Do Islamic Values Impact Social Entrepreneurial Intention of University Students in Malaysia? An Empirical Investigation Into The Mediating Role of Empathy

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ABSTRACT

Social entrepreneurship is considered a powerful means that provides sustainable solutions to existing problems, especially in developing societies. Since intention significantly affects the individuals’ involvement in social entrepreneurship, it is extremely important to support the intention of the young generation to move toward social entrepreneurial activities. To achieve this goal, the determinants of social entrepreneurial intention (SEI) need to be recognized and well understood. Literature suggests that Islamic values influence decision-making processes and individuals' intention to become a social entrepreneur. However, little research has been undertaken to understand social entrepreneurship from an Islamic perspective and the mechanism through which values impact social entrepreneurial intention. Using the theory of planned behavior, this study aims to examine the interrelationship between Islamic values, empathy, and SEI. The researchers employed structural equation modeling-partial least square technique to analyze the data. Based on a sample of 202 Muslim students selected from public and private universities in Malaysia, we found that empathy mediates the relationship between Islamic values and SEI. More specifically, Islamic religious values only affect SEI indirectly through empathy. Additionally, empathy positively affects individuals’ intention to establish a social venture. Bringing religion into play sheds light on the antecedents of SEI.

JEL Classification: M130, M210
Keywords: Religious values; Empathy; Social Entrepreneurship; Intention
INTRODUCTION

Entrepreneurship is a general concept that embraces social entrepreneurship as a subcategory (Rahim and Mohtar, 2015). Several definitions have been proposed for social entrepreneurship, which are confusing in some cases. The meaning and boundaries of the field are still vague and underdeveloped (Mair and Martí, 2006; Martin and Osberg, 2007). Basically, social entrepreneurship refers to identifying a business opportunity to solve a social problem (Bergamini et al., 2017). Social entrepreneurs are key actors of the economic system because of their role in providing sustainable and systematic solutions to persistent social problems and enhancing the quality of life (Zahra et al., 2008) through economic and social value creation (Mair and Noboa, 2006).

Understanding human beings’ complex behaviors is a difficult task that can be approached from different perspectives (Ajzen, 1991). This complexity has caused difficulty in understanding and identifying factors that predict entrepreneurial intention (Escolar-Llamazaes et al., 2019). Nevertheless, it is agreed upon that intention is one of the best predictors of any kind of planned behavior (Mirjana et al., 2018), including entrepreneurship (Krueger et al., 2000). The intention, which refers to mental orientation and desire to perform, provides guidelines for a better understanding of the decision-making process (Llñán and Fayolle, 2015). This state of mind paves the road for action and directs persons’ attention toward entrepreneurial behavior (Bird, 1988). Likewise, SEI indicates whether or not a person is inclined to launch a social venture in the future (Bacq and Alt, 2018).

Several theories and models have been developed to explain the process of shaping intention. Bird (1988) proposed a model suggesting that intention is rooted in personal factors (personality characteristics, abilities, background, and experiences) and contextual factors (social, political, and economic). According to the well-established theory of planned behavior, the entrepreneurial intention is identified by three main components namely perceived attitudes (evaluation about desirability or undesirability of outcomes of behavior), perceived behavioral control (the perception of ease or difficulty to perform an activity), and subjective norm (perceived social pressure from important others for a particular behavior) (Ajzen, 1991). Later, in 2005, Ajzen explained that this theory is extendable and new variables can be involved. He suggested that the influence of background factors (such as personality traits, demographics, religion, knowledge, etc.) on intention needs to be empirically tested. Accordingly, the current study intends to extend the theory of planned behavior by investigating the role of empathy and religion in predicting SEI.

