

The effect of *Maqasid Al-Shariah* towards youth motivation to become entrepreneur in Indonesia

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Abstract

Purpose: The article emphasizes the role of *maqasid al-shariah* as youth motivation towards the intention to be an entrepreneur.

Method: This study is a quantitative research that collects data from 556 students across Indonesia and analyzes it through the Smart PLS statistical program to obtain results in both factor/indicator measurement and path analysis measurement.

Results: The study found that *maqasid al-shariah* significantly affects the youth's intention to become entrepreneurs. The sequence of the five *maqasid al-shariah* indicators, from the most dominant influence, is progeny, wealth, intellect, soul, and faith.

Conclusions: This research provides valuable insight into the impact of Islamic principles, especially the Maqasid al-Shariah framework, on shaping entrepreneurial interests among university students. The emphasis on progeny and wealth reflects a dual commitment to maintaining family financial stability and contributing to community welfare through charitable efforts.

Limitations: This study focuses solely on university students in Indonesia, potentially limiting the generalizability of the findings to other demographic groups. Additionally, reliance on self-reported data may introduce response or social desirability biases. Future research should adopt longitudinal approaches and more diverse samples to improve external validity.

Contribution: This study enriches research on *maqasid al-shariah* as a framework shaping religious motivation for entrepreneurship, an area that has not been widely explored. The findings also have implications for public policy and education, suggesting the integration of Islamic values into university curricula to enhance entrepreneurial character.

Keywords: *Maqasid al-shariah, intention, youth, entrepreneurs, University, Indonesia*

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1. Introduction

The entrepreneurial sector is deeply intertwined with Indonesia's economy, particularly through small and medium-sized enterprises (SMEs), which form the backbone of its stability and growth. As of 2018, data from the Ministry of Cooperatives and SMEs shows that Indonesia had 64.2 million SMEs, accounting for an overwhelming 99.99% of all enterprises. The overwhelming presence underscores the crucial role SMEs in shaping Indonesia's economic landscape. SMEs are not only numerous but also the primary source of employment, providing jobs to 117 million people, nearly 97% of Indonesia's workforce. This indicates that most of the workforce's livelihood depends directly on the

health and sustainability of SMEs. Beyond employment, SMEs significantly contribute to Indonesia's GDP, making up 61.1% of its total value. In contrast, large-scale enterprises, despite constituting just 0.01% of all businesses, account for only 38.9% of the GDP. These figures highlight the vital role of SMEs in promoting economic inclusivity and societal well-being. By generating employment across various sectors, SMEs not only drive economic growth but also help reduce unemployment and enhance living standards. Moreover, their presence in both rural and urban areas ensures that economic benefits are distributed across regions, promoting equitable development. This data underscores that entrepreneurship is more than just an economic activity. It is a vital driver of social progress and national resilience.

However, despite the crucial role of the entrepreneurial sector, Indonesia still faces significant challenges related to the high unemployment rate among college graduates ([Khairi et al., 2024](#)). According to the National Labour Force (SAKERNAS) survey by the Central Statistical Agency ([BPS, 2018](#)), the number of unemployed people in Indonesia reached 8.43 million by August 2022. The highest unemployment rate was among high school graduates, while the lowest was among individuals with no formal education. Specifically, 673.49 thousand (7.99%) of the unemployed were university graduates, followed by 159.49 thousand (1.89%) academic/diploma graduates and 1.66 million high school graduates. Additionally, 1.5 million (17.81%) were junior high school graduates, while 1.27 million (15.12%) had only completed elementary school. As of August 2022, Indonesia's working-age population stood at 209.42 million. Of these, 143.72 million were part of the labour force, with 135.3 million employed and 8.42 million unemployed. Many Indonesian college graduates aspire to work in large companies, seeking job security and a stable monthly income. This preference results in a high dependence on job opportunities in large corporations, while the potential to establish their own business through entrepreneurship is often overlooked.

This research addresses the gap by examining the factors that influence university students' entrepreneurial intentions, with a particular focus on religious motivation. While previous studies have explored various economic and psychological drivers of entrepreneurship ([Baharuddin & Ab Rahman, 2021](#); [Handayati et al., 2021](#); [Zamrudi & Yulianti, 2020](#)). However, the role of Islamic values in shaping entrepreneurial behaviour has received limited attention. Given Indonesia's status as the country with the second largest Muslim population, integrating Islamic principles - particularly *maqasid al-shariah* - provides a unique perspective for understanding youth motivation toward entrepreneurship. Islam not only emphasizes economic self-reliance but also views entrepreneurship as both an act of worship and a means of contributing to societal welfare. Fundamental Islamic values such as honesty, trust, and perseverance align closely with entrepreneurial principles, offering an additional source of motivation for Muslim students.

