

Received: December 2023 Accepted: January 2024

DOI: <https://doi.org/10.58262/ks.v12i2.394>

# The Differences between the Entrepreneurial Performance of the Inactive and Active Mosque Community Cooperative

Abdul Rahim Abdul Rahman<sup>1</sup>, Tuan Pah Rokiah Syed Hussain<sup>2</sup>

## Abstract

*Purpose: This study aims to analyze the differences in the value of the inactive Mosque Community Cooperative's entrepreneurial performance vs the active one. Methodology: The paired sample t-test analysis was used in this study, which includes 134 active and 87 inactive Mosque Community Cooperatives. The analysis found that all measurement constructs were significant at the  $p < 0.01$  level and simultaneously accepted the alternative hypothesis. Findings: The study showed that there are differences in all values of entrepreneurial performance between the inactive and active Mosque Community Cooperatives. Conclusion: This study demonstrates that inactive Mosque Community Cooperatives have improved to a moderately good level of performance. However, this study demonstrates that there are still differences in all entrepreneurial characteristic performance between inactive Mosque Community Cooperatives and active ones. Research implications: The study's implication is that the Malaysian National Cooperative Forces Berhad must work more to improve the performance of the Mosque Community Cooperative in order to remain relevant and lessen the issues they confront. Practical implications: Perhaps in the future, Malaysian National Cooperative Forces Berhad and Mosque Community Cooperatives entrepreneurs might collaborate to develop appropriate business practices and plan a better system. Contribution to literature: This study provides contributions about the difference in competencies between inactive and active MCC operators.*

**Keywords:** *Community business, Community entrepreneurship, Cooperative performance, Malaysian cooperative, Muslim cooperative*

## 1. Introduction

The Mosque Community Cooperative, also known as *Koperasi Kariah Masjid* (KKM) in Malay, is a cooperative that conducts business in a community based on Islamic principles (Unit Koperasi Kariah Masjid, 2020a). This is the world's first cooperative, and they registered it with the Malaysian Cooperative Commission (MCC) under the Cooperative Act of 1993. KKM is a cooperative system of businesses operated by a mosque registered with Malaysian Islamic Development Department (JAKIM). The aim of establishing it is to benefit the mosque community and contribute to the mosque fund. The establishment of KKM in Malaysia began in 2011, and it has already been in operation for more than a decade. Until November 2021, Peninsular Malaysia had 455 KKM establishments. The Malaysian National Cooperative Forces Berhad (ANGKASA) intends to establish 1,000 units by 2025. The issue that exists until now is that out of 455 KKM, 179 (39.34 %) were inactive (Unit Koperasi Kariah Masjid, 2020a). This issue causes ANGKASA to be uncomfortable with the current achievements because it will affect the success of existing policies at the national level. At the same time, ANGKASA's achievements will be evaluated based on the number of activeness cooperatives

