islamic entrepreneurs confidence and help them overcome perceived barriers on the international market. Therefore, it's means that **entrepreneurial mentorship** and advice to Islamic communities are needed. More attention should also be paid to how to provide entrepreneurial training to Islamic entrepreneurs with business opportunities for religious beliefs. Thus, in future research need to apply a new method and replicate this extended model in other sectors.

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