

Motivational Factors to Become Halalpreneurs: Evidence from SMEs in Malaysia

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ABSTRACT

The demand for halal products has been increasing and has gained intense interest within the global business community. This agenda has been supported by the government and related agencies in promoting halal business opportunities. Therefore, it is important to investigate the entrepreneurial motivation of entrepreneurs in Small and Medium Enterprises (SMEs) to become halal entrepreneurs or halalpreneurs. Hence, the Theory of Reasoned Action (TRA), Theory of Planned Behaviour (TPB) and Miniard and Cohen Model (MCM) were applied and empirically tested on the sample population to obtain the motivational factors of SMEs. Data were collected using structured questionnaires given to a total of 200 Muslim entrepreneurs in Malaysia. However, completed questionnaires were returned 81 in total, giving a return rate of 41 per cent. The sample size (N=81) is relatively small; however, it exceeds the commonly recommended thresholds of 10-15 observations per estimated independent variable. Based on this justification, this model is still able to provide interpretable insights into how each variable influences the outcome, although the small sample size may reduce the accuracy in coefficient estimates. Structural equation modelling techniques and Smart PLS were used to analyze the data. The results indicated that personal influence (P) and normative influence (N) significantly affected entrepreneurial intentions among SMEs. Meanwhile, attitude, subjective norms and perceived behavioural were found not significant to influence the SMEs motivation to become halalpreneurs. Future research should replicate the model using a larger sample size to enhance statistical power and to determine whether the non-significant results were due to sampling constraints in the present study.

Keywords: Motivational Factor; Halal Entrepreneur; Small Medium Enterprises

INTRODUCTION

Entrepreneurship has become an important and strategic component in driving Malaysia toward becoming a developed nation by 2030. Moreover, entrepreneurship activity is also viewed as a social approach for Malaysia to raise the standard of living for low-income people. Besides, it contributes to positive economic development from the view of job opportunities as well as other monetary benefits. In addition, entrepreneurship is referred to as an income-generating activity that relates to innovation, where new and improved products will be developed to gain a competitive advantage and build a strong and sustainable business. The first policy document on the development of an inclusive and competitive entrepreneurial community to compete in the global market, particularly for Small and Medium Enterprises (SMEs), was launched in 2019 and the document was named National Entrepreneurship Policy 2030 (NEP 2030). The focus of this policy is to drive a culture of entrepreneurship and create a holistic and conducive entrepreneurial ecosystem in the country. This specific policy was designed to enhance the competitiveness of SMEs because they are very important to the economy, as the total number of SMEs in Malaysia as of 2023 is approximately

1.2 million or more than 97 per cent of total business establishments based on the latest data reported by the Department of Statistics Malaysia (DOSM).

The demand for halal products has been increasing and has gained intense interest within the global business community. The halal industry encompasses a range of sectors, including food and beverages, pharmaceuticals, personal care and cosmetics, as well as financial services. The primary focus of the government is to promote the growth, advancement, and internationalization of the local halal industry. Based on the research done by Azam and Abdullah (2020), three major factors contribute to the rapid growth of the global halal market which is related to the growing size and population of Muslims, the increase in purchasing power of Muslims due to the positive economic development, and the emergence of the potential halal market in non-Muslim countries.

At the national level, the government has played a role in attracting entrepreneurs to join the halal industry by providing specific strategies as well as establishing institutions to support entrepreneurial initiatives. Nonetheless, the involvement of entrepreneurs in joining and supporting the halal market is still a relatively untapped economic resource, and it is not surprising that the biggest halal food manufacturers and exporters are in non-Muslim countries like the United States, Brazil, Argentina, Australia, and China (Elasrag, 2016). Therefore, this study is purposely investigating the motivational factors that influence the intention of entrepreneurs to participate in halal global sales. It is because the trouble faced by the halal industry is not from the shortage of demand, but the lack of supply.

Therefore, to achieve the best model of motivational factors in influencing the entrepreneurs to become halalpreneurs, the comparison of three behavioural intention models by Ajzen and Fishbein's Theory of Reasoned Action (1980), Ajzen's Theory of Planned Behaviour (1985,) and Miniard and Cohen Model (1983). The theory of reasoned action (TRA) was developed to explain behavioural intention as a central factor to predict actual behaviour. Meanwhile, the theory of planned behaviour (TPB) is an extension of TRA with the inclusion of perceived behavioural control as a variable for predicting intentions and behaviour (Ajzen, 1985) as well as the Miniard and Cohen Model (MCM), which evaluates the separate contribution of personal and normative influence for the prediction and explanation of intentions.