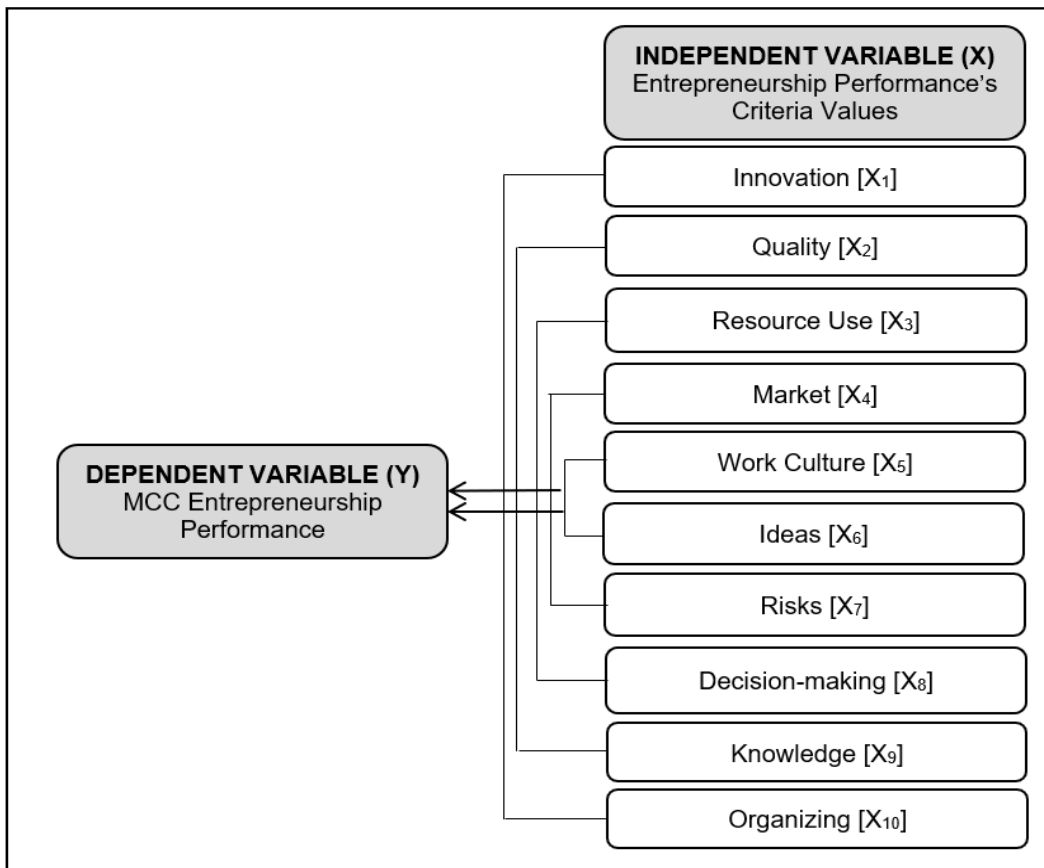
<sup>1</sup> Malaysian National Cooperative Forces Berhad (ANGKASA)

<sup>2</sup> School of Government, Universiti Utara Malaysia. Corresponding author; <https://orcid.org/0000-0001-7501-0447>

established and the total sales income in one year. Hence, ANGKASA has spent more than Malaysian Ringgit (RM) (RM) 1,084,322.90 to organise various awareness programmes and cooperative efforts among the KKM administration to address their inactiveness (Unit Koperasi Kariah Masjid, 2020a).

## 2. Literature Review

Since its launch in 2011, very few studies and publications on KKM have been conducted by scholars. A review of previous research, the focus of the discussion is more on the aspect of financial achievement factors (Abdullah Sallehuddin et al., 2017; Unit Koperasi Kariah Masjid, 2020b; Zulfina Adriani et al., 2019) and efforts by mosques in the Indonesia to form a business model (Nur Indah Riwanjanti & Fadli, 2019). Based on past research that has been quite limited in discussing the value of inactive KKM entrepreneurial performance, researchers is motivated to look into aspects of inactive KKM entrepreneurial performance compared to active ones. Through previous studies as well, the researcher found that the value perspective for entrepreneurial performance involves ten constructs or criteria (Figure 1). The measurement constructs involved are: having innovation, being quality-oriented, being wise in using existing resources, being able to see new markets, having a good work culture, having bright ideas, being risk-tolerant, skilled in decision-making, being knowledgeable, and being able to organise organisation well.



**Figure 1.** A conceptual framework of the KKM's entrepreneurial performance activeness  
**Source:** Abdul Rahim Abdul Rahman & Tuan Pah Rokiah Syed Hussain (2024)

An entrepreneur must have a basic need for innovation. According to Chen et al. (2024), being an entrepreneur requires the investigation of something new, whether it is a product or service or improving something that already exists, because a person does not deserve to be considered an entrepreneur if they do not explore anything new. According to Hanandeh, et al. (2024), improvements must benefit the community and merchants so that existing entrepreneurs can serve the country or the business world. According to Nikiforou (2023), this invention is for the benefit of society and the country, and it has the potential to generate new income for all stakeholders.

