Analysis of Factors Determining Islamic Motivation Entrepreneurship of Muslim Women Entrepreneurs in Jakarta

Ellyana Amran
1) Trisakti University, Jakarta, Indonesia

Willy Arafah
2) Trisakti University, Jakarta, Indonesia
ellyana_amran@trisakti.ac.id

ABSTRACT

The purpose of this study was to analyze the influence of Islamic Leadership on Islamic Motivation Entrepreneurship and the indirect effect of Islamic Leadership on Performance Islamic Business with Islamic Motivation Entrepreneurship as a mediating variable for Muslim women entrepreneurs in Jakarta. The research method used is the quantitative method. Research respondents are IWAPI Muslim women entrepreneurs in Jakarta with a sample size of 354 Muslim entrepreneurs. The sample is nonprobability sampling by using purposive sampling. Data is collected using questionnaires and methods analyzed by using Structural Equation Model (SEM). The results showed that there was an influence of Islamic Leader on Islamic Business Performance either directly or indirectly through Islamic Motivation Entrepreneurship as mediation. Furthermore, there is a positive influence of Islamic Leadership on Islamic Motivation Entrepreneurship; and there is a positive influence of Islamic Motivation Entrepreneurship on Islamic Business Performance.

Keywords: Islamic Motivation Entrepreneurship; Islamic Leadership; Islamic Business Performance.

INTRODUCTION

The most prominent motivation is the intrinsic factor (M. J. Hoque, Rahman, & Razia, 2014), namely the freedom to adapt their business management, desire to be independent, self-realization, internal control, perseverance, opportunities, and challenges to develop skills. One of the reason is that the amount of income received by the working husband is quite low. (Anggadwita & Dhewanto, 2016). While the extrinsic factor is due to unemployment. Furthermore, this high motivation is expected to make entrepreneurs more innovative and productive to produce high-quality products.
There are still pros and cons in society about the dual role of women who work, the urgency of women to work up to the impact caused, because women must carry a double burden, where they have to take care of the family and also manage their business. In the era of globalization, the principle of the profession of women as Muslim women entrepreneurs is permissible as long as it does not violate the religious norms stipulated in the Qur'an and Hadith.

According to (Makhrus & Cahyani, 2017) Islamicpreneurship is the ability of an entrepreneur as an owner to establish, manage as well as lead and take the courage to take business risks according to Islamic principles. One important aspect to consider in maximizing employee performance is to look at the leadership style that is applied to the business. With the increasing flow of globalization, science, and technology, businesses that should be run by entrepreneurs can bring prosperity to the community.

There are still those who consider that performance measures are profit and loss in terms of money. They see the business is as a way to score large profits because high profits are a sign of success and lower profits mean poor performance. Of course, the consequences of achieving the desired business targets will lead to unhappiness and tranquility in themselves without strong religious beliefs.

The purpose of this study was to determine the Mediating Role of Islamic Motivation Entrepreneurship in the Relationship between Islamic Leadership and Business Performance in Muslim Women Entrepreneurs in Jakarta.

LITERATURE REVIEW

Effect of Islamic Business Leadership on Islamic Motivation Entrepreneurship.

(Fozia, Rehman, & Farooq, 2016b) explained in Islam, leadership is a process of voluntary coaching and inspiration for employees (followers) to achieve a clear and concrete shared vision. Management activities such as planning, organizing, directing, and controlling could stop. until the leader (manager) moves his strength to motivate them to achieve their goals. In turn, followers must provide fair and impartial feedback to leaders. They should help and support their leaders in doing good activities. (Aabed & Randall, 2006). The emotional attachment of followers and leaders as a consequence of leader behavior. (Omollo, 2015; Baskoro, Yudi, & Irwansyah, 2001; Burns, Bass, & Handbook, 2008).
Effect of Islamic Leadership on Islamic Business Performance.