Several researchers have attempted to identify factors that influence the formation of SEI (Mair and Noboa, 2006; Ayob et al., 2013; Tran and Korflesch, 2016; Hockerts, 2017; Tiwari et al., 2017; Bacq and Alt, 2018). However, the field is still in its infancy, and there is a scarcity of evidence-based research on SEI determinants (Tran and Korflesch, 2016; Urban and Kujinga, 2017; Kruse et al., 2018). Literature highlights the significant influence of personal values on individuals’ decision making (Borquist and Bruin, 2019), intention to perform a certain behavior (Kruse et al., 2018), and people’s life in general (Pong, 2018). It is also frequently cited that social entrepreneurship is a value-based concept (Dion, 2014) and social entrepreneurs’ value system significantly affects their activities and commitment to placing priority on creating social impact and over wealth creation (Lubberink et al., 2019). Among others, religious values are dominant (Johnson et al., 2013; Dion, 2014; van Ments et al., 2018) and highly influential on humans’ behavior (Kruse et al., 2018). In a comprehensive study conducted by Roundy, Taylor, and Evans (2015), religious values were found to play a key role in exhibiting social entrepreneurial behavior. Zhao and Lounsbury (2016) believe that most of the social ventures are rooted in religious beliefs and values.

However, different religions do not follow similar patterns (Zelekha et al., 2014; Deller 2018). While some religions encourage entrepreneurial activities, some others may hamper it (Dana, 2009). Previous studies have extensively examined the impact of religion in the Western world, mostly Christianity. Scarce existing research on Islam, as the second leading religion in the world (Adi and Adawiyah, 2018), advocates that Muslims are encouraged and enabled to be involved in entrepreneurial (Vargas-hernández, 2010; Ramadani et al., 2015) and social entrepreneurial activities (Mulyaningisih and Ramadani, 2017). Muslims are trained to be engaged in business with the end goal of improving the quality of their lives in society (Ramadani et al., 2016), providing equity and justice (Elfakhani and Ahmed, 2013), and reducing poverty (Hoque et al., 2015).

While religious values are often conceptualized as a direct antecedent of social entrepreneurship, empirical findings are inconsistent (Altinay and Wang, 2011; Wiseman and Young, 2014; Riaz et al., 2016;
Henley, 2017). Therefore, it is crucial to identify alternative mediators of the relationship between religious values and SEI. Consequently, we suggest that the mechanism by which religion influences SEI is through empathy that refers to identifying and understanding the thoughts and feelings of others and responding to them in a caring and supportive way (Dvash and Shamay-tsoory, 2014). To be more precise, Islamic values develop empathic concerns by encouraging helping behaviors. Qur’an highlights; “Do good to others, surely Allah loves those who do good to others” (Al-Baqarah 2:195). Empathy, in turn, significantly affects engagement in social entrepreneurial activities (Kedmenec et al., 2015). A person with empathic characteristics is able to understand others' situations along with the desire to take action to help disadvantaged people (Hockerts, 2017) through social entrepreneurial activities.

Considering the fact that entrepreneurship from a religious perspective has not been extensively examined (Balog et al., 2013; Henley, 2017; Smith et al., 2019), and also knowing that the vast majority of empirical studies investigating religion-entrepreneurship link have focused on Western world countries and Christianity, this paper is one of the few empirical studies in Asian setting that investigates social entrepreneurship from the perspective of Islam.

**LITERATURE REVIEW**

**Islamic Values and Empathy**

Investigating the influence of religion on empathy is a complex topic that can be approached from different perspectives. Neuroscience provides evidence of the positive impact of religiosity on empathy, suggesting that humans think of God as a human being, not an abstract superhuman entity (Schjoedt et al., 2009). Therefore, thinking about supernatural minds activate the same parts of the brain that are active when people think about other human minds (Gervais, 2013). When a person prays, a powerful response is activated in the brain regions underlying mentalizing (Kapogiannis et al., 2009; Schjoedt et al., 2009), which is identical to empathy (Premack and Woodruff, 1978; Schaap-Jonker and Corveleyn, 2014). Additionally, the presence of other minds who focus attention on a mind has certain consequences. People tend to deliver the best version of themselves when they are the center of attention and others are monitoring them (Gervais, 2013). Religious people perceive God as an omnipresent and omnipotent entity (Ments et al., 2018), capable of monitoring human behavior and intention. The feeling of constantly being monitored by God improves the behavior and leads to the behaviors desired by their perceived God (Gervais, 2013).