This study seeks to bridge the gap in understanding how *maqasid al-shariah* influences the entrepreneurial intentions of Muslim youth in Indonesia. By examining this relationship, it offers valuable insights for policymakers, educational institutions, and religious organizations. These insights can inform the development of targeted programs and curricula that integrate entrepreneurial skills with Islamic values, fostering a generation that is not only academically accomplished but also innovative, job-creating, and capable of making meaningful contributions to the economy.

The findings of this research are expected to inform the design of culturally and religiously sensitive interventions to promote entrepreneurship, ultimately addressing unemployment and strengthening Indonesia's socio-economic fabric. To achieve this, the paper is structured as follows: the literature review explores existing theories and research on *maqasid al-shariah* and entrepreneurial intention; the methodology details the approach used to collect and analyse data; the results and discussion section presents key findings; and the conclusion offers recommendations for practical applications and future research.

2. Literature review

2.1 *Islam and Entrepreneurship*

Islam strongly emphasizes economic productivity as a means of fulfilling both personal and societal obligations. This principle encourages Muslims to engage in activities that foster personal growth while contributing to the well-being of their families and communities. According to [Kayed and Hassan \(2013\)](#), Islam integrates work with worship. While worship holds the highest spiritual priority in Islam, the religion also recognizes the critical role of economic productivity in meeting both individual and communal obligations. Muslims are encouraged to pursue lawful (halal) means of earning, guided by the principles outlined in the Qur'an and Sharia, which emphasize fairness, honesty, and social justice in economic transactions.

Entrepreneurial activities align closely with Islamic teachings as they promote independence, resourcefulness, and the ability to support one's family while contributing to the community. Entrepreneurship not only allows Muslims to fulfil their financial needs but also creates opportunities for others, fostering economic growth and reducing dependency. By adhering to Islamic ethical principles, such as avoiding exploitation, ensuring fair trade, and honouring contractual obligations, Muslim entrepreneurs can conduct business as an act of worship and service to Allah.

This seamless integration of spirituality and economic activity reflects Islam's holistic approach, which regards personal and financial endeavours as essential to a balanced and fulfilling life. It highlights that striving for a livelihood is not just a practical necessity but also a moral obligation, deeply rooted in the values of accountability, responsibility, and social justice ([Baharuddin & Possumah, 2022](#)).

There are several philosophical differences between Islamic and Western perspectives (particularly in the United States and Europe) regarding entrepreneurship. The classical Western perspective defines economic activity primarily as a means to maximize commodities, with success measured by the amount of value generated. Additionally, while ethical and legal boundaries exist within Western entrepreneurship, religious aspects are generally not inherent ([M. K. Hassan & Hippler, 2014](#)). In contrast, the Islamic perspective on entrepreneurship does not separate religion from business according to individual preferences. Islam mandates that all transactions align with religious principles and avoid what is prohibited. This means that Muslim entrepreneurs must instill the motivation to worship Allah in all aspects of their business, ensuring compliance with moral and ethical standards while contributing to societal well-being. As a result, the parameters for measuring and evaluating entrepreneurial success differ between Islamic and Western perspectives. Western entrepreneurs typically assess success based on financial gains, whereas Islamic entrepreneurship views success not only in financial terms but also as a form of spiritual investment for the hereafter. This perspective aligns with the idea that an Islamic entrepreneur maximizes utility through religious fulfillment which may not yield immediate tangible benefits ([Campante & Yanagizawa-Drott, 2015](#)).

Previous research highlights the importance of Islamic principles in shaping entrepreneurial practices. For example, [Wibowo \(2017\)](#) found that religious students demonstrate higher entrepreneurial intentions than their non-religious counterparts, emphasizing the motivational role of faith in entrepreneurial decision-making. Extending Wibowo's findings, [Baharuddin and Ab Rahman \(2021\)](#) argue that among the three drivers influencing Muslim youth to become entrepreneurs, subjective norms have the greatest effect on intention, followed by perceived behavioural control and personal attitude. Similarly, [Salimath and Cullen \(2010\)](#) suggest that religion enhances entrepreneurial outcomes by fostering moral virtues such as honesty and fairness, which are essential for sustainable business practices. While these studies establish a foundation for understanding the role of Islamic principles in business, they often lack precision in examining how essential Islamic frameworks, such as maqasid al-shariah, influence entrepreneurial purpose.