The orientation of quality assurance is an important thing that a person must perform in order to become an entrepreneur, whether it is a business that provides services or manufactures items. According to Nurcaya, et al. (2024), it is necessary to survive and remain relevant in a competitive environment. A product or service cannot compete if it lacks quality assurance. According to Wijaya and Said (2024), the quality of products and services is poor, which might lead to a negative perception that consumers and businesses will be disappointed or unsuccessful.

Meanwhile, one of the most essential success factors is the wise use of available resources in the context of manufacturing products, delivering services, managing finances, and managing employment. According to Chaudhary et al. (2024), it is not important to use a new input in a new process to create new objects. They must use the assets available to make a difference, even if it is on small scales. The viewpoint is also consistent with that of Kantharia and Biradar (2023), who adhere to the idea of no resource waste because, based on their research, a common mistake made by a new entrepreneur is not utilizing existing resources to the greatest extent possible.

In reality, the ability to establish new markets in entrepreneurship is critical for a successful entrepreneur. Lu and Ruzhanskaya (2023) contends that entrepreneurs who successfully explore new markets outperform other traders in this regard. This is due to the findings of Fahmi and Adharina (2023) that fresh market exploration is necessary to generate sufficient demand for a product or service given. Meanwhile, Sotelo and Frantz (2022) mentioned in the piece they wrote that entrepreneurs must be confident in the chances available, but they must also equip themselves in terms of personal performance and field experience in the business sector.

A good work culture in the context of the entrepreneur is also a basic prerequisite. Wijaya and Said (2024), are of the view that a good work culture will produce quality products and services. Because of that, in the matter of a person's entrepreneurial culture, according to Miranda-Guerra et al. (2023), it needs to be taken care of and strengthened so that there is no problem with open competition and the image of the product or service offered by the firm. Therefore, the criteria for a good work culture among KKM entrepreneurs is the need to apply good values in business affairs and the production of products or services. This needs to be done collectively among the members of the firm and in situations where dealing with customers.

Next, in entrepreneurship, having a thoughtful idea is an essential requirement for success. According to Otache et al. (2023), good ideas should be highlighted, and it is preferable to be patented as a fresh invention rather than something that is currently on the market. This is undoubtedly linked to innovation and technology via research and development (R&D). According to Hanandeh, et al. (2024), a clever idea is the result of an entrepreneur's thought and can ultimately produce new money and address problems for the entrepreneur, their firm, other traders, and the country in general.

In terms of having the ability to endure risk in entrepreneurship, Kantharia and Biradar (2023) believes that an entrepreneur is someone who is brave in making decisions, brave in dealing

against the risks of competitors, and brave in dealing with uncertain market conditions. This is also consistent with Barbu and Boitan (2019) belief that genuine entrepreneurs are not frightened of the risk associated in innovation, the manufacturing of different products or services, or profit and loss issues. This is because, according to Masroor et al. (2023), it is common in business for the rate of profit and loss to be affected by a variety of factors such as current demand, societal economic position, technical advancements, and so on.

The perspective of decision-making skills is also something an entrepreneur must have in themselves. It is important because many things in business require decision-making skills, including the nature of new ideas, planning, operation, implementation, and review of business processes. Gómez Fernández-Aguado, et al. (2024) as well as Lan, et al. (2024) found that among the important challenges are: first, not knowing what is planned can provide profit to the business, especially in unclear or uncertain situations; and second, the decisions taken may be doubted by subordinates due to the possibility of a lack of clarity in communication or instructions. All the challenges in making decisions are related to a work culture that is not established in the management of an organization.

Entrepreneurship is also founded on knowledge, particularly knowledge of company management, marketing, and consumer sociology. For economists such as Suriyankietkaew (2023), the entrepreneur is a reality since they successfully worked on the fundamentals of economics, such as the factors of supply and demand in business. Dopelt et al. (2023) believe that true entrepreneurs are individuals who successfully work on entrepreneurship, organizational management, economics, finance, social, and other people-related expertise. According to Azzam et al. (2023), having this complete and good understanding is a prerequisite in entrepreneurship nowadays because it is challenged with a variety of new difficulties, technologies, and societal attitude changes.

