



Socialization of Economic and Islamic Financial Sustainability for Student Entrepreneurs in Kota Kinabalu, Sabah, Malaysia

Muhammad Haris Riyaldi¹, Hendra Halim^{2*}, Ridwan Nurdin³, Dg Safrina Ag Budin⁴, Ahmad Nizam⁵, Mohd Rahimie bin Abd Karim⁶, Suddin Lada⁷, Amri⁸
^{1,2,3,5,8}Fakultas Ekonomi dan Bisnis, Universitas Syiah Kuala
^{4,6,7}Fakultas Bisnis, Ekonomi dan Akuntansi, Universiti Malaysia Sabah

Corresponding Author: Hendra Halim hendra.halim@usk.ac.id

ARTICLE INFO

Keywords: Economic, Islamic Finance, Entrepreneurship, Student

Received : 23, May

Revised : 25, June

Accepted: 27, July

©2024 Riyaldi, Halim, Nurdin, Budin, Nizam, Karim, Lada, Amri: This is an open-access article distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

The "Socialization of Economic and Islamic Financial Sustainability for Student Entrepreneurs" was a collaborative event between Universitas Syiah Kuala (USK) and Universiti Malaysia Sabah (UMS) on June 25, 2024. It aimed to enhance student entrepreneurs' understanding of Islamic finance and Sharia law. Using the service-learning method, Dr. Dg. Safrina Ag. Budin presented on "Diversification of Islamic Banking Products in Malaysia," and Dr. Ridwan Nurdin discussed "The Uniqueness of Sharia in Aceh." Results showed significant improvement in participants' knowledge and engagement. This activity effectively contributed to promoting sustainable economic and financial practices among student entrepreneurs, aligning with the Sustainable Development Goals.

INTRODUCTION

In today's era of globalization and rapid technological development, sustainability in Islamic economics and finance is becoming increasingly important, especially in achieving sustainable development goals (SDGs) (Maisyarah & Hadi, 2024). One of the main problems faced by young entrepreneurs, particularly university students, is the lack of understanding and application of sustainability principles in their businesses (Ivasciuc & Ispas, 2023; Mulyany et al., 2023; Purwati et al., 2023; Rae, 2010). This is relevant to several SDGs goals, such as goal number 8 (Decent Work and Economic Growth), goal number 9 (Industry, Innovation and Infrastructure), and goal number 12 (Responsible Consumption and Production).

Various theoretical studies and research results show that sustainability in Islamic economics and finance not only helps in achieving long-term business goals but also contributes to social and environmental welfare (Ahmed et al., 2015; Franzoni & Ait Allali, 2018; Hoque et al., 2018; Khan, 2019). Previous research shows that the application of sharia principles in business can improve efficiency, ethics and consumer confidence (Abbas et al., 2020; Ashraf et al., 2015; Asiyah et al., 2014; Halim, Mashud, et al., 2024; Sriani et al., 2022). Several previous community service reports and articles also confirm the importance of education and socialization regarding Islamic finance to improve the sustainability of small and medium enterprises (Alim et al., 2024; Halim, Novindra, et al., 2024; Halim, Permata, et al., 2024; Halim, Ramadhani, et al., 2024; Riyaldi et al., 2024; Wahyudi et al., 2024; Yusrizal et al., 2024).

However, despite the clear benefits, many student entrepreneurs have yet to implement these sustainability principles in their businesses. This indicates a gap between theoretical knowledge and practice in the field that requires an immediate solution. This gap is mainly due to the lack of access to adequate information and education regarding sustainable Islamic finance and economics. This service activity offers an innovative approach through hands-on and interactive socialization involving experts from both institutions, namely Undergraduate Program in Islamic Economics, Faculty of Economics and Business, Universitas Syiah Kuala & Faculty of Economics, Business and Accounting, Universiti Malaysia Sabah. This approach is expected to provide student entrepreneurs with a deeper and more practical understanding of the importance of economic sustainability and Islamic finance.

The purpose of this service activity is to improve the understanding and skills of student entrepreneurs in applying the principles of sustainability in their business, in accordance with the concepts of Islamic economics and finance. The writing of this article aims to document the process and results of this service activity, as well as to disseminate the knowledge and experience gained to the academic community and practitioners. This article is expected to contribute to the development of science and technology in the field of Islamic economics and finance and help achieve the goals of the SDGs, particularly in improving business sustainability and inclusive and sustainable economic growth.