2.2 *Maqasid al-Shariah and Entrepreneurship*

From an Islamic perspective, every human activity must incorporate the element of Tawhid including in the domains of economics and business. The Islamic economic system places a central focus on human well-being to achieve Shariah objectives. As [Chapra \(2001\)](#) cites Imam Al-Ghazali, the objective of Shariah is to ensure human welfare (maslahah), which is grounded in five key aspects: faith (diin), life (nafs), intellectual (aql), posterity (nash) and wealth (maal). [Choudhury \(2013\)](#) states that maslahah theory can reshape social priorities in alignment with Maqasid al-Shariah, particularly in the realms of economics, institutions, and society within various socio-scientific studies. Maslahah emerges from the integration of all elements within the system, leading to knowledge formation that is subsequently incorporated into variables, entities, and relationships.

In Islam, the concept of welfare or well-being extends beyond physical needs to include spiritual and psychological aspects. Welfare is a comprehensive concept that encompasses all dimensions of human well-being. In the Islamic context, basic needs cover essential community needs such as food, health, housing, water supply, electricity supply, and other fundamental services. These fall under the category of *dharuriyat*, which the government is obligated to fulfill for its people. However, in many developing or third-world countries, government efforts often fall short due to complex and persistent challenges. In response to this situation, entrepreneurship serves as a viable alternative to bridge these gaps. For instance, Muslim entrepreneurs, driven by their religious obligations to both God and humanity, often allocate a portion of their profits to assist the economically disadvantaged. More importantly, entrepreneurship plays a crucial role in generating broader employment opportunities, thereby reducing poverty and unemployment, which ultimately enhances the well-being of the wider community.

The maqasid al-shariah encompasses five key elements that humans must preserve to achieve falah (welfare). These elements include the preservation of faith, life, intellect, progeny, and wealth. Extensive studies have applied these principles in various fields, including Islamic banking and the Islamic financials market ([Hudaefi & Noordin, 2019](#); [Kholid & Bachtiar, 2015](#)). Similarly, [Hidayati and Tohirin \(2019\)](#) adopted this framework to measure the performance of charitable institutions and found that it can also be used to evaluate the performance of organizations, including enterprises managed by Muslims. In the context of ethical decision-making, this framework has been shown to positively impact the welfare and well-being of social entrepreneurs and key stakeholders ([Sarif, Ismail, & Azlan, 2017](#)). Furthermore, these five preservations support the study conducted by [Oladapo and Ab Rahman \(2016\)](#), which argues that achieving sustainable development requires Muslim entrepreneurs to create opportunities for underprivileged communities to improve their standard of living through economic expansion (employment opportunities) and charitable initiative (financial donations). However, there is limited empirical evidence on how these values influence individual entrepreneurial intentions. This gap presents an opportunity to connect *maqasid al-shariah* with the growing body of literature on entrepreneurial motivation, particularly in predominantly Muslim societies.

2.3 *Entrepreneurship Motivation and Intention*

Intention-based research explores people's cognitions, perceptions, and motivations. Researchers emphasize the importance of understanding entrepreneurship cognition and intention development, as intention formation is fundamental to human decision-making ([Krueger Jr, Reilly, & Carsrud, 2000](#)). Intention is recognized as the most direct and reliable predictor of voluntary endeavors such as entrepreneurship ([Ajzen, 1991](#)). As a result, it has become a central topic in entrepreneurial research, covering areas such as entrepreneurship pedagogy and intention ([Eunah, Eta, & Shepherd, 2024](#)), woman's entrepreneurial business ([Anoke, 2023](#)), and the impact of digitalization on entrepreneurial growth ([Mir, Hassan, & Khan, 2023](#)). The theory of Planned Behaviour (TPB) is one of the most widely acknowledged theories in entrepreneurial intent research ([Baharuddin & Ab Rahman, 2021](#); [Liñán & Chen, 2009](#)). According to [Ajzen \(1991\)](#), TPB asserts that behaviors are driven by intentions, which in turn are shaped by attitudes, subjective norms, and perceptions of behavioral control (PBC). The stronger these factors, the greater their impact on intentions. TPB has proven to be a reliable

framework for predicting entrepreneurial inclinations ([Tung, 2011](#)). Its validity has been confirmed by various researchers across broader and more diverse research areas ([Albayati, Alistarbadi, & Rho, 2023](#); [Ali, Nakayama, & Yamaguchi, 2023](#); [Lareyre, Gourlan, Stoeber-Delbarre, & Cousson-Gélie, 2021](#)).