Some scholars believe that assessing the link between religion and empathy is rooted in God-image or the concept of God. Envisioning God as benevolent and God of mercy leads to showing positive attitudes toward helping and increases the level of empathy (Francis and Croft, 2012; Johnson et al., 2013). On the opposite side, believing in an authoritarian God leads to dis-empathic behavior (Johnson et al., 2013). According to Ments et al. (2018), religious texts and personal prayers are two sources that shape God’s image.

Another approach to finding the right answer for the relationship between empathy and religion is through content analysis and probing religious sources. It is frequently mentioned that religion powerfully influences values in life (Johnson et al., 2013; Dion, 2014; Bennett and Einolf, 2017; Ments et al., 2018). Right and wrong, which are defined in every religion, provide guidelines, and shape values. Encouraging adherents to kindness, sharing, forgiving, benevolent, donation, and many other positive attributes promote prosocial values and helping behaviors (Bennett and Einolf, 2017). This statement has been empirically approved by studies of Łowicki and Zajenkowski (2017) and Demelle et al. (2005), who found a positive influence of religious beliefs on empathy.

Narrowing down to Islam and Islamic values, Allah (God) is the source of power, and Muslims’ everyday lives are guided by Allah’s rules (Ateeq-ur-Rehman and Shabbir, 2010), which is mentioned through the Holy Qur’an and Hadith. As the first evidence, the verse from Qur’an that stresses doing good is taken from Al-Baqarah (2:195):

“Do good to others, surely Allah loves those who do good to others”
Similarly, Qur'an emphasizes:

“Do not forget your share in this world. Do good, as Allah has been good to you, and do not corrupt in the land, Allah does not love those who corrupt”

(Al-Qasas 28:77)

In Surat al-Ma‘un, Allah sets principles for Muslims and invite them to 1) be kind with orphans, 2) help the Al-Miskin (the poor), 3) have the pure intention of doing good, not to be seen by others, and 4) to be kind and help others. This indicates that habbominannas (people development), “doing good for people and care about each other”, is one of the important pillars of Islamic values (Mulyaningsih and Ramadani, 2017). In addition to Qur’an, the hadith stating “Khairunnas anfa’uhum linnas” (the most valuable person is a person who has more benefit to others) (Mulyaningsih and Ramadani, 2017) proves that Islamic values inspire prosocial behavior and empathic concern. Accordingly, the following hypothesis is formed:

H1: Islamic values are positively associated with empathy

Empathy and Social Entrepreneurial Intention

Since 2006, following the first model of the SEI determinants proposed by Mair and Noboa (2006), the concept of empathy has been the center of scholars and practitioners' attention. Prior research highlights that empathy is a significant element affecting SEI and humans’ behavior (Mair and Noboa, 2006; Drayton, 2011; Dees, 2012; Omorede, 2014). Dees (2012) posited that teaching empathy to youth is necessary in order to foster social entrepreneurship in society. Likewise, Ashoka foundation considers empathy as one of the four main skills that every child must master it: the premise that “Every Child Must Master Empathy” has become a critical concept in the U.S. with the purpose of transforming the world (Drayton, 2011).

Empathy is a complex and multidimensional phenomenon that has many functions. It is viewed as an essential factor in all social interactions and relationships because it informs us about the inner world of other people (Zahn-Waxler et al., 1985). A person with an empathic characteristic is capable of understanding others’ thoughts and feelings (Zeyer and Dillon, 2019) and responding to them in a caring and supportive way (Dvash and Shamay-tsoory, 2014). This response can be manifested in several forms of altruistic and prosocial behaviors (Markstrom et al., 2010) such as benefiting other people (Ernst, 2012), helping and protecting (Holmgren et al., 1998), sharing (Hardy and Carlo, 2005), concerning for others (Chan-Serafin et al., 2013), kindness, and benevolence (Nicholls, 2006; Roundy and Evans, 2017).