LITERATURE REVIEW

Halal Entrepreneurship

The entrepreneurship discussion comprises many aspects, such as the entrepreneurship theory, types of entrepreneurs, the entrepreneurial process, and many other things related to entrepreneurs' issues. Nowadays, many studies have explored halal entrepreneurship or halalpreneurship, which is known as the implementation of business activities in tandem with the halal procedures. The halal business development is supported by the practices of the halal concept in real business activities, with the proper procedures. The halal business development is supported by the practices of the halal concept in real business activities with the proper management of halal requirements proposed by Jabatan Kemajuan Islam Malaysia (Baharuddin et al., 2015). Therefore, the entrepreneurs are encouraged to create a balanced environment between profit generated and fulfillment of the halal guidance set up by the authorized body (Vargas-Hernandez et al., 2010).

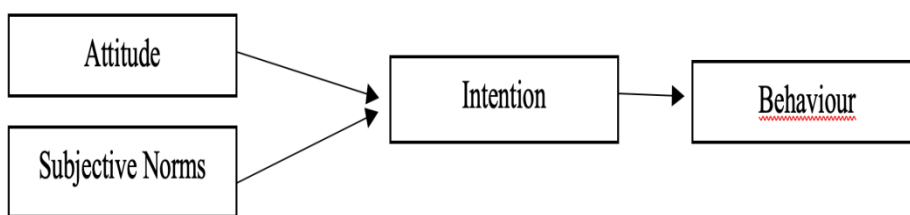
Meanwhile, halal entrepreneurs or halalpreneurs are those individuals who are attracted to explore and grab the opportunities offered by halal business development. Therefore, the Halal Industry Development Corporation (HDC) encourages entrepreneurs' involvement as this industry has now expanded well beyond the food sector, which includes cosmetics, health products, pharmaceuticals, medical devices, hospitality, and fashion (Yusuf et al., 2016). The HDC's implementation pillars for the success of the halal industry development include policy and legislation, international footprint, and halal enterprise development. In 2022, HDC collaborated with the Australian Trade and Investment Commission (AUSTRADE) in hosting and organizing the World Halal Business Conference Circuit in Melbourne for the purpose of contributing to the development of halal industries in both countries. Furthermore, the collaboration will enhance trade, exchange of market intelligence, know-how, training, and consultancy in organizing halal events, as well as investment in halal parks.

The concept of halal-based business is very important for entrepreneurs to understand before they venture into the halal industry. The halal concept is considered an important criterion in business due to the high demand from consumers locally and internationally to get halal products. It generates serious attention from the global market to fulfil the standard demand for halal-based products from Muslim or non-Muslim countries. The guidelines used to govern the law relating to halal products can be related to Quran and Sunnah. The basic guidelines about the law on halal characteristics can be found in the Quran and Sunnah and it cannot be said that a product is halal without considering and complying with Islamic Law (Baharuddin et al., 2015).

Theory of Reasoned Action (TRA)

The prediction theory that has been widely used to explore behavioural intentions and/or behaviour is called the Theory of Reasoned Action. This theory was introduced by Ajzen and Fishbein (1980) as well as Fishbein and Ajzen (1975). This model is useful in identifying the strategies for human behaviour that are dynamic. This theory explains the most important determinant of behaviour, which is called intention factor (Figure 1). This posits that behavioural intention, is the immediate antecedent to behaviour. In addition, intention also expresses about person's beliefs that the behaviour leads to certain outcomes and his or her evaluations of these outcomes. Fishbein & Ajzen (1975) elaborate that direct determinants of an individual's behavioural intention are their attitude toward performing the behaviour and their subjective norm associated with the behaviour. Therefore, any information about beliefs is affected by intentions and subsequent behaviour, either through attitudes and/or through subjective norms.

Figure 1: Theory of Reasoned Action



Ajzen and Fishbein (1975) distinguished between attitude towards an object and attitude towards a behaviour with respect to that object. For example, most attitude theorists have measured attitude toward an object (such as an attitude toward halal products) in trying to predict a behaviour (such as buying halal product or getting halal certificates). Attitude towards behaviour will be influenced by intention. According to Lutz (1991), attitude is the prediction of behaviour towards performing a particular behaviour, not the general attitude. Therefore, based on the TRA, an entrepreneur may have a positive attitude to be a halal entrepreneur, yet still think about having halal certificates, maybe due to some reasons. Entrepreneurs intend to be a halal entrepreneur to attract consumers as well as a religious obligation to Muslims. Currently, consumers prefer a halal product that has a legal halal certificate, and this will be value-added for their business.

According to Mukhtar and Butt (2011), subjective norms can be defined as the social influences on the person's behaviour. The influences may come from friends, peers, and family members. It means that a person might not have any intention to be a halal entrepreneur, but because of their competitors or customers' perceptions, they have been encouraged to be a halal entrepreneur. Lada et al. (2009) also asserted that the function of beliefs that postulates people's thinking about whether they need to perform or not the behaviour is referred to subjective norm. It specifies that, their motivations to comply with the behaviour are pressured by social committee.

Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour (1985) was extended from the TRA by including perceived behavioural control (PCB). The theory states that attitudes toward behaviour, subjective norms, and perceived behavioural control influence an individual's behavioural intentions and behaviour. The component of this theory is

behavioural intentions that are normally influenced by the attitude and the likelihood that the behaviour will have the expected outcome, and the subjective evaluation of the risks and benefits of that particular outcome.

According to Ajzen (1988), behavioural control reflects an individual's perception of the perceived ease or difficulty in performing the behaviour, and both experience and anticipated obstacles typically influence it. Meanwhile, Armitage and Conner (1998) illustrate behavioural control as individuals' impression of their capacities to achieve a specified behaviour. This statement is supported by Zhong et al. (2015), who define behavioural control as an individual's impression of ease or trouble in showing a specific behaviour. In addition, Verbeke and Vackier (2005) mention that perceived behavioural control is of more prominent interest than real control since it alludes to individuals' view of the straightforwardness or trouble of achieving the behaviour of interest. This definition is similar to Armitage and Talibudeen (2010), who recommended that perceived behaviour control is the most remarkable factor in affecting behaviour transition.

Miniard and Cohen Model (1993)

The Miniard and Cohen (1983) model (MCM) proposes that informational influence should be reflected only in one's personal attitudes and should not be related to normative beliefs about behaviour. The opinions of others are usually considered an important source of information. However, the acceptance of information normally depends on the source's credibility, and the behaviour based on this information is not related to the referent. On the other hand, the normative aspect of MCM is solely dependent on the referent's normative power. It is assumed that behaviours motivated by normative reasons are directly linked to an individual's desire to achieve a reward. These two influences are considered distinct, whether empirically or conceptually. Therefore, this study attempts to apply these new variables in selecting appropriate intention factors to influence entrepreneurs to become successful halalpreneurs. Hence, MCM can be applied to investigate the contribution of normative and personal influence in explaining behavioural intention or motivation to become halalpreneurs.

Normative influence refers to the situation when people change their behaviour, character, or thoughts purposely to be accepted by other people. In other words, it refers to the person's belief that the reference group or individual thinks about whether she should engage or not engage in the behaviour (Miniard & Cohen, 1983). Their focus on social norms and consumer behavior allows researchers to explore how normative influences such as peer pressure, cultural expectations, and societal norms affect consumers' choices. This is particularly relevant in the context of halal products, where community expectations can play a strong role in shaping purchasing or selling behavior. On the contrary, personal influence can measure individual attitudes, beliefs, and motivations, which are crucial for understanding how personal values and preferences influence consumer choices. For example, a consumer's personal beliefs about the importance of halal certification can significantly impact their purchasing or selling decisions.

Motivation of Variables

The main objective of this study is to adapt and adopt the models in determining the motivational factors that influence SME entrepreneurs to become halal entrepreneurs, called as halalpreneurs. The investigation on motivations or intentions to be involved in halal entrepreneurship using the same theory of TPB was explored by Supaat et al. (2019), who showed that halal awareness, family support, feasibility, and government support were positive for entrepreneurs' intention toward halal business. The intention can be called motivation or perception of an individual to do something, which is based on the attitude, subjective norms, and perceived behaviour, as well as the personal and normative belief. It is believed that intention is an important factor that influences the involvement of an entrepreneur in halal business.

The basic framework used to examine a person's motivation or intention to adopt or to do something normally is based on three factors: attitude, subjective norms, and perceived behavioural control (Tan & Teo, 2000). Attitude refers to a person's perception of something or a specific activity. Meanwhile, subjective norms normally involve the social influence that might affect the intention of a person to do something. The last factor is the perceived behavioural factor, which is related to beliefs of having specific resources and opportunities to perform the activity.

Attitude

Attitude is found to be a significant factor in influencing entrepreneurial intention or motivation. The items measured by Suffian et al. (2018) under attitude include halal awareness, intrinsic motivation, effort to seek opportunity, creativity and innovation, honesty and integrity, risk-taking attitude, relative advantage, as well as perceived desirability. They investigated the factors affecting entrepreneurial intention among undergraduate students, and the findings showed all the factors were significant. This is supported by the research done by Haque et al. (2015) as well as Anwari and Hati (2020), which has explained how the positive attitudes of customers who focused on self-concept, awareness, and understanding of halal concept determine non-Muslim behaviour towards halal products. A similar finding has also been elaborated by Wilson and Liu (2010), Wilson and Grant (2013), as well as Afendi et al. (2014) and Soltanian et al. (2016). However, contrary to the above studies, lack of influence of attitude is indicated by the research conducted by Yaumidin et al. (2024), Kurdi et al. (2022), and Ledo et al. (2021).

Halal awareness is the knowledge or perception of buying and consuming halal products that are related to the requirements of Shariah. It is very important in creating someone's perception and intention to buy halal products with the concept of safety and hygiene. According to Baharuddin et al. (2015), awareness is determined by the individual, social and environmental aspects, as well as marketing and information about the products. Interestingly, a recent study by Yaumidin et al. (2024) highlighted that awareness of halal certification plays a pivotal role in shaping farmers' behavioural intentions within agricultural practices. In the same vein, Fachrurrozie et al. (2023) and Ozturk (2022) illustrate that halal awareness shapes individual intentions towards selecting halal items.