As the country with the largest Muslim population in the world, Indonesia is deeply intertwined with religious aspects, which are strongly rooted in the lives of its Muslim communities. Therefore, religious factors must be considered as a motivation for developing entrepreneurial intention among youth. Religion has also been linked to entrepreneurial intention, a relationship that has been explored across various religious traditions ([Giacomin, Janssen, Shinnar, Gundolf, & Shiri, 2023](#); [Sulung, Putri, Robbani, & Ririh, 2020](#); [Wibowo, 2017](#)). [Salimath and Cullen \(2010\)](#) argue that religion can promote entrepreneurial activities while they also assert that levels of religiosity are positively associated with entrepreneurial outcomes, where moral virtues are pursued not solely for profit generation ([Cheung & Yeo-chi king, 2004](#)). [Wibowo \(2017\)](#) found that religious students exhibit a stronger desire to become entrepreneurs compared to their non-religious counterparts. The classification of religious and non-religious respondents was based on their perceived religious priorities in daily activities. On a Likert scale, those who scored less than or equal to 2 were categorized as non-religious, while religious students were those who responded with score 5 or 6.

Islamic principles, as intrinsic motivators, have been associated with entrepreneurial aspirations in studies such as [Baharuddin and Ab Rahman \(2021\)](#), who found that *maqasid al-shariah* components significantly influence youth entrepreneurship. However, these studies often rely on broad concepts without delving into complex interactions between specific *maqasid* elements and entrepreneurial intentions. Additionally, most studies employ descriptive analyses rather than advanced methodological approaches, such as Structural Equation Modelling (SEM), to examine causal linkages.

3. Research Methodology

This study employs an empirical, explanatory approach to gain a nuanced understanding of students' entrepreneurial intentions. The research is grounded in the five aspects of life preservation as conceptualized by Imam Al-Ghazali. To measure entrepreneurial intention, the study adopts the instrument developed by [Liñán and Chen \(2009\)](#), which consists of six targeted questions. Meanwhile, the dimensions of *maqasid al-shariah* are assessed using indicators adapted from [Baharuddin and Ab Rahman \(2021\)](#). A total of 17 questions were formulated to evaluate the five aspects of *maqasid al-shariah* with each aspect represented by specific questions to comprehensively capture its dimensions. The breakdown is as follows: faith (*diin*) with three questions, life (*nafs*) with four questions, intellectual (*aql*) with three questions, posterity (*nash*) with three questions and wealth (*maal*) with four questions.

These instruments were rigorously reviewed and refined to ensure their cultural and contextual relevance to the target population, thereby enhancing the study's validity and applicability. In terms of the research sample, youth aged between 19 to 24 who are currently studying at the universities in Indonesia were selected as the target population through an online survey. The questionnaire was distributed via a Google Forms link, which was shared with students in university classes through lecturers. The distribution took place over three weeks, allowing sufficient time for student participation. Based on the Krejcie and Morgan's samples size calculation table, the total targeted samples was 384 respondents for a population exceeding one million.

For measurement, the study employed a seven-point Likert scale, where 1 represents "strongly disagree" and 7 represents "strongly agree." This scale was selected because it provides a broader range of response options, resulting in more precise data and reducing skewed distributions, as suggested by [Burns, Bush, and Sinha \(2014\)](#). To ensure a robust analysis, Partial Least Square – Structural Equation Modelling (PLS-SEM) was utilized. This method was chosen for its ability to

assess manifest indicators for each construct and evaluate the correlation effects among constructs through path analysis.

4. Results and discussions

4.1 Data Analysis

Structural equation modelling (SEM) consists of two stages of analysis: measurement analysis and structural analysis. The first stage assesses the relationship between a construct and its indicators, while the second stage evaluates the relationships between different constructs. In the measurement analysis stage, validity plays a crucial role in evaluating and minimizing measurement errors ([Ramayah, Cheah, Chuah, Ting, & Memon, 2018](#)). In the structural analysis stage, three key criteria, internal consistency reliability, convergent validity, and discriminant validity, are essential for assessing the structural model.

