

MOSQUE ECONOMIC ACTIVITIES AND ENTREPRENEURIAL ORIENTATION: A PRELIMINARY STUDY

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Abstract: *This study examines the economic activities and the existence of entrepreneurial orientation among mosque's management committee. A survey method was employed to gather response from mosques' top management committee member at the State of Selangor. The outcomes of path model analysis revealed that economic activities exist among mosques in Selangor. Second, there are evidence on the existence of entrepreneurial orientation among respective respondents. The results confirm that entrepreneurial orientation is an important factor underpinning the involvement of mosques management committee in economic activities amongst the respective mosques understudy. The empirical evidence provides important insights that could guide researchers, mosque's management committee and state religious departments in understanding and promoting mosques economic activities.*

Keywords: *Mosque, Economic Activities, Entrepreneurial Orientation*

Introduction

Social and non-profit profit organizations are gaining high attention as the important sector for social and community development. Communities issues regarding social welfare, community development and economic well-being for the betterment of societies are main concern of these organization. However, survival issues of the social organization are very much important in this days since the financial resources and other resources are limited due to current economic development and ability of societies in contributing huge amount of funds for them.

Among the Muslim's community, mosque is the central place of worshipping for Allah SWT and social institution. The operations and activities of mosques are normally funded by the state government grant and public donation, *waqf* and other public funds. However, based on current economic development and constraints, mosques' management committee are encouraged to creatively involve in entrepreneurship and economic activities as a new fund-raising method. It is not to deny the availability of public funding, but mosques economic activities will foster additional capabilities of the mosque in pursuing various socio-religious activities within their respective area (*qariah*). Thus, enhance professionalism amongst mosque management committee in pursuing their responsibilities.

Previous studies about mosques' management and financial practices was focusing on the area of the accountability and efficiency of mosque's financial management (Fidlizan et al., 2014), governance and best managerial practices among mosques management committee (Mahazan & Abdullah, 2012) and the potentials of income generating models among mosques (Mohd Yahya et al., 2014). However, there are few researchers are looking at understanding the mosque participation in economic activities and their entrepreneurial orientation. Therefore, this study is motivated to explore the involvement of mosques in economic activities and the existence of entrepreneurial orientation among these social institutions.

Literature Review

Mosque is the main institution among Muslim. The core functions of mosques institutions are related as the place of congregation, centre for Islamic teaching, administrative centre, social and community centre and economic centre (Joni Tamkin et al., 2011; Asharaf et al., 2012). There are more than 6,000 mosques established in Malaysia. The management and governance of the institutions are placed under the purview of The State Islamic Religious Council (SIRC) at all states. The State Islamic Religious Department is the execution body for the policies and operation procedures while at the mosque level, Mosque Management Committee (MMC) is being appointed by the Sultan and SIRC to manage the operation, financial matters and to pursuit mosque's activities. The committee are headed by appointed Chairman and other committee members.

Mosque's Economic Activities

Traditionally, mosque received their funding from donation, alms, *waqf* and yearly grant from state government. However, due to the increased number of mosques and reduction of public funding, these institutions are highly encouraging to generate their own funds in entrepreneurial ways. The Second National Seminar on Mosque Management (2006) for example, highlighted the important of all mosques in Malaysia to be managed and developed professionally in term of organization's management and financial management. Other than that, mosque management committee are encourage to be proactive and professional in managing their respective institution (Omar, 2008).

As such, the involvement of mosques in economic activities is realized through the introduction of mosque's cooperative, as well as allocation of mosque's properties and fixed assets to be rent by outsiders and others (Joni Tamkin et al., 2011; Fidlizan et al., 2014; Mohd Yahya et al., 2014). Omar (2008) encouraged mosque management team to improve their conducts and related activities to promote mosques as the economic centre, knowledge revealed centre and community centre. While Ahmad Raflis et al, (2017) posited that selected mosques in Selangor

are involved in social business activities as the strategy to gain extra income as compared to the traditional sources.