H₁: Attitude is positively related to motivation to become halalpreneurs

Subjective Norms

Subjective norms describe the person's perception of how the people important to him would think if he does not perform the activity (Fishbein & Azjen, 1975). It is related to the intention of a person to do something that will be influenced by the perception of others. As stated by Wilson and Grant (2013), subjective norms can be explained when a person acts according to specific pressure groups that normally consist of family and peers.

Family support is also considered as a factor that has a positive influence on entrepreneur's intention or motivation to be involved in halal business, as mentioned by Supaat et al. (2019). It shows that entrepreneurs have achieved specific achievement with the support of family members and indirectly contribute to the country's economic development (Arregle, 2015). Other than family support, experiences and influences from partners or peers influence can be one of the determinants to give a big impact in making decision on exploring the halal business (Supaat et al., 2019; Kumpel et al., 2013; Burton et al., 2016). In addition, Bello et al. (2018) found that the experience of peers or friends about halal business has a positive impact on developing motivation and intention of an entrepreneur to be involved in halal activity. Based on the investigation conducted by Anwari and Hati (2020) on 239 Muslim entrepreneurs that focused on Micro, Small, and Medium Enterprises in Indonesia, the result showed that family support was positively significant in influencing halalpreneurial propensity(motivation). In contrast to earlier findings, however, no evidence of family support was detected by Soltanian et al. (2016).

In addition to family roles, peer support is also considered an important factor in influencing the intention or motivation of entrepreneurs as stated by Soltanian et al. (2016). On the other hand, Anwari and Hati (2020) found that this factor did not significant to affect halalpreneur propensity.

H₂: Subjective norm is positively related to motivation to become halalpreneurs

Perceived Behavioural Control

Perceived behavioural control refers to the factors associated with an individual's belief in their ability to perform a specific behaviour, as well as the resources or facilities available to facilitate the behaviour (Tan &

Teo, 2000). The study conducted by Haque et al. (2015) found that factors related to PBC, such as food safety and environment-friendliness, significantly influence non-Muslim consumers' perception of purchasing halal products. Additionally, Yaumidin et al. (2024) indicate that perceived behavioural control has a significant impact on farmers' behaviours toward halal farming.

The feasibility, as explained by Supaat et al. (2019) referred to the perception of an individual in his ability and capacity to accomplish a specific task, which is related to his behaviour in halal business. The other factor that is empirically found significant in influencing the entrepreneurs' intentions to involve in the halal industry is government support. According to the research done by Soltanian et al. (2016), government intervention through support and financial assistance stimulates the interest of entrepreneurs in contributing their effort in the halal industry. The study done by Anwari and Hati (2020) has been unable to demonstrate that governmental support is significant in influencing the motivation of SMEs.

H₃: Perceived behavioural control has a positive influence on motivation to become halalpreneurs

Personal Influence

Miniard and Cohen (1993) explored the concept of personal influence in their research on consumer behaviour. The consumer's behaviour might also be influenced by personal reasons, such as wanting to do something because of the benefits that they can get from the product/activity. According to Miniard and Cohen (1983), personal reasons are related to a specific decision in preferring a product that would appear to be quite useful for themselves. For example, a person wants a quality halal product to get healthier food.

In this study, TRA, TPB, and MCM were employed to explore the motivational factors of entrepreneurs among selected SMEs in Malaysia. The theories aim at understanding the factors affecting entrepreneurs to engage in halal entrepreneurship. Based on Figure 2, there are five factors that will influence the entrepreneurs which are attitude, subjective norms, perceived behavioural control, perceived playfulness, as well as self-management of learning.

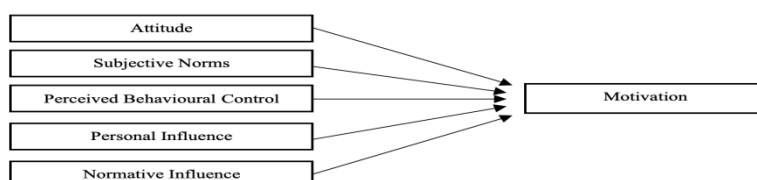
H₄: Personal reason is positively related to the motivation to become halalpreneurs

Normative Influence

The normative influence can be illustrated by a case between an employer and an employee. An employer would be included as a referent in the normative component, and their influence would be considered one of the factors influencing an employee's decision on specific behaviour. Deutsch and Gerard (1955) express normative influence as a motivation to blend in with a group's norms, characteristics, and attributes. In the same way, Calder and Burnkrant (1977) mention normative influence as a consumer's belief on how others will interpret or think of him, or consumers' behaviour is influenced by concerns over what others might think of them. In addition, the normative influence might also be referred to choosing to dress according to current fashion trends, buying the latest and most popular technology products to ensure be accepted by its members (Labrecque et al., 2011). Subjective norms and normative influence are closely related concepts; however, subjective norms focus more on personal perceptions of social pressure, while normative influence refers to the overall impact of social norms on behavior, encompassing both perceived and actual influences.