(Baskoro et al., 2001; Carter, Armenakis, Field, & Mossholder, 2012) in their research said that the transformational leadership style on employee performance has a positive influence, meaning that the more effective the transformational leadership style results in increasing employee performance. The results of the study are supported by (A. Bin Ismail et al., 2011) that the transformational leadership style approach is more focused on the quality of relationships with followers such as building mutual trust, decision making, democratic and caring for individuals. In the era of global competition, many organizations shift the transactional leadership style paradigm of transformational leadership as a way to achieve their strategies and goals.

The Effect of Islamic Motivation Entrepreneurship on Islamic Business Performance.

(Roomi & Parrott, 2008) conclude that women should be encouraged to work as entrepreneurs, through the role of women as entrepreneurs they can generate income that as a whole can bring prosperity to society. This is supported by research by (Sarfaraz, Faghih, & Asadi, 2014) which states that pull factors are a dominant factor motivating women to engage in business activities including achieving independence, challenging work, self-actualization. Research shows that women entrepreneurs on motivational pull factors achieve more success in business than women entrepreneurs on motivational push factors (Mcclelland et al., 2005).

The Effect of Islamic Leadership on Islamic Business Performance through Islamic Motivation Entrepreneurship as mediating.

(Priyanto, 2016) in his research said that a transformational leadership style has a positive and significant effect on employee performance through motivation. This shows that leaders can motivate and supervise their subordinates to achieve better vision and expectations, as an effort to anticipate failures that may occur. Likewise, employees have the hope that a leader must have the ability to create or arouse the morale of his subordinates, encourage his subordinates to have a strong commitment to achieving company goals. This result is also in line with research (Kharis et al., 2015) which states
that the transformational leadership style has an indirect effect on employee performance through motivation. Better leadership will produce high jobs so that employee performance will increase. Likewise, on the contrary, poor leadership results in low work motivation so that employee performance will decline (Fitriasari & Mauludin, 2018).

In the era of global competition, many organizations shifted their paradigms from transactional leadership style to transformational leadership as a way to motivate their subordinates to unite, focus on building quality relationships and mutual trust with subordinates to achieve organizational interests. Therefore leaders as role models can develop their ability to provide support to subordinates who have obstacles in doing work and encourage subordinates to do work outside their interests (A. Bin Ismail et al., 2011).

METHODS

This study used quantitative research methods with survey techniques by distributing questionnaires with a Likert scale. Data were analyzed by SEM analysis using AMOS software. The respondents of this study were the members of the Indonesian Women Entrepreneurs Association (IWAPI) in Jakarta. The sampling technique was non-probability sampling coupled with purposive sampling. The recommended sample size is the number of indicators multiplied by 5 to 10. (Joseph F. Hair, Black, Babin, & Anderson, 2014), therefore the number of samples taken was 354 people. To measure the indicators of the research question reliability that is used testing is performed by using Cronbach’s Alpha, which is used to find out in this research is feasible and related or not, with an alpha value > 0.6 (Sekaran, 2006).

RESULTS AND DISCUSSION

| No | Construct          | Items | Cronbach's Alpha | Decision |
|----|--------------------|-------|------------------|----------|
| 1. | Vision             | 3     | 0.824            | Reliable |
| 2. | Communication      | 2     | 0.801            | Reliable |
| 3. | Delegation         | 3     | 0.665            | Reliable |
| 4. | Role model         | 2     | 0.681            | Reliable |
Table 2: Islamic Motivation Entrepreneurship Variable

| No | Construct       | Items | Cronbach’s Alpha | Decision |
|----|----------------|-------|------------------|----------|
| 1  | Pull Factors   | 3     | 0.662            | Reliable |
| 2  | Push Factors   | 2     | 0.607            | Reliable |
| 3  | Balance Factors| 3     | 0.623            | Reliable |
| 4  | Emotional      | 3     | 0.821            | Reliable |

Table 3: Islamic Business Performance Variable

| No  | Construct          | Items | Cronbach’s Alpha | Decision |
|-----|--------------------|-------|------------------|----------|
| 1   | Direct Benefits    | 2     | 0.733            | Reliable |
| 2   | Indirect Benefits  | 4     | 0.855            | Reliable |
| 3   | Intangible Benefits| 3     | 0.619            | Reliable |

Based on Tables 1 – 3, the Cronbach’s Alpha coefficient has met the criteria of reliability with the coefficient > 0.60.