Entrepreneurial Orientation

The inclusion of mosques in economic or entrepreneurship activities is considered as the applied strategies to achieve the sustainability mission. Organizational strategy is the principles that influence the behaviours of the organization by the ways on how their management team pursue the operations that intended to gain best performance. Organizational strategy substantially influences investments activities, innovation and market focuses with the aims to gain better economic performance (Al-Ansaari, Bederr and Chen, 2015). The excellent set of strategy will provide an excellent framework for the top management to mobilise their assets, capital and human resources to offers value added services or products to their customers.

Entrepreneurial orientation is the organization strategy that related to the Contingency Theory on how firms or organization's coordinating their resources, technologies and capabilities to achieve better performance. Entrepreneurial orientation is defined as the process, practices and decision making activities towards new entry to the market, risk-taking, pro-active actions and market orientation among new or existing organizations (Lumpkin and Dess, 1996). While, Miller (1983) measured the entrepreneurship orientation by looking at the engagement of the organization in product or services innovation, risk taking, and pro-activeness in their action/ activities and operations. In general, entrepreneurial oriented organization will achieve better performance in both financial and non-financial measures.

Methodology

In this study, the administered questionnaires were distributed to the key personnel of mosque administrative committee five districts in Selangor - Petaling, Gombak, Klang, Sepang, and Hulu Langat. At first, permission for data collection is obtained from the Mosques Management Division, Selangor State Islamic Religious Department. The list of mosque top management committee is also provided by the department. Permission letter are attached to the questionnaires. The purposive sampling method was used as the targeted mosques are perceived on pursuing certain type of economic project based on prior phone call made to the respective mosque managing officer.

The questionnaire comprises of three sections. The first section is on demographic of the mosque and the second section is used to gain information about the economic activities performed by the mosque. The final section requires the respondents to evaluate certain entrepreneurial orientation factors. The economic activities are divided into five key elements which include the economic activities initiatives performed, project management skills, economic projects management, pro-activeness in dealing with economics project and risk-taking propensity. The entrepreneurial orientation is measured by applying eight constructs proposed by Miller (1983) with some modification to suit with the mosque's organization environment. The five-point Likert scale are applied to all questions in section B and C.

The data analysis was done by using the SmartPLS software. The aims are to analyse the relationship between variables with linear equations representing the cause and effects between variables. The descriptive analysis covers frequency, mean and outer loadings. Cronbach Alpha

test, composite reliability and the average variance extracted was used to validate the data. The mosque economic activities are gained based on score and ranking made by the respondents.

Findings

The study received feedback from 81 mosques in all five districts understudy. Table 1 revealed the demographic information about the samples. Majority of the mosques are the Kariah Mosque (82.7%) and mostly established between the year of 1981 to 2000 (48.1%). The majority of the mosques have the congregational capacity of less than 1,000 people at one time (51 mosques). While, the majority of the mosque's management committee comprises of between 21-30 members (53.1%). This finding revealed that mosque's management committee comprises various number of manpower with different capabilities and skills.

Table 1: Demographic of Mosques

		Frequency	Percentage
Category	Royal Mosque	1	1.2
	Institutional Mosque	8	9.9
	Jamek Mosque	5	6.2
	Kariah Mosque	67	82.7
Location	District of Petaling	30	37.0
	District of Gombak	17	21.0
	District of Hulu Langat	15	18.5
	District of Klang	11	13.6
	District of Sepang	8	9.8
Year of Establishment	1930 – 1980	20	24.7
	1981 – 2000	39	48.1
	2001 - 2016	22	27.2
Capacity for Congregation	Less than 500	31	38.3
	501 – 1,000	20	24.7
	1,001 – 2,000	9	11.1
	2,001 – 3,000	9	11.1
	Above 3,001	12	14.8
Numbers of Committee Member	Less than 20	32	39.3
	21-30	43	53.1
	More than 30	6	7.4

Table 2 show the economic activities pursued by the mosque's committee. Most of the mosques have some investment account at local financial institutions (42/81) and pursuing related rental activities on their assets such as multi-purpose hall (36/81), hearse van (35/81), shop lots or bazaar (31/81) and space for telco tower (27/81). It is show that the major economic activities were the rental activities.