H₅: Normative influence is positively related to the motivation to become halalpreneurs

Figure 2: Research Framework



METHODOLOGY

Sample and Data Collection

The present study was conducted on SME entrepreneurs as respondents. The population of the study sample comprises 200 Muslim entrepreneurs in Malaysia to determine the different motivational factors influencing them to be involved in halal business. This gave a return rate of 41 per cent of fully completed and returned questionnaires out of 200 entrepreneurs. The sample size (N=81) is relatively small; however, it exceeds the commonly recommended thresholds of 10-15 observations per estimated independent variable, which would require approximately 50-75 cases for a model with five independent variables (Memon et al., 2020). Based on this justification, this model is still able to provide interpretable insights into how each variable influences the outcome, although the small sample size may reduce the accuracy in coefficient estimates. Overall, this study should be regarded as a preliminary analysis of the factors influencing the motivation of halalpreneurs. The online structured questionnaire method was chosen as the most suitable medium to reach the desired sample. The questionnaire consists of seven sections. Section A gathers information about demographic data. Sections B to G attempt to obtain respondents' views on their feelings toward halal business as well as soliciting their perceptions toward involvement in the halal business. The five-point Likert scale was utilized to gather responses for the questionnaire, and SmartPLS software was employed to analyze the data.

Table 1 shows the operationalization of each variable. All items were adapted and adopted based on previous literature, and the statements were modified to reflect the entrepreneurial motivation toward halal entrepreneurship.

Table 1: Operational Definition

Variable	Description	REFERENCES
Attitude (AT)	An important factor to influence entrepreneurial intention or motivation such as the degree of awareness about halal entrepreneurship and the knowledge about halal entrepreneurship environment.	Soltanian et al. (2015), Haque et al. (2015)
Subjective Norm (SN)	The person's perception on how the people important to him would think if he do not perform the activity.	Amin et al. (2011)
Perceived Behavioural (PB)	The support from the government for the development of the halal industry by providing facilities encourages me to involve in the halal business.	Tan & Teo (2000)
Personal Influence (P)	Personal influence can measure individual attitudes, beliefs, and motivations, which are crucial for understanding how personal values and preferences influence consumer choices.	Miniard & Cohen (1983), Ambali & Bakar (2014)
Normative Influence (N)	It refers to the situation when people change their behaviour, character or thoughts purposely to be accepted by other people.	Miniard & Cohen (1983)
Halalpreneurial Motivation (HM)	It refers to the various factors and driving forces that inspire and encourage individuals to engage in halal entrepreneurship.	Soltanian et al. (2015), Haque et al. (2015)

Measurement Instrument Development

The study adapted Amin et al. (2011), Soltanian et al. (2015), Tan and Teo (2000), Miniard and Cohen (1983), Ambali and Bakar (2014), as well as Haque et al. (2015) measurement instruments, and this was refined using Ajzen's (1991) theory. The questionnaire consisted of five questions, namely, Attitude (AT), Subjective Norms (SN), Perceived Behavioural (PB), Personal Reason (P), Normative Influence (N), Halalpreneurial Motivation (HM), and demographic information in Section A. The scale measurement was based on a five-point Likert scale ranging from 1 (strongly disagree – SD) to 5 (strongly agree – SA). The items in the

measurement instrument were as follows: AT (six items), SN (five items), PB (four items), P (three items), N (three items), HM (five items), and demography (types of business, location, and business information).

RESULTS AND DISCUSSION

Descriptive

This research was conducted to obtain a more comprehensive understanding of halal awareness. These respondents are distributed across five types of business, namely food and beverages (53 percent), retail (29 percent), clothing (9 percent), beauty services (5 percent), and printing and transportation (4 percent). Most of the businesses reported a monthly income of not more than RM25,000 (85 percent). Most of the businesses had operated for less than 6 years (59 percent). They were dominated by the businesses operating in Selangor (32 percent), Johor and Melaka (26 percent), Kedah (11 percent), Pahang (22 percent), and others (9 percent).

Measurement Model

According to Gefen and Starub (2005), as part of the measurement model evaluation, the items with low factor loadings with a value of less than 0.6 should be removed from the analysis. Based on the analysis, all the items for this study should be maintained since the value is more than 0.6. To test the reliability of the constructs, the study used Cronbach's alpha and composite reliability (CR). All the CR were higher than the recommended value of 0.7 as stated by Wasco and Faraj (2005). The other important measurement of reliability showed that Cronbach's alpha of each construct exceeded the 0.7 threshold. Convergent validity was acceptable because the Average Variance Extracted (AVR) was over 0.5. The results for reliability and validity, along with the factors loadings for the items, are presented in Table 2.