From the neuroscience perspective, empathic understanding is a function of the human brain and certain regions in the brain are responsible for it. During the mentalizing process, a person is enabled to understand their own and others’ mental states independently (Premack and Woodruff, 1978; Dvash and Shamay-tsoory, 2014) in order to understand and predict complex human behavior (Frith and Frith, 2003). However, this ability can be considered on a spectrum, envisioning people with Autism disorder on one side and highly empathic people on the other side. According to experimental studies, because of poor mentalizing performance, individuals with Autism are unable to understand their own and others’ mental states, emotions, and behavior (Frith and Happe, 1999). Conversely, empathy in its strongest form implies at least three different processes: feeling what other individuals are feeling, knowing what they are feeling, and having the intention to respond empathetically to others’ pain (Decety and Jackson, 2004).

Kedmenec et al. (2015) provided strong empirical evidence that empathy significantly impacts engagement in social entrepreneurial activities. Recently, Ip et al. (2017) quantitatively studied a total of 252 students in the context of Hong Kong. They found that empathy is positively associated with SEI. However, the literature lacks adequate empirical research on the influence of empathy on social entrepreneurship (Petrovskaia and Mirakyan, 2018).

Consequently, we argue that people with empathic feelings and concerns probably develop the desire to help others who are suffering (Mair and Noboa, 2006). On the other hand, people who lack empathy, most probably do not have the desire to pursue social entrepreneurial activities. This is because empathy is a necessary personality trait and initial step for the social entrepreneurship process (André and Pache, 2016). Accordingly, the following hypothesis is developed:
H2: Empathy is positively associated with SEI

Islamic Values and Social Entrepreneurial Intention

The relationship between religion and entrepreneurship takes place at the societal and individual levels. In general, religion influences culture, meaning system and norms (Dodd and Seaman, 1998; Gursoy et al., 2017), and consequently the degree to which the society values entrepreneurial activities (Drakopoulou Dodd and Seaman, 1998). From the individual perspective, religion has a powerful influence on shaping people’s attitudes (Mokhlis, 2009), values, lifestyle (Gursoy et al., 2017), and behavior (Lynn et al., 2011; Gursoy et al., 2017), which in turn affects entrepreneurship development (Elfakihani and Ahmed, 2013). Therefore, there is a complex interaction between religion and entrepreneurship in which religion influences adherents’ entrepreneurial behavior (Carswell et al., 2007) by providing guidelines for followers in their lives (Dodd and Seaman, 1998).

However, the value of entrepreneurship varies among different religions. While some religions may encourage entrepreneurial activity, some others may hamper it (Dana, 2009; Zelekha et al., 2014; Hoogendoorn et al., 2016). Literature provides evidence indicating that Islam encourages and supports entrepreneurship (Gümüsay, 2015; Ramadani et al., 2015, 2016). Prophet Mohammad was a merchant, branded as Al-Amin because he was trustworthy and committed to principles of Islam in business. The importance of business is evident in this quote by Prophet Mohammad: “Search for your livelihood much below the soil - at every layer of the earth surface” (Hoque et al., 2015). In Islam, commercial activities and doing businesses have such a high value that is considered as Ibadah (worship of God).

Islamic entrepreneurship has a certain framework to guide adherents. Following principles of Islam will help Muslim entrepreneurs to create a balance between profit-making and helping the society, which results in gaining spiritual rewards (Ramadani et al., 2013). While Islamic values do not contradict wealth accumulation and there are good attitudes about being rich (Mulyaningsih and Ramadani, 2017), to avoid injustice in society, Muslims who obtain wealth above a certain level are obligated to pay Zakat on an annual base. Zakat is one of the basic Islamic pillars that leads to socio-economic justice, poverty alleviation (Hoque et al., 2015), and fair income distribution. Muslims are required to help Mustahiq (poor) through this instrument and they are thought to believe Allah is the absolute owner of their wealth. Human, according to Islam, is only a temporary owner and obtained treasure is “Amanah” (given) that must be managed faithfully and wisely (Mulyaningsih and Ramadani, 2017).