Table 2: Top 10 Economic Activities Performed by the Mosques

Rank	Activities	Frequency
1	Investment account at financial institutions	42/81
2	Rental of multi-purpose hall	36/81
3	Rental of hearse van	35/81
4	Rental of shop lots or bazaar lots	31/81
5	Rental space for vending machine	29/81
6	Rental space for telecommunication tower	27/81
7	Rental of homestay / roomstay	23/81
8	Conducting short courses	18/81
9	Rental of Ramadhan bazaar lots	17/81
10	Rental of equipment for ceremony	17/81

Table 3 revealed the results of the reliability test analysis. For the CA test, the value obtained were between 0.897 and 0.760 indicate that all entrepreneurial orientation factor items were strongly correlated to one another (Hair et al., 2007). CR and AVE test shown the reliability of internal consistency. All factors indicate values of more than 0.50 and considered good.

Table 3: Results of Cronbach's Alpha, Composite Reliability and Average Variance Extracted

Factor	Cronbach's Alpha (CA)	Composite Reliability (CR)	Average Variance Extracted (AVE)
Entrepreneurial orientation	0.841	0.877	0.510
Risk taking	0.850	0.898	0.688
Pro-activeness	0.841	0.904	0.758
Economic project management	0.897	0.923	0.707
Economic activities performed	0.879	0.916	0.733
Project management skills	0.760	0.809	0.515

Further analysis was done to measure the structural model. Table 4 shown the results of the convergent and discriminant validity analysis. It shown that all variance inflation factor (VIF) values are less than 10. Indicating that multi collinearity that suggested there are no indication of collinearity (redundancy) between the variables (Hair et al., 2007).

Table 4: Results of Convergent and Discriminant Validity Analysis

Factor	EO	RT	PA	EPM	EAP	PMS
EO	0.670					
RT	0.347	0.829				
PA	0.654	0.367	0.841			
EPM	0.584	0.343	0.570	0.871		
EAP	0.614	0.294	0.758	0.681	0.856	
PMS	0.646	0.127	0.502	0.437	0.534	0.718

Note: EO = Entrepreneurial orientation; RT = Risk taking; PA = Pro-activeness; EPM = Economic project management; EAP = Economic activities performed; PMS = Project management skills

Conclusion

The study revealed that mosques in Selangor are engaged to the economic activities especially related to the rental activities of their assets and investment accounts at the local banks. Engagement economic and entrepreneurship activities are valuable for the mosques institution to move forward in gaining some economic income and impact. There is existence of entrepreneurial orientation among mosques committee board in pursuing their economic activities as per stated in Table 4. With these economic activities, mosques are able to gain additional financial income and at the same time provides some business lots, space and

opportunities for the local *qariah* members to execute their small business activities and performing other social need.

However, mosques management committee are still limited to the risk-taking propensity. That is due to their accountability to the funds generated from the traditional sources such as public donation, *waqf* and yearly government grant. It is understood that the committee must submit yearly financial report to the State Religious Department for monitoring purposes. In order for them to pursue various economic activities, there are still lacking in term of economic project management and numbers of economic activities performed. That was related to the prudent mechanism implied to the selected activities that may performed by the committee and the restriction set on the usage of mosque's funds and assets by the authority. As such, the risk-taking behaviour and professional ability in managing business venture are important in managing business or economic activities in every organization.

It is suggested that mosques management committee should be empowered by the authorities to performed such economic and social business activities with clear guidelines and execution policy. Investment committee should also be established within mosque committee for them to monitor and evaluate all economic project of the mosque. Professional members should be appointed to lead the team. Further studies are needed to measures the economic activities and entrepreneurial orientation among mosques in other states in Malaysia since the mosques scope of activities are related to each states religious authority.

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