Discriminant validity was assessed by the Fornell-Larcker criterion (Fornell & Larcker, 1981); the table shows that the square root of AVE for the construct was greater than the inter-construct correlation (see Table 3). Discriminant validity was also evaluated by the Heterotrait-Monotrait ratio of correlations (Henseler et al., 2015), with values below the threshold of 0.9, as indicated in Table 4.

Although the correlation between Subjective Norms and Normative Influence was moderately high ($r=0.629$), as shown in Table 3, the results of all discriminant validity were satisfied. The HTMT ratio remained below the recommended threshold of 0.85, the Fornell-Larcker criterion was met, and all cross-loadings were higher on their respective constructs. Together, these results indicate and supports the empirical distinctiveness of the two constructs. Subjective norms refer to an individual's perceived social pressure to perform a behaviour, as described by Ajzen (1991). In contrast, Normative Influence refers to the actual social pressure exerted on behaviour by family members, close friends, or other referent others (Miniard & Cohen, 1979). Thus, the two variables differ in their locus of control, whether from internal perception (subjective norms) vs external influence (normative influence) on behaviour.

Attitude (AT) in the TPB refers to an individual's personal evaluation (affective belief) of performing a behaviour, and it reflects their belief about whether the behaviour is favourable or beneficial, as described by Ajzen (1991). Meanwhile, personal influence in the Miniard and Cohen Model represents the internalized impact of moral obligations and personal standards shaped by influential referent persons such as family members and close friends. Empirically, discriminant validity results, Fornell-Larcker criterion, and factor loadings, confirm that Attitude and Personal Influence are distinct constructs.

Table 2: Loadings, Reliability, and Validity

Variable	Construct	Loadings	Cronbach's alpha	CR	AVE
HM	HM1	0.921	0.906	0.931	0.730
	HM2	0.857			
	HM3	0.840			
	HM4	0.895			

	HM5	0.747			
ATT	AT1	0.848	0.900	0.924	0.673
	AT2	0.834			
	AT3	0.647			
	AT4	0.901			
	AT5	0.926			
	AT6	0.732			
SN	SN1	0.816	0.857	0.897	0.636
	SN2	0.789			
	SN3	0.858			
	SN4	0.809			
	SN5	0.709			
PB	PB1	0.867	0.884	0.919	0.740
	PB2	0.896			
	PB3	0.838			
	PB4	0.839			
P	P1	0.975	0.969	0.980	0.941
	P2	0.976			
	P3	0.960			
NB	N1	0.902	0.840	0.904	0.758
	N2	0.869			
	N3	0.840			

Table 3: Fornell-Larcker Criterion

	AT	HM	N	P	PB	SN
AT	0.821					
HM	0.546	0.854				
N_	0.533	0.654	0.871			
P	0.454	0.550	0.370	0.970		
PB	0.262	0.324	0.493	0.436	0.860	
SN	0.514	0.645	0.629	0.527	0.409	0.798

Note: Value in italic represents the square root of AVE

Table 4: Heterotrait-Monotrait Ratio (HTMT)

	AT	HM	N	P	PB	SN
AT						
HM	0.579					
N_	0.604	0.743				
P	0.485	0.577	0.404			

PB	0.282	0.360	0.569	0.470		
SN	0.566	0.713	0.746	0.573	0.486	

Table 5: Cross Loadings

	HM	AT	SN	PB	P	NB
HM1	0.921					
HM2	0.857					
HM3	0.840					
HM4	0.895					
HM5	0.747					
AT1		0.848				
AT2		0.834				
AT3		0.647				
AT4		0.901				
AT5		0.926				
AT6		0.732				
SN1			0.816			
SN2			0.789			
SN3			0.858			
SN4			0.809			
SN5			0.709			
PB1				0.867		
PB2				0.896		
PB3				0.838		
PB4				0.839		
P1					0.975	
P2					0.976	
P3					0.960	
N1						0.902
N2						0.869
N3						0.840

Structural Model

The structural model presents the path coefficients among constructs as illustrated in Figure 3. Meanwhile, Table 6 displays the results of path coefficients in evaluating the hypotheses constructed in the literature. The test on the significance of the path was conducted using SmartPLS's bootstrap resampling techniques. It is interesting to note that only personal influence (P) and normative influence (N) indicated a significant relationship to halal motivation (HM). A positive correlation is found between HM and P (0.277) as well as HM and N (0.399) at the significance level of 0.05 and 0.01, respectively. Therefore, these results support H₄ and H₅. It shows that the entrepreneurs are motivated by not only the symbol of hygiene and safety but also by concern for the products that meet the requirements laid down by Shariah. Doubtlessly, these factors make the