IMPLEMENTATION AND METHODS

The target community in this service activity are student entrepreneurs from Universiti Malaysia Sabah (UMS) and Universitas Syiah Kuala (USK). The participants of this activity amounted to 20 students who already have their own businesses. The background of this community is students who are interested and involved in entrepreneurial activities, but still need a better understanding and application of economic sustainability and Islamic finance in their business. In this activity, they will play an active role as participants who receive socialization and training, as well as engage in discussions and practical activities.

This service activity involves several parties with relevant backgrounds and expertise. The main speakers are:

1. Dr. Dg. Safrina Ag. Budin: Faculty of Economics, Business, and Accounting UMS lecturer with expertise in Islamic economics and sustainability.
2. Dr. Ridwan Nurdin: Lecturer at the Faculty of Economics and Business, Syiah Kuala University with expertise in entrepreneurship and Islamic finance.

In addition, committees from both universities were involved in the planning and implementation of this activity, including lecturers and administrative staff who supported the logistics and coordination of the event. This service activity was carried out using the service learning (SL) method (Agus Afandi et al., 2022), which includes the following stages:

1. Preparation: Determination of topics, preparation of socialization materials, and coordination with resource persons and related parties.
2. Socialization: Provision of material by resource persons on the concept of economic sustainability and Islamic finance, as well as best practices that can be applied in business.
3. Discussion and Q&A: An interactive session where participants can ask questions and discuss directly with the resource persons to deepen their understanding.
4. Practical Activities: Simulation and direct application of learned principles in their respective business contexts.
5. Evaluation and Reflection: Assessment of participants' understanding and application and reflection on the benefits of the activity.

In this activity, the knowledge introduced includes sustainability concepts in Islamic economics and finance, implementation strategies in business, as well as supporting technology such as financial and management applications that comply with sharia principles. The instruments used in this activity include teaching materials such as socialization modules, presentations, and case studies. In addition, the tools to measure the success of the activity include pre-test and post-test questionnaires to measure the improvement of participants' understanding.

Data was collected through direct observation during the activities, questionnaires distributed to participants before and after the activities, and in-depth interviews with selected participants to obtain more detailed feedback. The success of the activity was measured based on several indicators, including:

1. Increase in participants' comprehension scores from pre-test and post-test results.
2. Active participation of participants in discussions and practical activities.
3. Positive feedback from participants on the usefulness and relevance of the activities.

The collected data were analyzed descriptively quantitatively and qualitatively. Quantitative analysis was used to measure the improvement of participants' understanding through comparison of pre-test and post-test results, while qualitative analysis was used to evaluate participants' participation and feedback through interview transcripts and observations.

RESULTS AND DISCUSSION

This service process began with the preparation and planning stages carried out by the committee team from the Undergraduate Program in Islamic Economics, Faculty of Economics and Business, Universitas Syiah Kuala & Faculty of Economics, Business and Accounting, Universiti Malaysia Sabah. Several meetings were held to formulate the event plan in detail. The socialization materials were carefully prepared, covering key topics relevant to the sustainability of Islamic economics and finance. Key resource persons were selected based on their expertise in this field to ensure quality delivery.

The implementation phase of the socialization activities began on Tuesday, 25 June 2024, from 09.00 to 12.00 Malaysian time. The event began with remarks from representatives of the two faculties involved, who introduced the purpose and importance of this activity. After that, Dr. Dg. Safrina Ag. Budin from the UMS Faculty of Economics, Business, and Accounting gave an in-depth presentation on "Diversification of Islamic Banking Products in Malaysia." The presentation highlighted the various innovative products and services emerging in Malaysia's Islamic banking sector, as well as diversification strategies that can enhance the competitiveness and sustainability of the sector.

Next, Dr. Ridwan Nurdin from FEB USK presented the material on "Sharia Privileges in Aceh with the Aceh Sharia Council." This presentation discussed the unique implementation of sharia in Aceh supported by the Aceh Sharia Council, including various policies and regulations that support the implementation of sharia economy in the area (Figure 1). Both speakers delivered their material clearly and comprehensively, providing participants with new insights on how to apply sharia principles in their business context.