For internal consistency reliability, [Ramayah et al. \(2018\)](#) suggest using composite reliability (CR) within an acceptable range of 0.60-0.90. To assess convergent validity, the average variance extracted (AVE) should be equal to or greater than 0.5 ([Hulland, 1999](#)). Next, the Fornell-Larcker criterion and the Heterotrait-Monotrait Ratio of correlations (HTMT) are employed to evaluate discriminant validity and cross-loading. However, several requirements must be met: (1) the highest loading of each indicator to its assigned construct; (2) the square root of the AVE for a construct must be greater than its correlation with any other constructs in the model; and (3) for HTMT, a value is lower than 0.85 indicates an absence of discriminant validity issues between two reflective constructs. Further analysis is conducted to examine the structural model, including the evaluation of multicollinearity issues, the significance and relevance of structural model relationships, and the coefficient of determination (R^2).

At the structural model stage, a Variance Inflation Factor (VIF) value of 5 or lower is required to ensure the absence of multicollinearity issues. Meanwhile, standardized path coefficient values range from -1 to +1. The coefficient of determination (R^2) measures the predictive accuracy of the model ([Hair, Hult, Ringle, & Sarstedt, 2022](#)). Therefore, all data collected in this study have undergone both assessment stages, yielding valid and reliable results.

4.2 Descriptive analysis

The study collected data from 556 university students across various provinces in Indonesia, ensuring a diverse representation of geographical and institutional backgrounds.

Among the respondents, age distribution varied. Nineteen-year-olds formed the largest group, with 163 participants (29.3% of the total), followed by 21-year-olds at 24.5% (136 participants) and 20-year-olds at 21.8% (121 participants). Older age groups were represented in smaller numbers: 22-year-olds accounted for 12.2% (68 participants), while 24-year-olds and 23-year-olds comprised 6.7% (37 participants) and 5.6% (31 participants), respectively. The gender composition was nearly balanced, with male respondents slightly outnumbering females—50.5% (281 students) compared to 49.5% (275 students). This near parity provides a comprehensive perspective on entrepreneurial intentions across genders.

Regarding academic backgrounds, the highest participation came from students in the faculty of Economics and Business, with 247 respondents (44.4%), reflecting the natural alignment of these disciplines with entrepreneurship-related studies. Students from the Faculties of Education and Islamic Studies followed, contributing 26.4% (147 participants) and 12.8% (71 participants), respectively. Other faculties, including Language, Medicine, Agriculture, Psychology, Social and Political Sciences, and Engineering, had lower representation, with each contributing less than 5% of the total respondents.

This demographic breakdown illustrates the study's ability to capture diverse perspectives while highlighting the prominence of students from economics, business, and Islamic studies in shaping

entrepreneurial intentions. Additionally, it provides insights into how factors such as age, gender, and academic background may influence entrepreneurial motivations and inclinations, thereby enriching the study's analytical depth.

4.3 Result and Discussion

The Original Sample (O) consists of the calculated path coefficients derived directly from the original dataset. It represents the strength and direction of the association between two variables, with higher values indicating a stronger association. The strongest path coefficient is Maqasid al-Shariah to Wealth, with a value of 0.827, indicating a significant positive relationship. This is followed by Maqasid al-Shariah to Progeny at 0.788, Maqasid al-Shariah to Faith at 0.640, Maqasid al-Shariah to Soul at 0.579, and finally, Maqasid al-Shariah to Mind at 0.555.

To measure the relationship between the Maqasid al-shariah variable and entrepreneurial intention, T values and P values were obtained from the path analysis using the SEM-PLS application. These values illustrate the path coefficient of Maqasid al-Shariah and its five indicators in relation to entrepreneurial intention. The results indicate that the tested hypothesis is accepted, as the T value is 10,254 ($T > 1,96$) and the P values are 0,000 ($P < 0,05$).

Table 2. Relationship measurement between variables tested.

Variables Correlation	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Maqasid al-Shariah -> Faith	0,640	0,633	0,053	11,993	0,000
Maqasid al-Shariah -> Intention	0,376	0,379	0,037	10,254	0,000
Maqasid al-Shariah -> Mind	0,555	0,557	0,040	13,884	0,000
Maqasid al-Shariah -> Progeny	0,788	0,790	0,021	38,168	0,000
Maqasid al-Shariah -> Soul	0,579	0,579	0,044	13,206	0,000
Maqasid al-Shariah -> Wealth	0,827	0,828	0,026	32,261	0,000

Moreover, among the five measured indicators of Maqasid al-Shariah, Progeny has the greatest impact compared to other indicators, with a T value of 38,884, followed by Wealth with a T value of 32,261. The indicator with the smallest impact in this study is Faith, with a T value of 11,993. The remaining two indicators, Soul and Mind, ranked third and fourth, with T values of 13,884 and 13,206, respectively.