This approach to business, entrepreneurship, wealth accumulation, and income distribution creates a deep connection between Islamic values and social entrepreneurship. Primary focus on social value creation along with making a profit (Mair and Marti, 2006; Zur, 2015) and adding positive valuable contributions to the society (Chou, 2017) are the main features of social entrepreneurship. Similarly, in Islam business is a means that enhances the quality of life, reduces poverty, and provides welfare in society. Entrepreneurship from an Islamic perspective is rooted in justice and value creation for society (Elfakhani and Ahmed, 2013).

Muslim entrepreneurs are encouraged to be involved in entrepreneurial activities and earn profits; however, excess profit must be used in a way to contribute to society and help others through Zakat and other forms of donations (Hamid and Sa’ari, 2011) such as Infak, Sadaqah, and Wakaf (Suharso et al., 2018). Therefore, we argue that Islamic values develop the desire for involving in social entrepreneurial activities among followers. Nevertheless, merely knowing this fact does not provide rich information and it is still necessary to know “how” Islamic values exert impact on SEI.

While extant literature conceptualizes religious values as a direct antecedent of social entrepreneurship, empirical findings are inconsistent (Riaz et al., 2016; Henley, 2017). Thus, there is a need to identify alternative mediators of the relationship between Islamic values and SEI. A mediator is a variable that describes how an independent variable affects a dependent variable (Baron and Kenny, 1986). In this study, we proposed that Islamic values have an indirect effect on SEI through empathy. That is, Muslims tend to be sensitive to emotions and observed experience of others, and consequently, they tend to respond to marginalized peoples’ needs by integrating work and Islamic values. Accordingly, the following hypothesis is formed:

H3: Empathy mediates the relationship between Islamic values and SEI.
RESEARCH METHOD

Data collection and sampling
To collect the required data, a questionnaire was distributed among students in five public and private universities in the Klang Valley area, Malaysia. Klang Valley is a large area and the vast majority of universities are located there. Hence, it can be considered as a center of education that is a suitable representative for the characteristics of the overall population.

As a guideline, Cohen (1992) suggested obtaining an appropriate sample size by referring to the number of arrows pointing at a construct. Following this rule, the minimum required number of respondents for this study was found to be 158 as there were two arrows. However, to make room for missing and suspicious data, it is suggested to collect more data than the estimated sample size. Additionally, a larger sample size diminishes sampling error and helps the researcher to make sure that the sample is representing the population (Clark and Creswell, 2015). Overall, 300 questionnaires were distributed among students and 221 questionnaires were returned, which accounted for 73.66% of the response rate. In the initial step of data screening, 19 respondents were excluded from the data set due to suspicious response patterns, outlier, and missing values. Thus, after conducting data screening, data analysis was applied to 202 questionnaires.

Participants
The sample of university students was chosen for two main reasons. First, students are valuable human capital with the potential to be future business leaders (Nga and Shamuganathan, 2010). Second, students face career choice after graduation and they are considered would-be entrepreneurs who can start their own business in the future (Staniewski and Awruk, 2015). Additionally, the reason for conducting this study in the context of Malaysia is that social entrepreneurship has been mostly examined in the context of Western countries (Mulyaningsih and Ramadani, 2017) and it is rather a new phenomenon in Malaysia (Abdullah et al., 2015; Shahverdi et al., 2018). Moreover, although social entrepreneurship has received increasing attention from Malaysia’s government, the rate of social entrepreneurial activities is still very low comparing to other countries (Bosma et al., 2015). Therefore, it is necessary to deepen our understanding of the determinants of students’ intention to begin their own social venture. Encouraging students to get involved in social entrepreneurship can also contribute to solving social problems (Ip et al., 2017).