Table 4: Goodness of Fit Model Result

| Goodness of Fit | Cut off Value | Analysis Result | Decision |
|-----------------|---------------|-----------------|----------|
| Chi-Square      | Expected to be small | 0       | Good     |
| RMSEA           | < 0.08        | 0.270           | Poor     |
| GFI             | > 0.90        | 1               | Good     |
| NFI             | > 0.90        | 1               | Good     |
| CFI             | > 0.90        | 1               | Good     |
| IFI             | > 0.90        | 1               | Good     |

The requirement for the goodness of fit in a research model is if all the above criteria are the goodness of fit. In this case, the data obtained are generally by the proposed research model.

Table 5: Direct Effect Hypothesis

| Hypothesis | Variables Affected | Affecting Variables | Effect | P     | Significance | +/- | Decision |
|------------|--------------------|---------------------|--------|-------|--------------|-----|----------|
| H1         | Islamic Motivation Entrepreneurship | Islamic Business Leadership | 0.459 | 0.000 | Yes | + | Accepted |
| H2         | Islamic Business Performance | Islamic Business Leadership | 0.169 | 0.002 | Yes | + | Accepted |
| H3         | Islamic Business Performance | Islamic Motivation Entrepreneurship | 0.094 | 0.050 | Yes | + | Accepted |
There is a positive influence of Islamic Leadership on Islamic Motivation Entrepreneurship, this shows that the implementation of Islamic leadership can increase Islamic motivation entrepreneurship, according to research (Barbuto & Gifford, 2012; Omollo, 2015).

There is a positive influence of Islamic Leadership on Islamic Business Performance, this means that the higher the perception of Islamic Leadership, the increasing perception of Islamic Business Performance, such as research conducted (Tobroni, 2015).

There is a positive influence of Islamic Motivation Entrepreneurship on Islamic Business Performance, this means that the higher the perception of Islamic Motivation Entrepreneurship, the increasing perception of Islamic Business Performance is appropriate (Hayati & Caniago, 2012; Mahajar & Mohd Yunus, 2012; David & Eguzoikpe, 2014; Dar, 2014).

Table 6: Indirect Effect Hypothesis

| Hypothesis | Relationship between Variables | Effect | P    | Significance |
|------------|-------------------------------|--------|------|--------------|
| H4         | Islamic Business Leadership > Islamic Motivation Entrepreneurship > Islamic Business Performance | 0.013  | 0.050| Yes          |

Sources: The primary data is processed in 2019.

There is an influence of Islamic Business Leadership on Islamic Business Performance through Islamic Motivation Entrepreneurship as mediating. The results of this study are consistent with research conducted (Kharis et al., 2015; Tobroni, 2015).

CONCLUSIONS

The application of Islamic leadership can increase Islamic motivation entrepreneurship, where the leader is a key factor in the success of an organization because it can mobilize others, direct thoughts, opinions, and actions to fight for shared aspirations. The power as a leader cannot be separated by religion. The power without being based on religion will lead to destruction because the power has limits. There is a triangular relationship between God, leaders, and followers. (Qur'an 33:21). Understanding religious values
coupled with strong intrinsic motivation will encourage entrepreneurs to achieve the best performance in their business (Ullah et al., 2015).

REFERENCES

Al-Qur'an Al-Karim

Aabed, A., & Randall, V. (2006). A study of Islamic leadership theory and practice in K–12 Islamic schools in Michigan. All Theses and Dissertations, 3206991, 220-220 p.

Barbuto, J. E., & Gifford, G. T. (2012). Motivation And Leader-Member Exchange: Evidence Counter To Similarity Attraction Theory. International Journal of Leadership Studies, 7(Lmx), 18–28.

Burns, J. M., Bass, B. M., & Handbook, T. B. (2008). Transformational leadership, 1-5.