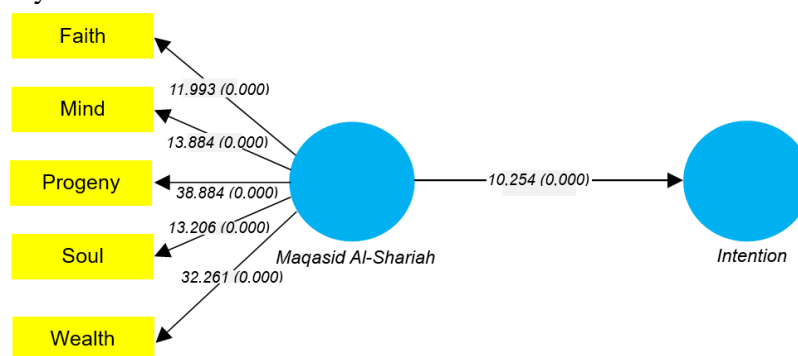


Figure 1. Relationship between variables (path analysis)

The study reveals that within the framework of Maqasid al-Shariah, the most influential factor shaping young people's intention to pursue entrepreneurship is the preservation and well-being of posterity (Progeny). This finding aligns with the universal human aspiration to secure a prosperous future for one's family and future generations ([Kader, 2021](#)). This motivation stems from an innate desire not only to meet present needs but also to establish a sustainable financial foundation that benefits children and upholds family traditions ([Astrachan, Binz Astrachan, Campopiano, & Bai, 2020](#)). One of the key reasons respondents are drawn to entrepreneurship is the flexibility and autonomy it offers. Unlike conventional employment, which is often constrained by rigid working

hours and formal corporate structures, entrepreneurship enables individuals to balance their professional and personal lives more effectively ([Sun, Xu, Köseoglu, & Okumus, 2020](#)).

For many respondents, entrepreneurship offers the opportunity to spend more quality time with their families—a significant factor in fostering stronger familial bonds and overall well-being. Additionally, the ethical and religious dimensions of financial security emerge as a key consideration. Respondents expressed a preference for entrepreneurship because it allows them to generate income through halal means, ensuring that their earnings align with Islamic principles. This commitment to halal financial support reflects a deeper sense of responsibility toward both faith and family. By choosing entrepreneurship, respondents not only seek economic independence but also strive to uphold moral and spiritual obligations, creating a harmonious balance between material success and religious adherence. This emphasis on Progeny underscores a broader perspective on entrepreneurship on that extends beyond personal gain to encompass intergenerational welfare, family cohesion, and adherence to ethical principles.

The second key indicator of *Maqasid al-Shariah* that influences young people's entrepreneurial intentions is the pursuit of material wealth (*Maal*). This motivation extends beyond personal financial gain, reflecting a broader and more altruistic vision in which wealth is seen as a means to contribute positively to society. For many respondents, the potential of entrepreneurship to generate significant profits is not merely about individual prosperity but also about fulfilling Islamic obligations and social responsibilities. Entrepreneurship is perceived as a pathway to creating wealth that can be channelled into charitable activities such as alms (*sadaqah*), endowments (*waqf*), and Mandatory almsgiving (*zakat*) ([Kunhibava, Muneeza, Khalid, Mustapha, & Sen, 2024](#)). These financial contributions play a critical role in alleviating poverty and supporting underprivileged communities, as mandated by Islamic teachings ([Mohsin, 2020](#)).

By distributing wealth to the poor and needy, young entrepreneurs aspire to reduce socioeconomic disparities and uplift the less fortunate, thereby embodying the principles of social justice central to Islam. Beyond direct financial aid, entrepreneurship serves as a powerful mechanism for job creation ([N. A. Hassan, 2024](#)). This dual focus on wealth creation and redistribution aligns closely with the ethical foundations of Islamic economics, which emphasize balancing individual prosperity with communal welfare. The findings underscore that, for many young Muslims, entrepreneurship is not merely a vehicle for personal success but also a means to fulfil a moral duty to their community ([Kader, 2021](#)). By pursuing material wealth through entrepreneurship, they aim to achieve a higher purpose—supporting societal well-being, promoting equity, and ensuring that their economic endeavours align with the principles of *Maqasid al-Shariah*.