The demographic results revealed that out of 202 respondents, 42.1% were male (n=85) and 57.9% were female (n=117). The majority of the students (65.3%) were 18-24 years old, 16.8% of them were 25-34 years old, 11.9% were 35-44 years old, and 5.9% were 45 or above. In addition, approximately more than half of the respondents were in their final year of study (n=117, 57.9%) and 48.5% of the students had business education backgrounds (n=98), and most of the students were undergraduates (n=118, 58.4%). The participants’ details are presented in Table 1.

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>85</td>
<td>42.1</td>
</tr>
<tr>
<td>Female</td>
<td>117</td>
<td>57.9</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-24 years</td>
<td>132</td>
<td>65.3</td>
</tr>
<tr>
<td>25-34 years</td>
<td>34</td>
<td>16.8</td>
</tr>
<tr>
<td>35-44 years</td>
<td>24</td>
<td>11.9</td>
</tr>
<tr>
<td>45 or above</td>
<td>12</td>
<td>5.9</td>
</tr>
<tr>
<td>Year of study</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st year</td>
<td>36</td>
<td>17.8</td>
</tr>
<tr>
<td>2nd year</td>
<td>32</td>
<td>15.8</td>
</tr>
<tr>
<td>3rd year</td>
<td>17</td>
<td>8.4</td>
</tr>
<tr>
<td>4th year or above</td>
<td>117</td>
<td>57.9</td>
</tr>
<tr>
<td>Education level</td>
<td></td>
<td></td>
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<tr>
<td>Undergraduate</td>
<td>118</td>
<td>58.4</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>84</td>
<td>41.6</td>
</tr>
<tr>
<td>Field of study</td>
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</tr>
<tr>
<td>Business</td>
<td>98</td>
<td>48.5</td>
</tr>
<tr>
<td>Non-Business</td>
<td>104</td>
<td>51.5</td>
</tr>
</tbody>
</table>
Measures

For the purpose of the current study, all the measurement scales were extracted from literature to measure the study variables, including religious values, empathy, and SEI. Religious values were measured using a 13-item questionnaire adapted from Huber and Huber (2012). An example of the items is “I always take part in religious volunteer activities”. The reason to choose this scale over others is to avoid long questionnaires. For instance, Krauss et al. (2007) developed a scale with 99 items in order to measure religious values. This scale is too long for the purpose of this study and a shorter version need to be used. Likewise, Joseph and DiDuca (2007) designed the 20-item Dimensions of Religiosity Scale (DR Scale) which focuses on Christian, which is not in line with the objective of this study.

The items measuring empathy were taken from Hockerts (2015), with six items and three dimensions, including cognitive empathy, affective empathy, and empathic concern. An example of the items in this section is “When thinking about socially-disadvantaged (deprived) people, I try to put myself in their shoes”. Although there are other scales to measure empathy, Hockerts’ (2015) scale is designed specifically for the context of social entrepreneurship.

Hockerts (2017) proposed three items to measure SEI, while Urban and Kujinga (2017) measured this construct with nine items. Hockerts’ (2017) scale is too short, which may not be capable of measuring the target construct from different perspectives. Accordingly, Urban and Kujinga’s (2017) scale was used because it is operationalized as an inclination to create a social venture with a social goal instead of profit-making. An example of the items for this variable is “I have strong intention to start a social venture in the future”. All the scales are organized based on a 5-point Likert-type response format, ranging from 1= “strongly disagree” to 5= “strongly agree.” The hypothetical research model and indicators are presented in Figure 1.