Finally, the criteria for organizing the organization involve the overall perspective of the management system of a firm or business. An entrepreneur needs to know how to organize the organization systematically, from the nature of work records, transactions, and work scheduling up to employment. According to Kinikli and Yercan (2023), the failure of entrepreneurs to implement a systematic management system will encounter many problems in various aspects, such as dealings with the government, customers, and employees. Therefore, Zhao et al. (2023) think entrepreneurs need to do it with a specific strategy or system (such as the use of technology in accounts) to make it easier for them to manage their business. This is what ChoudhuryKaul et al. (2023) define as effective and intelligent leadership in entrepreneurship to face all the problems that arise in business.

All aspects of this performance are in the form of 'value' and this is significant because, in the context of cooperative entrepreneurship, understanding the position of entrepreneurial performance is the most basic thing that will assist ANGKASA in formulating and implementing the National Entrepreneurship Policy 2030. Indeed, Hartikayanti and Permady (2015), Nuruddeen Abba Abdullahi (2018), Othman et al. (2016), and Rizqi Anfanni Fahmi (2018) believe that having a good entrepreneurial performance value for every entrepreneur is a component in a business's success. Based on limited previous studies (year from 2011 to 2023) and the efforts made by ANGKASA, the researchers found that there was a research gap that needs to be examined, and there are still problems or concerns about entrepreneurial performance discrepancies between inactive and active KKMs. Based on ANGKASA reports too, KKMs that are not active have poor performance (Unit Koperasi Kariah Masjid, 2020a), which is frequently correlated with a dormant status. As a result, the *purpose of this paper* was to explain the differences in entrepreneurial performance between inactive and active KKMs. Therefore, the *research question* was: is there a difference in the

entrepreneurial performance of inactive KKM compared to active?

### **3. Materials and Methods**

#### **3.1. Study Design**

Peninsular Malaysia is divided into 11 states and one federal area. The Perlis, Kedah, Penang, Perak, Selangor, Negeri Sembilan, Malacca, Johore, Kelantan, Terengganu, and Pahang are among the states being involved, as is Kuala Lumpur, a federal territory. Discussions regarding earlier research are limited to the context of an organization, namely ANGKASA's management performance, and they employ a quantitative methodology.

Previous research employed descriptive analysis to look at the development and achievement of a cooperative management model in the context of managing a cooperative. Since this study is also in the form of a cooperative organization, but in a wider area and a large number of cooperatives, the quantitative approach is more appropriate than the qualitative method. In other words, the approach of this study is the same as other previous studies, but uses a different analysis technique which is difference analysis in accordance with the purpose of the study.

#### **3.2. Research Approach**

This study includes over half of the 455 KKM leaders in the organisation, for a total of 221 KKM leaders across all states and the Federal Territory of Kuala Lumpur, Peninsular Malaysia. A total of 134 active and 87 inactive KKM were sampled. The KKM chairpersons were chosen using a systematic random technique from the KKM list provided by the Unit Koperasi Kariah Masjid (2020a).

The chairman of the KKM is selected based on the interval range of every two KKM, and the process is repeated until the total sample size is sufficient to be 221 KKM (that is, the chairman of the KKM). Sections B to K of the survey form contain questions in the form of interval data using a rating scale ranging from 0 (no activities) to 9 (routine), with the exception of Part A, which is a question about the respondent's background. From 10 November 2021 to 5 March 2022, the field research was conducted face-to-face with the assistance of 20 research assistants.

#### **3.3. Results Processing**

In data analysis, descriptive analytical methods are utilised to explain the level of entrepreneurial performance of inactive KKM in general terms using the following scale: mean 0.00-3.00 (weak or low); 3.01-6.00 (medium high); and 6.01-9.00 (daily or high routine). This is significant because it can provide an overview of the current inactive KKM position in the context of the value of entrepreneurial performance.