The third key indicator of *Maqasid al-Shariah*'s influence on youth entrepreneurial intentions is the intellectual aspect (*Aql*). This dimension highlights the critical role of intellectual freedom and creativity in motivating young individuals to pursue entrepreneurship. Unlike traditional employment, entrepreneurship provides a unique platform for youth to channel their innovative ideas and talents into tangible outcomes, fostering a sense of independence and self-expression ([Lombana Bermudez et al., 2020](#)). Entrepreneurship is particularly appealing as it allows young people to explore and implement creative solutions to real-world problems, demonstrating their ingenuity and originality. This freedom to innovate resonates strongly with the intellectual aspirations of many youths, who seek careers that offer not only financial rewards but also opportunities for personal and professional growth. Additionally, entrepreneurship can lead to significant social recognition and appreciation ([Brieger, De Clercq, & Meynhardt, 2021](#); [Sun et al., 2020](#)). This recognition serves as a powerful motivator, validating their efforts and reinforcing their confidence in pursuing and sustaining entrepreneurial ventures. From the perspective of *Maqasid al-Shariah*, the intellectual aspect extends beyond individual ambition to emphasize the importance of knowledge, critical thinking, and creativity as essential components of human welfare. By fostering intellectual growth and innovation, entrepreneurship aligns with the Islamic principle of safeguarding and advancing knowledge for the benefit of individuals and society as a whole ([Kunhibava et al., 2024](#)). This indicator underscores that

entrepreneurship is not merely an economic activity but also a pathway for intellectual fulfillment, providing youth with the opportunity to make a meaningful impact through their ideas, creativity, and contributions.

The fourth indicator in *Maqasid al-Shariah* influencing youth entrepreneurial intentions is the soul or state of mind (*Nafs*). This dimension emphasizes the importance of emotional and psychological well-being as a motivating factor for pursuing entrepreneurship. For many young individuals, the prospect of creating and managing their own business represents an opportunity to achieve a more balanced and fulfilling life, both personally and professionally. Entrepreneurship is perceived as a pathway to greater happiness and mental well-being, as it allows for a higher degree of autonomy and flexibility ([Brieger et al., 2021](#)). By becoming their own boss, young entrepreneurs can take control of their schedules and priorities, reducing the stress and rigidity often associated with conventional employment. This flexibility is especially valued for its potential to facilitate a healthier work-life balance, enabling entrepreneurs to spend more quality time with their families and engage in personally fulfilling activities ([Sun et al., 2020](#)).

Furthermore, establishing a successful business provides a sense of security and stability that contributes to mental well-being. Financial independence and the ability to generate consistent income offer protection against economic uncertainties, alleviating the anxiety that can arise from job insecurity or dependence on external employers. From the perspective of *Maqasid al-Shariah*, the well-being of the soul is a central component of human welfare. Islam advocates for a holistic approach to life, where emotional and psychological health are as important as physical and spiritual well-being ([Kunhibava et al., 2024](#)). By fostering personal fulfilment and reducing stress, entrepreneurship aligns with this principle, offering a means to harmonize economic pursuits with overall life satisfaction. This indicator highlights that entrepreneurship is not merely an economic endeavour but also a vehicle for achieving inner peace and happiness. It reflects the aspirations of young entrepreneurs to lead lives that are not only prosperous but also balanced and meaningful, integrating material success with emotional and familial well-being in alignment with Islamic values.

The fifth indicator of *Maqasid al-Shariah* influencing youth entrepreneurial intentions is faith (*Diin*), underscoring the spiritual motivations behind pursuing entrepreneurship. This dimension reflects the belief that entrepreneurial activities, when aligned with Islamic principles, serve as a means of fulfilling religious obligations and seeking the pleasure of Allah ([Yasin, Noor, Bibi, & Fakhar, 2024](#)). Faith-driven entrepreneurship integrates material pursuits with spiritual goals, transforming business ventures into acts of worship and service to the community. According to [Harizan and Mustafa \(2020\)](#), the ultimate objective of human life in Islam is to obey Allah, and one way to achieve this is by generating personal wealth ethically and using it for the well-being of others. Entrepreneurship provides a unique platform for fulfilling this dual purpose. By creating wealth through lawful (*halal*) means, entrepreneurs can not only meet their own needs but also contribute to charitable activities such as *waqf* (endowments), *infaq* (voluntary charity), and *zakat* (obligatory almsgiving), which directly help alleviate poverty and foster social equity.