Figure 1 The hypothetical research model

RESULTS

Model Evaluation

Before evaluating the model, it is necessary to check the common method variance (CMV), which may happen in the self-reported questionnaire. One of the common methods to evaluate CMV is Harman’s single-factor test. If one factor explains more than 50% of the variance, it can be concluded that CMV exists (Podsakoff et al., 2003). In this study, the results of Harman’s single-factor test indicated that none of the constructs explained more than 50% of the total variance, which indicated that CMV does not seriously affect the results of this study.
For testing developed hypotheses, Structural Equation Modelling (SEM) was used. Additionally, Partial Least Squares (PLS) was considered the best approach, as the main concern of this study is to extend an existing theory and predict a key target variable (Gefen et al., 2000; Hair et al., 2011). The software SmartPLS (version 3.2.8) was used for data analysis. In this regard, a two-stage procedure was followed: the assessment of the measurement model and then the evaluation of the structural model (Anderson and Gerbing, 1988).

The PLS-SEM technique

Measurement Model

To assess the quality of the measurement model, the reliability and validity were evaluated. Findings showed that factor loadings for all items pertaining to empathy and SEI were acceptable. In other words, all the items have loading higher than 0.6 and were considered to remain in the model. However, for the Islamic values, seven items were omitted due to their low loadings to the construct. The decision for omitting indicators with low loadings was made based on Hair's et al., (2017) suggestion indicating that loadings below 0.40 must be eliminated from the indicators. Additionally, the outer loadings range from 0.40 to 0.70 can be removed if the removal leads to higher scores for average construct extracted (AVE) and composite reliability (CR). The results further indicated that Cronbach’s alpha and CR for all constructs exceeded the acceptable value of 0.80, which is satisfactory according to Henseler et al. (2009). Therefore, the indicator and construct reliability were established.

To test the validity of the questionnaire, convergent validity was measured by AVE, and the results revealed that AVE for all the constructs exceeded the threshold value of 0.50. That means each construct explains at least half of the variance of the items. Therefore, the convergent validity was established. For assessing discriminant validity, the Fornell–Larcker criterion was used that compares the square root of the AVE values with the latent variable correlations. As demonstrated in Table 2, the square root of the AVE of each construct was greater than its highest correlation with any other construct (Hair et al., 2017). Thus, there was no issue of discriminant validity in the measurement model.

<table>
<thead>
<tr>
<th>Construct</th>
<th>AVE</th>
<th>Islamic values</th>
<th>SEI</th>
</tr>
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<tbody>
<tr>
<td>Empathy</td>
<td>0.721</td>
<td>0.218</td>
<td>0.266</td>
</tr>
<tr>
<td>Islamic values</td>
<td>0.732</td>
<td>0.106</td>
<td>0.828</td>
</tr>
</tbody>
</table>

Note: Diagonal elements (in bold) represent the square root of AVEs whereas other values represent the correlations between constructs; SEI=Social Entrepreneurial Intention.

Structural Model and Hypotheses Testing

After evaluating the reliability and validity of the constructs, the next stage of analysis is focused on describing the structural model and theoretical relationships among constructs. First, in order to measure the statistical significance of the path coefficients and corresponding t-values, the bootstrapping procedure was applied using 2,000 randomly-generated sub-samples. As depicted in Table 3, the bootstrapping analysis showed that the effect of Islamic values on empathy was significant (t = 2.424, p < 0.015). Therefore, (H1) was supported. Additionally, the effect of empathy on SEI was significant (t = 4.299, p = 0.000). Thus, the proposed hypothesis (H2) was supported, too. Moreover, the predictive relevance (Q2) of the model was assessed through blindfolding. According to Hair et al. (2014), if the obtained value is greater than zero, the IV is considered to have predictive relevance. Accordingly, the structural model was found to have predictive relevance.

To examine the mediating effect of empathy, we implemented the bootstrapping procedure. The results (see Table 4) showed that the indirect path of Islamic values, empathy, and SEI were significant (t = 2.012, p < 0.044). These results confirmed the mediating effect of empathy between Islamic values and SEI, which provides support for (H3).
DISCUSSION

The central focus of this study was to examine the mechanism through which Islamic values affect the university student’s intention for participation in social entrepreneurial activities. To that end, the mediating role of empathy in the relationship between Islamic values and SEI was tested. The findings are briefly discussed below.