Carter, M. Z., Armenakis, A. A., Field, H. S., & Mossholder, K. W. (2012). Transformational leadership, relationship quality, and employee performance during continuous incremental organizational change. Journal of Organizational Behavior, (July 2012), 1–17. https://doi.org/10.1002/job

Dar, A. T. (2014). Mediating Role of Employee Motivation in Relationship to Post-Selection HRM Practices and Organizational Performance. International Review of Management and Marketing, 4(3), 224–238.

Fitriasari, M. A., & Mauludin, H. (2018). The Influence of Leadership on Employee Performance with Organizational Culture and Work Motivation as Intervening Variables. Scientific Research Journal, VI(VII), 42–49. https://doi.org/10.31364/scirj/v6.i7.2018.p0718542

Fozia, M., Rehman, A., & Farooq, A. (2016a). Entrepreneurship And Leadership: An Islamic Perspective, 1(1), 15–47.

Hair, Joseph F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). Pearson New International Edition: Multivariate Data Analysis. Exploratory Data Analysis in Business and Economics. https://doi.org/10.1007/978-3-319-01517-0_3

Hayati, K., & Caniago, I. (2012). Islamic Work Ethic: The Role of Intrinsic Motivation, Job Satisfaction, Organizational Commitment, and Job Performance. Procedia - Social and Behavioral Sciences. https://doi.org/10.1016/j.sbspro.2014.05.149

Hoque, M. J., Rahman, M. A., & Razia, S. (2014). Women Entrepreneurship Development under Islamic Perspective-A Study on Some Selected Muslim Women Entrepreneurs of Bangladesh. World Review of Business Research, 4(3), 45–63.

Ismail, A. Bin, Mohamad, M. H., & Mohamed, H. A.-B. (2011). An Empirical Study of the Relationship between Transformational Leadership, Empowerment, and Organizational Commitment. International of Economics and Business Research, 2(1), 89–107.

Kharis, I., Hakam, M. S., & Ruhana, I. (2015). Pengaruh Gaya Kepemimpinan Transformasional terhadap Kinerja Karyawan dengan Motivasi sebagai Variabel Intervening ( Studi Pada Karyawan Bank Jatim Cabang Malang). Jurnal Administrasi Bisnis, 3(1), 1–9.

Mahajar, A. J. Bin, & Mohd Yunus, J. B. (2012). Factors That Encourage Women Involvement in SMEs in Pahang, Malaysia. The Journal of Human Resource and Adult Learning, 8(2), 33–42.

Makhrus, & Cahyani, P. D. (2017). Concept Islamicpreneurship Efforts in Promoting The Islamic
Mcclelland, E., Swail, J., Bell, J., & Ibbotson, P. (2005). Following the pathway of female entrepreneurs: A six-country investigation. *International Journal of Entrepreneurial Behaviour & Research, 11*(2), 84–107. https://doi.org/10.1108/1355255051059052

Omollo, P. A. (2015). Effect of motivation on employee performance of commercial banks in Kenya: A case study of K Country. *International Journal of Human Resource Studies, 5*(2), 87–103. https://doi.org/10.1108/02652320210451223

Rahim, H. L., Abidin, Z. Z., Mohtar, S., & Ramli, A. (2015). The Effect of Entrepreneurial Leadership Towards Organizational Performance. *International Academic Research Journal of Business and Technology, 1*(2), 193–200.

Ramanantsoa, B. (2015). Business Schools as Drivers of Change, 175–176.

Roomi, M. A., & Parrott, G. (2008). Barriers to Development and Progression of Women Entrepreneurs in Pakistan. *The Journal of Entrepreneurship, 17*(1), 59–72. https://doi.org/10.1177/097135570701700105

Sarfaraz, L., Faghih, N., & Asadi, M. A. (2014). The relationship between women entrepreneurship and gender equality. *Current Applied Physics, 6*(4). https://doi.org/10.1016/j.cap.2005.04.024

Sekaran, U., (2006)., Metode Penelitian Untuk Bisnis 1, (4th edition). Jakarta: Salemba Empat

Tobroni. (2015). Spiritual Leadership: A Solution of The Leadership Crisis in Islamic Education in Indonesia. *British Journal of Education, 3*(11), 40–53.