One of the key advantages of entrepreneurship in this context is the freedom it offers to practice faith. Unlike traditional employment, which may impose constraints on time and priorities, running one's own business provides greater flexibility to fulfill religious duties, such as regular prayer, fasting, and other acts of worship. This autonomy enables entrepreneurs to integrate their spiritual practices seamlessly into their daily lives, strengthening their devotion and connection to Allah. Moreover, entrepreneurship creates opportunities for *da'wah* (spreading Islamic teachings), not only in a conventional sense but through practical actions that benefit others. By providing job opportunities, treating employees ethically, and ensuring that business practices align with Islamic principles, entrepreneurs serve as role models of faith in action. For young Muslims, entrepreneurship is more than just a career choice; it is a means to live out their faith, contribute to societal well-being, and seek blessings from Allah. This alignment of personal, social, and spiritual goals makes faith a powerful

motivator in shaping entrepreneurial intentions, demonstrating the profound influence of *Maqasid al-Shariah* on economic behaviour and decision-making.

5. Conclusion

5.1. Conclusion

This investigation emphasizes the significance of entrepreneurship within Indonesia's economic framework, particularly as a potential solution to the persistent issue of youth unemployment. The findings highlight the critical contribution of small and medium enterprises (SME) to job creation and GDP, while also underscoring the challenges experienced by college graduates in securing employment due to the imbalance between the number of graduates and the availability of job opportunities. By illustrating entrepreneurial pathways, this study offers a roadmap for fostering self-reliance and economic participation among educated youth.

This research provides valuable insight into the influence of Islamic principles, particularly the *Maqasid al-Shariah* framework, on shaping entrepreneurial interests among university students. The five dimensions of *Maqasid al-Shariah*—faith (*diin*), life (*nafs*), intelligence (*aql*), progeny (*nash*), and money (*maal*)—offer a comprehensive view of student motivations. The prioritization of progeny and wealth reflects a dual focus on maintaining family financial stability and contributing to community welfare through charitable efforts. This outcome illustrates a balance between personal aspirations and social responsibilities.

The dimensions of intellect, soul, and religion highlight a holistic approach to entrepreneurship, where economic objectives are intertwined with personal growth, psychological well-being, and spiritual practice. This integration of material and spiritual values shows that Islamic-inspired entrepreneurship not only fosters financial success but also promotes personal fulfillment and the development of a harmonious society.

While these findings are valuable, they should not be overgeneralised. The study's limitations include its reliance on self-reported data and its focus on university students within specific age groups and cultural contexts. Future research could expand the sample size, incorporate participants from diverse socioeconomic backgrounds, and explore longitudinal effects to validate and enrich these findings.

These findings have important practical implications for policymakers, educators, and faith-based organizations. Designing programs and curricula that integrate entrepreneurial education with cultural and religious values may foster an ecosystem that addresses both the financial and ethical dimensions of business. By promoting this integrated approach, Indonesia can more effectively address youth unemployment while reinforcing its broader socioeconomic framework. Ultimately, this study bridges theoretical and practical perspectives by demonstrating how Islamic values can support entrepreneurial intentions, offering a pathway to both personal fulfilment and social well-being. These findings lay the foundation for future initiatives that align cultural and spiritual values with economic empowerment.

5.2. Recommendations

The study's findings offer practical recommendations for stakeholders to enhance youth entrepreneurship development in Indonesia:

1. Government: Integrate religious and cultural values into national entrepreneurship programs to align with youth motivations and strengthen efforts to reduce unemployment. Provide financial support such as grants and funding schemes and facilitate mentorship opportunities with value-aligned mentors.
2. Educational Institutions: Embed entrepreneurial education within academic curricula, emphasizing its alignment with religious values to inspire students to inspire and motivate students.
3. Religious Organizations: Promote entrepreneurship as a practice compatible with faith, framing it as a form of worship and community service.

4. Entrepreneurship Support Programs: Design initiatives that address core motivations such as financial security, intellectual freedom, and spiritual fulfillment. Develop training workshops and courses that integrate Islamic teachings with entrepreneurial skills.
5. Family Involvement: Promote active family participation in entrepreneurship programs to foster a supportive and value-oriented environment for young entrepreneurs.
6. Collectively, these strategies can foster a robust entrepreneurial ecosystem, reduce youth unemployment, and contribute meaningfully to Indonesia's socioeconomic development.

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