Figure 1. Presentation of Material by Speaker

After the presentation session, an interactive discussion and Q&A session was held. Participants actively asked about the practical application of the concepts presented in their respective business contexts. The discussion provided an opportunity for participants to get direct answers from the speakers and further explore the topics discussed. Some of the key points that emerged in the discussion were the application of Islamic banking product diversification in Malaysia and its adoption in the local context in Aceh, as well as the important role of the Aceh Sharia Council in ensuring sharia compliance in the economic and financial sectors.

The whole activity ended with evaluation and reflection. Participants were given pre-test and post-test questionnaires to measure their improved understanding. In addition, in-depth interviews were conducted with some participants to get more detailed feedback on the benefits of this activity. The evaluation results showed a significant increase in participants' understanding of the topics covered, as well as active participation in discussions and practical activities.

Table 1. Participants' Knowledge Improvement

Indicator	Before Socialization	After Socialization
Knowledge of the diversification of Islamic banking products (score 1-5)	2.5	4.2
Knowledge of the role of the Aceh Sharia Council (score 1-5)	3.0	4.5
Active participation in discussion (number of questions)	5	15

The results of this activity showed a significant increase in participants' understanding of the diversification of Islamic banking products and the specialty of sharia implementation in Aceh. This is in line with the theory that education and socialization on product innovation can increase the understanding and adoption of new technologies in Islamic banking practices (Bley & Kuehn, 2004; Ismal, 2013). In addition, this activity also confirms the findings of several previous studies which show that strong regulatory support is crucial for the successful implementation of sharia in certain regions (Grassa, 2015; Hasan & Sabirzyanov, 2015).

One of the impressive achievements of this activity was the increased active participation of participants in the discussion. From only five questions before the socialization, the number increased to fifteen questions after the socialization. This shows that participants not only understand the material presented, but are also interested in digging deeper and applying the knowledge in their business context. This success can be a best practice for other community service activities, especially those that aim to improve participants' understanding and practical skills.



Figure 2. Photo with Speakers and Participants

Despite the success of this activity, there were some obstacles encountered. One of them was the difference in the participants' initial level of understanding of the concept of Islamic banking and the implementation of sharia in Aceh. Some participants had different backgrounds, so it took more time to equalize perceptions (Figure 2). In addition, time constraints were also a challenge, considering that the topics discussed were quite complex and required in-depth explanations. However, with good time management and effective delivery strategies, these obstacles were overcome.

This community service activity successfully achieved its goal of increasing the understanding and skills of student entrepreneurs in applying the principles of economic sustainability and Islamic finance. Active participation and positive feedback from participants indicate that the service learning method applied is effective in achieving community service goals. These results also contribute to the achievement of the Sustainable Development Goals (SDGs) specifically in improving quality education and supporting inclusive and sustainable economic growth.

CONCLUSIONS AND RECOMMENDATIONS

This socialization activity on sharia economic and financial sustainability for student entrepreneurs succeeded in achieving its objective, which was to increase participants' understanding and skills in applying sharia principles in their business context. From the evaluation results, there was a significant increase in participants' understanding of the diversification of Islamic banking products and the specialty of sharia implementation in Aceh. Participants' understanding of the diversification of Islamic banking products increased from an average score of 2.5 to 4.2, and understanding of the role of the Aceh Sharia Council increased from a score of 3.0 to 4.5. In addition, participants' active participation in the discussions also increased significantly, indicating that they were interested and engaged in the topics discussed.

Recommendations from the results of this service include:

1. **Increased Inter-University Collaboration:** Given the success of the collaboration between Syiah Kuala University and Universiti Malaysia Sabah, it is recommended to continue and expand this collaboration. The exchange of knowledge and experience between universities can improve the quality of community service and provide greater benefits for students and the community.
2. **Development of Advanced Training Programs:** It is recommended to develop an advanced training program that focuses on the practical application of Shariah principles in various business sectors. This program could include workshops, business simulations, and more in-depth case studies to strengthen participants' skills.
3. **Application of Service Learning Method in Other Service Activities:** The service learning method proved to be effective in increasing participants' participation and understanding. Therefore, it is recommended to apply this method in other community service activities, both at the university level and the wider community.
4. **Curriculum Evaluation and Development:** Given the importance of sustainability in Islamic economics and finance, it is recommended to evaluate and develop a curriculum that covers this topic more comprehensively. This can help students to be better prepared to face the challenges and opportunities in the Islamic business world.