Findings confirmed that Islamic values have a positive impact on empathy. In other words, Islamic religious values develop empathic concerns among adherents and help Muslims to have a better understanding of other people's thoughts and feelings and respond to them in a supportive way. This result is in line with the findings of Łowicki and Zajenkowski (2017) who stated religious beliefs are positively associated with empathy. In a comprehensive examination of this concept, Dernelle et al. (2005) found out that not only religious people scored themselves as individuals with empathy, but also their close friends, family, or colleagues confirmed the presence of such trait in them.

Findings also suggested that empathy is the strongest predictor of SEI, demonstrating that the stronger empathic concerns, the higher intention for involvement in social entrepreneurial activities. Individuals with a high level of empathy are able to know, experience, and respond to underprivileged peoples’ needs and feelings, which develops a desire to help them through launching a social venture. In contrast, people with less empathy are not able to imagine how people are suffering; in consequence, they cannot share the same feeling with them. These results are in agreement with the findings of Aure (2018) who stated empathy positively influences SEI. These results are also consistent with the study of Bargsted et al. (2013) reporting that social entrepreneurs tend to be positive, helpful, and capable of feeling empathy.

Lastly, the results of this study revealed that Islamic values have an indirect effect on SEI through empathy. It means that Muslims tend to show sensitivity to emotions and observed experience of others, and consequently, they have a tendency to respond to marginalized peoples’ needs by integrating work and Islamic values. In this regard, Roundy et al. (2015) interviewed 50 social entrepreneurs to find their motivation to become a social entrepreneur. They were commonly inspired to integrate their religious beliefs and work. Overall, it can be concluded that Islamic values strengthen empathy by promoting helping and caring culture. Accordingly, empathy, which is a fundamental characteristic of social entrepreneurs, leads to the desire and inclination to establish and run a social venture with the end goal of uplifting the quality of life in society.

CONCLUSION

The findings of this study revealed that empathy is a predictor of SEI. Furthermore, Islamic values positively affect empathy, which indicates the existence of an indirect link between religion and SEI. This paper is one of the first empirical studies that support the mediating role of empathy between Islamic values and SEI. The results contribute to the theory and practice in several ways. First, social entrepreneurship is an emerging field of study facing a lack of clear theoretical boundaries to guide scholars (Austin et al., 2006). Therefore, this research helps to expand theory by investigating personal traits and values that impact the individuals’ intention of establishing and running a social venture. Second, the decision to choose social entrepreneurship as a career is not for entertainment; rather, it must be perceived as one of the most critical decisions in life. Thus, it is highly important to deepen our understanding of SEI and factors that positively affect it. Finally, knowing factors affecting SEI sends a signal to policymakers, governments, higher education institutions,
universities, and schools, which are looking for a solution to the problem of the poor intention of the young generation to be a social entrepreneur. They need to focus on personal values and attributes that can motivate students to choose social entrepreneurship as a career in the future.

This paper has some limitations that may provide directions for future research. The primary limitation of this research is the lack of awareness among students about the concept of social entrepreneurship, which causes difficulty in data collection. To cover this issue, we suggest that future researchers employ mixed-method, instead of adopting either a quantitative or a qualitative one. Additionally, the current study was conducted in the context of Malaysia; therefore, the results cannot be generalized to other contexts. As social entrepreneurial activities are embedded in context and society, conducting the same research in another country may lead to different results. Lastly, the current research is limited by the scope of the study. Further research should examine other personal characteristics (e.g., self-regulation and proactive personality) and contextual and demographic factors that influence SEI. Further research is also needed to find factors that hinder the transformation of intention to behavior.

REFERENCES


Do Islamic Values Impact Social Entrepreneurial Intention of University Students in Malaysia?