However, in accordance with the study's objective, a paired sample t-test of the difference between business performance and KKM activeness status (inactive and active) was undertaken. For comparison, inactive and active KKM were examined. This test was chosen because it allows for the comparison of two variables: entrepreneurial performance and KKM involvement. According to Abd. Rahim Md Nor (2009), when analysing the subject of this test, it requires a set of normally distributed numerical data, and the systematic technique employed by this study is random sampling. In this case, a significant value of less than  $p \leq 0.01$  means that there is a clear difference in the mean between the groups or a larger mean dispersion. A significant value of  $p \leq 0.01$  was chosen compared to  $p \leq 0.05$  to ensure that the degree of trust in the results of the study would be better. If the scenario occurs, then the researcher has to

accept or fail to reject the alternative hypothesis ( $H_1$  or  $H_a$ ).

- $H_1$  There is a significant difference between the activeness of KKM and its innovation performance value.  
 $H_2$  There is a significant difference between the activeness of KKM and its quality performance values.  
 $H_3$  There is a significant difference between the activeness of KKM and its resource use performance values.  
 $H_4$  There is a significant difference between the activeness of KKM and its market performance value.  
 $H_5$  There is a significant difference between the activeness of KKM and its working culture's performance value.  
 $H_6$  There is a significant difference between the activeness of KKM and its idea of performance value.  
 $H_7$  There is a significant difference between the activeness of KKM and its risk's performance value.  
 $H_8$  There is a significant difference between the activeness of KKM and its decision-making performance value.  
 $H_9$  There is a significant difference between the activeness of KKM and its knowledge performance value.  
 $H_{10}$  There is a significant difference between the activeness of KKM and its organisational performance value.  
 $H_{11}$  There is a significant difference between the activeness of KKM and its entrepreneurial performance value as a whole.

#### 4. Results

The issue of inactive KKM entrepreneurial performance became a problem for ANGKASA, and to overcome it, various initiatives were carried out by allocating more than RM1 million for related programs. However, this study generally found that the issue is not so serious because it has a moderately good status. This is illustrated through a descriptive analysis of inactive KKM entrepreneurial performance components.

Analysis of the value level of inactive KKM entrepreneurial performance using descriptive statistical techniques found that the overall average was as high as 4.35 which were in the medium range. Likewise, with each inactive KKM entrepreneurial performance value construct ( $X_1$  to  $X_{10}$ ), the study also shown that it was still in a good medium status with a mean value between 3.01-6.00 (Table 1). Although all the variables  $X_1$  to  $X_{10}$  are moderately good, the components "quality performance for the Mosque Community Cooperative ( $X_2$ ), resource use performance for the Mosque Community Cooperative ( $X_3$ ), market performance for the Mosque Community Cooperative ( $X_4$ ), and the performance of the work culture for the Mosque Community Cooperative ( $X_5$ )" were slightly better compared to the others, which were in the mean range of 4.40 to 4.46. However, there was one variable with the lowest entrepreneurial performance value, which was "Organizing performance for the Mosque Community Cooperative ( $X_{10}$ )" with a mean of 4.22. It does not mean that  $X_2$  to  $X_5$  are in a good position, but they appear better in the findings of this study.

**Table 1:** Mean Levels for Each Inactive KKM Entrepreneurial Performance Constructs.

| No. | Constructs   | Mean |
|-----|--|------|
| 1.  | Innovation performance for the KKM ( $X_1$ )           | 4.27 |
| 2.  | Quality performance for the KKM ( $X_2$ )              | 4.43 |
| 3.  | Resource utilization performance for the KKM ( $X_3$ ) | 4.46 |
| 4.  | Market performance for the KKM ( $X_4$ )               | 4.40 |
| 5.  | Work culture performance for the KKM ( $X_5$ )         | 4.41 |
| 6.  | Idea performance for the KKM ( $X_6$ )                 | 4.35 |
| 7.  | Risk performance for the KKM ( $X_7$ )                 | 4.40 |
| 8.  | Decision-making performance for the KKM ( $X_8$ )      | 4.28 |
| 9.  | Knowledge performance for the KKM ( $X_9$ )            | 4.24 |
| 10. | Organizational performance for the KKM ( $X_{10}$ )    | 4.22 |
|     | Overall mean:  | 4.35 |