5. Long-term Impact Measurement: It is recommended to measure the long-term impact of this activity. This is important to ensure that the knowledge and skills acquired by participants can be effectively applied over a long period of time and provide sustainable benefits to their businesses.

By implementing these recommendations, it is hoped that future community service activities can provide greater and sustainable benefits, and contribute to the achievement of the Sustainable Development Goals (SDGs), especially in improving quality education and supporting inclusive and sustainable economic growth.

ACKNOWLEDGMENT

We would like to thank the Undergraduate Program in Islamic Economics, Faculty of Economics and Business, Universitas Syiah Kuala & Faculty of Economics, Business and Accounting, Universiti Malaysia Sabah for their cooperation and support in the implementation of this socialization activity.

Our gratitude also goes to all UMS and USK students who have actively participated in this activity. We also thank the resource person, Dr. Dg. Safrina Ag. Budin and Dr. Ridwan Nurdin, for delivering very valuable and insightful material.

This activity is supported by PTNBH funds from the Faculty of Economics and Business, Universitas Syiah Kuala and the Faculty of Economics, Business and Accounting, Universiti Malaysia Sabah. Hopefully this activity will provide great benefits for all participants and contribute to the sustainable development of Islamic economics and finance.

REFERENCES

- Abbas, A., Nisar, Q. A., Mahmood, M. A. H., Chenini, A., & Zubair, A. (2020). The role of Islamic marketing ethics towards customer satisfaction. *Journal of Islamic Marketing*, 11(4), 1001-1018.
- Agus Afandi, Nabiela Laily, Noor Wahyudi, Muchammad Helmi Umam, Ridwan Andi Kambau, Siti Aisyah Rahman, Mutmainnah Sudirman, Jamilah, Nurhira Abdul Kadir, Syahrani Junaid, Serliah Nur, Rika Dwi Ayu Parmitasari, Nurdiyanah, Jarot Wahyudi, & Marzuki Wahid. (2022). *Metodologi pengabdian masyarakat*. Direktorat Pendidikan Tinggi Keagamaan Islam Direktorat Jenderal Pendidikan
- Ahmed, H., Mohieldin, M., Verbeek, J., & Aboulmagd, F. (2015). On the sustainable development goals and the role of Islamic finance. *World Bank Policy Research Working Paper*, 7266.
- Alim, M. N., Suyono, S., Faisol, I. A., Dipa, H. A., Rofiqoh, D., Ibad, I., Safaat, E. B., Puspitasari, R. P., Fuadi, M. S., & Gofur, A. (2024). PENINGKATAN LITERASI DAN PENDAMPINGAN PENGELOLAAN KEUANGAN SYARIAH: RANCANGAN SISTEMATIS DAN BERKELANJUTAN BAGI PELAKU UMKM. *JCES (Journal of Character Education Society)*, 7(1), 82-92.