entrepreneurs display greater trust in their judgment to choose halal entrepreneurship. This study supports evidence from previous observations (Netemeyer et al., 1993; Bearden & Rose, 1990; Miniard & Cohen, 1983) indicating that MCM can explain the personal and normative variables in influencing entrepreneurial motivation. Meanwhile, attitude (AT), subjective norms (SN), and perceived behavioural (PB) are being reported as insignificant. On that account, the hypotheses of H₁, H₂, and H₃ are not supported by this study. This outcome is contrary to that of Anwari and Hati (2020), Suffian et al. (2018), Soltanian et al. (2016), Haque et al. (2015) and Amin et al. (2011), who found a significant positive association between AT, SN, and PB with entrepreneurial motivation. The lack of influence of attitude on intention was also observed in the studies by Yaumidin et al (2024), Kurdi et al. (2022) and, Ledo et al. (2020).

From the above results, it can be observed that TPB constructs (attitude, subjective norms, and perceived behavioural control) were not significant in this model, whereas Miniard and Cohen's personal and normative influence were significant. This suggest that, in this context, behavioural intention may be shaped more strongly by immediate social and personal pressures. Although these findings differ from initial expectations, it opens opportunities for future research to explore the integration of MCM elements into TPB framework. The non-significant results for TPB (H₁, H₂, and H₃) should not be interpreted as indicating no effect, but it may be considered inconclusive findings that could be attributed to a Type II error, which may have affected the generalizability of the results. Future research should address this limitation by replicating the model with a larger sample size to increase statistical power and to determine the non-significant variables were due to sampling constraints in the present study.

Figure 3: Structural Model

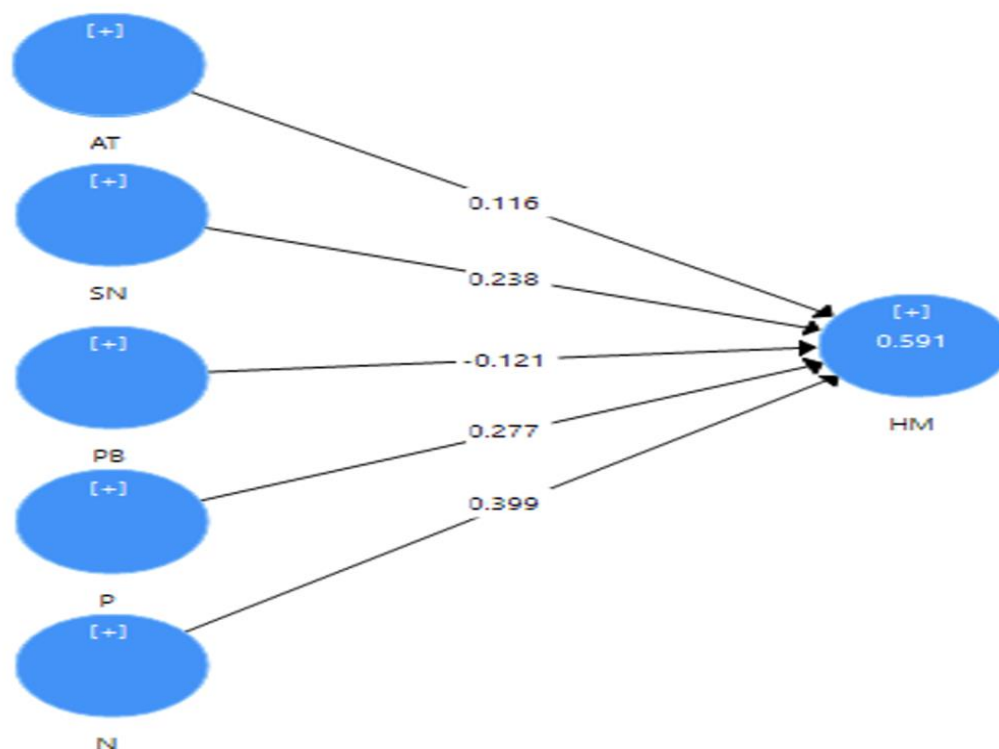


Table 6: Path Coefficient

Dependent variable	Independent Variable	Path	Observed t-statistics	p-value
Halal Motivation (HM) (R squared 0.591)	AT	0.116	1.079	0.281
	SN	0.238	1.629	0.104
	PB	-0.121	1.129	0.259

	P	0.277	2.304	0.022**
	NB	0.399	2.617	0.009***

***Significant at the 0.01 level**Significant at the 0.05 level

DISCUSSIONS AND CONCLUSIONS

The study findings show that personal and normative reason positively influences the intention of entrepreneurs to engage in halal business. This result is in line with Netemeyer et al. (1993), Bearden and Rose (1990), Miniard and Cohen (1983), and a more recent study by Labrecque et al., (2011). Netemeyer et al. (1993) emphasize the importance of ensuring both reliability and validity to accurately assess consumer behaviors and attitudes. Their measurement scales can indeed be related to personal and normative influences in consumer behavior, including the decision-making process in choosing products or services, such as halal products. Meanwhile, Bearden and Rose (1990) focused on consumer behavior, specifically examining how individual differences in attention to social comparison information influence consumer conformity. This indicates that entrepreneurs' intentions are determined by personal and normative influence. It demonstrates that consumers' personal beliefs about the importance of halal certification can significantly impact their decisions. Similarly, normative influences such as peer pressure, cultural expectations, and societal norms affect consumers' choices. This is particularly relevant in the context of halal products, where community expectations can play a strong role in shaping purchasing behavior.