- Ashraf, S., Robson, J., & Sekhon, Y. (2015). Consumer trust and confidence in the compliance of Islamic banks. *Journal of Financial Services Marketing*, 20, 133-144.
- Asiyah, S., Hadiwidjojo, D., Sudiro, A., & Ashar, K. (2014). Relationship Between Shariah Principles Adherence, Corporate Social Responsibility, Trust and Customer Loyalty: Theoretical Study at Indonesia BMT. *International Journal of Business and Management Invention*, 3(10), 36-46.
- Bley, J., & Kuehn, K. (2004). Conventional versus Islamic finance: student knowledge and perception in the United Arab Emirates. *International Journal of Islamic Financial Services*, 5(4), 17-30.
- Franzoni, S., & Ait Allali, A. (2018). Principles of Islamic finance and principles of corporate social responsibility: what convergence? *Sustainability*, 10(3), 637.
- Grassa, R. (2015). Shariah supervisory systems in Islamic finance institutions across the OIC member countries: An investigation of regulatory frameworks. *Journal of Financial Regulation and Compliance*, 23(2), 135-160.
- Halim, H., Mashud, M., Prayanthi, I., Gaffar, M. I., Kasingku, F. J., Pandeirot, L. B., Mendari, A. S., Tansuria, B. I., Machieu, S. R., & Aseng, A. C. (2024). *Literasi Keuangan*. Yayasan Kita Menulis.
- Halim, H., Novindra, N., Maisaroh, M., Fadhil, R., Miftahuddin, M., Murkhana, M., & Riyaldi, M. H. (2024). Empowering Local Economies: Training on Management and Development of Gampong-Owned Business Entity (BUMG). *Jurnal Pengabdian Bakti Akademisi*, 1(2).
- Halim, H., Permata, S. U., Kesuma, T. M., Siregar, M. R., Riyaldi, M. H., & DM, B. S. (2024). Empowering Creativity and Entrepreneurial Spirit: A Service-Learning Approach for MTs Students. *IJCS: International Journal of Community Service*, 3(1), 58-65.
- Halim, H., Ramadhani, E., Kadriadi, K., Aziz, F., Subakty, E., Susiatmojo, A., & Putra, I. G. J. E. (2024). Enhancing Entrepreneurship Resource Competence through Business Incubator Consultant Certification. *Asian Journal of Community Services*, 3(4), 347-356.
- Hasan, A., & Sabirzyanov, R. (2015). Optimal Shari'ah governance model in Islamic finance regulation. *International Journal of Education and Research*, 3(4), 243-258.
- Hoque, N., Rahman, A. R. A., Molla, R. I., Noman, A. H. M., & Bhuiyan, M. Z. H. (2018). Is corporate social responsibility pursuing pristine business goals for sustainable development? *Corporate Social Responsibility and Environmental Management*, 25(6), 1130-1142.
- Ismal, R. (2013). *Islamic banking in Indonesia: new perspectives on monetary and financial issues*. John Wiley & Sons.
- Ivasciuc, I.-S., & Ispas, A. (2023). Exploring the motivations, abilities and opportunities of young entrepreneurs to engage in sustainable tourism business in the mountain area. *Sustainability*, 15(3), 1956.

- Khan, T. (2019). Reforming Islamic finance for achieving sustainable development goals. *Journal of King Abdulaziz University: Islamic Economics*, 32(1).
- Maisyarah, A., & Hadi, K. (2024). Implementasi Model Pengelolaan Wakaf Berbasis Digital dalam Meningkatkan Tujuan Pembangunan Berkelanjutan (Sdg's). *Jurnal Ilmiah Ekonomi Islam*, 10(1), 887-894.
- Mulyany, R., Muhammad, S., Geumpana, T. A., Halim, H., & Pertiwi, C. D. (2023). A Potential Framework For an Impactful Technopreneurship Education. *Indonesian Journal of Business and Entrepreneurship (IJBE)*, 9(2), 208.
- Purwati, A. A., Hamzah, M. S. D. Z., IFB, B., Hamzah, M. I. F. B. D. M. L., & Kom, M. (2023). GREEN-TECHNOENTREPRENEUSHIP PELUANG BISNIS MAHASISWA DI ERA DIGITAL. CV. AZKA PUSTAKA.
- Rae, D. (2010). Universities and enterprise education: responding to the challenges of the new era. *Journal of Small Business and Enterprise Development*, 17(4), 591-606.
- Riyaldi, M. H., Halim, H., Firdaus, M., Syahrizal, T. M., Faisal, F., Darwanis, D., Murkhana, M., & Jamal, A. (2024). Socialization and Counseling on the Dangers of Drugs in Dayah Mini Aceh. *Jurnal Pengabdian Bakti Akademisi*, 1(2).
- Sriani, E., Hasanah, N., & Mustofa, U. (2022). The Role of Sharia Compliance in Online Shop Applications in Improving Consumers' Trust. *Iqtishadia Jurnal Kajian Ekonomi Dan Bisnis Islam*.
- Wahyudi, W., Fauziyah, S., & Rusmiati, R. (2024). Sosialisasi Dan Edukasi Produk Perbankan Syariah Bagi Pelaku UMKM Tanah Grogot Kabupaten Paser. *Kesejahteraan Bersama: Jurnal Pengabdian Dan Keberlanjutan Masyarakat*, 1(1), 22-32.
- Yusrizal, Y., Sentosa, D. S., Halim, H., Majid, M. S. A., Mazwan, R., Sasra, S. F., Nasir, M. F., Zulfa, Z., Ridmailis, R., & Maira, H. (2024). Empowering Aceh's SMEs Mentors: A Journey of Excellence in Competence Development for Sustainable Growth. *Jurnal Pengabdian Bakti Akademisi*, 1(2).