The term personal reason refers to a specific decision in preferring a product that would appear to be quite useful for themselves. This means that consumers understand the concept of halal when consuming halal food, are consciously aware of their halal choices, and genuinely perceive through their senses that the food they purchase is truly halal. Personal reasons are important in affecting the halal business for small and medium entrepreneurs (SMEs) for several reasons. Firstly, personal beliefs and values often drive entrepreneurs' commitment to halal principles, influencing their dedication to maintaining halal standards. Secondly, personal interest in halal practices can inspire entrepreneurs to innovate and create unique products, enhancing their market offerings. In summary, personal motivations shape the ethical and operational foundations of halal businesses, impacting their success and sustainability in the market.

In contrast, normative influence refers to the fact that people sometimes change their behaviour, thoughts, or values to be liked and accepted by others. This result demonstrates MCM as a valuable research tool since one of the purposes behind the development of the model was to differentiate normative from personal influence. In the design of behavioural change strategies, identifying the separate effect of normative and personal influence is often required. The greater the entrepreneurs' knowledge of the halal concept, the more likely they are to consider involvement in the halal industry. Therefore, the level of halal awareness plays a significant role in influencing halalpreneurs' motivation, as the information provided through specific media drives their decisions to always prioritize halal considerations. In addition, specific organizations should actively promote the benefits of halal business, as the study indicates that normative influences are crucial for motivating entrepreneurs to fully focus on halal ventures.

In a nutshell, personal influences refer to individual beliefs, values, and preferences that guide decision-making, and they are shaped by experiences, knowledge, and intrinsic motivations. Meanwhile, normative influence is associated with social pressures and expectations from others, such as family, friends, or cultural groups. Thus, normative influences can drive individuals to conform to the behaviors and choices deemed acceptable or desirable by their social circles. To sum up, the findings suggest that both personal and normative influences interact to shape entrepreneurs' attitudes and behaviors. For example, a person's personal commitment to halal principles may be reinforced by social expectations from their community.

IMPLICATION OF THE STUDY

The government should play a vital role in supporting small and medium enterprises (SMEs), especially in light of findings that emphasize the importance of personal and normative influences. This can be achieved by implementing policies that promote halal standards and certifications, which would enable SMEs to align with

personal beliefs and societal expectations, thereby fostering trust and credibility among consumers. Additionally, providing targeted training programs that educate entrepreneurs about halal principles and the significance of personal values can deepen their commitment and enhance their knowledge.

Financial support, such as grants, loans, or subsidies for SMEs that prioritize halal practices, can help alleviate financial barriers and encourage adherence to these standards. Furthermore, creating opportunities for SMEs to showcase their halal products through trade fairs, exhibitions, and online marketplaces can significantly enhance their visibility and build consumer trust.

By taking these comprehensive actions, governments can cultivate an environment where SMEs thrive while harmonizing with both personal convictions and societal norms.

Limitation and Future Research Directions

There are several potential limitations in research on the motivational factors for halal entrepreneurs. For instance, studies may rely on limited sample sizes or lack diversity, which can affect the generalizability of the findings across different cultures, regions, or demographics. Additionally, personal beliefs and values are inherently subjective, making it challenging to consistently quantify and analyze their impact. Normative influences can also vary widely between communities, leading to inconsistencies in how these influences are perceived and acted upon by different entrepreneurs. Recognizing these limitations is crucial for future research aimed at building a more comprehensive understanding of the personal and normative influences on halal entrepreneurs. Therefore, there are some comprehensive recommendations for future research on the motivational factors influencing individuals to become halalpreneurs, including establishing a diverse sample that includes various demographics, such as age, gender, and geographic location, to capture a more comprehensive view of motivational factors across different communities. In addition, a better methodology should include qualitative methods, such as interviews and focus groups, to gain deeper insights into the personal beliefs, values, and experiences that drive individuals to become halalpreneurs.

The main limitation that should be addressed concerns the sample size. With a response rate of 41%, there is a possibility of non-response bias. Future research should address this issue by increasing the response rate and conducting a non-response analysis. Additionally, future studies should replicate the model using a larger sample size to enhance statistical power and to determine whether the non-significant results were due to sampling constraints in the present study. Thus, this preliminary analysis can be extended to further ensure generalizability and validity of the findings.

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