**Source:** Source: Abdul Rahim Abdul Rahman & Tuan Pah Rokiah Syed Hussain (2024).



Then, using the paired sample t-test, the value of entrepreneurial performance compared to the level of KKM activeness is significant at the  $p < 0.01$  level, or with a significant value of 0.001 (Table 2). As a result, the researcher failed to reject all of the alternative hypotheses,  $H_1$  through  $H_{10}$ .

**Table 2.** The difference in the value of entrepreneurial performance compared to the KKM activeness

| Pair      | Tested items                                  | Significant (sig.) |
|-----------|---|--------------------|
| Paired 1  | KKM activeness – Innovation                   | <0.001*            |
| Paired 2  | KKM activeness – Quality                      | <0.001*            |
| Paired 3  | KKM activeness – Resources use                | <0.001*            |
| Paired 4  | KKM activeness – Market                       | <0.001*            |
| Paired 5  | KKM activeness – Work culture                 | <0.001*            |
| Paired 6  | KKM activeness – Ideas                        | <0.001*            |
| Paired 7  | KKM activeness – Risks                        | <0.001*            |
| Paired 8  | KKM activeness – Decision-making              | <0.001*            |
| Paired 9  | KKM activeness – Knowledge                    | <0.001*            |
| Paired 10 | KKM activeness – Organizational               | <0.001*            |
| Paired 11 | KKM activeness – Entrepreneurship performance | <0.001*            |

\*-Significant at the Level of  $p < 0.01$  (2 tails).

**Source:** Abdul Rahim Abdul Rahman & Tuan Pah Rokiah Syed Hussain (2024).

Thus, the difference between inactive and active KKM entrepreneurial performance, as a whole, was found to be significant at the  $p < 0.01$  level or with a significant value of  $< 0.001$  (the study failed to reject  $H_{11}$ , which is the hypothesis of the whole study). This shown that the overall value of entrepreneurial performance compared to the level of KKM activeness (inactive KKM with moderate status compared to active KKM with good status) is different. Because of that, the study concludes that there is no similarity between the value of entrepreneurial performance compared to inactive and active KKM activeness.

## 5. Discussion

As a whole, the study discovered that inactive KKM entrepreneurial performance has a moderately good value status, making it difficult for them to be more advanced than active KKM. As a result, the findings of this study contradict the issues mentioned in the problem statement, which indicated that the inactive KKM remains at a low or weak level. However, the findings of this study are in line with those of Othman et al. (2016) and Nuruddeen Abba Abdullahi (2018), because only good entrepreneurial performance in a cooperative business will allow it to succeed or be more advanced. Meanwhile, the entrepreneurial performance of this inactive KKM is still at a moderate level (mean=4.35), which needs to be improved, especially by the cooperative entrepreneurs themselves.

According to Abdullah Sallehuddin et al. (2017), cooperative entrepreneurs must demonstrate good entrepreneurial performance values in order to achieve success, which can ultimately provide stakeholders and the surrounding community with confidence, trust, and a future. According to Nurcaya, et al. (2024), an entrepreneur is someone who can survive and remain relevant in a competitive market by taking care of the quality of a product or service provided.

Gómez Fernández-Aguado, et al. (2024) and Kinikli and Yercan (2023) agree on this point of view, stating that history or previous experience reveals that successful entrepreneurial performance is vital to the business's survival and relevance.

The researcher discovered that all of them were significant in the context of differential analysis; hence, this study failed to reject the alternative hypotheses  $H_1$  to  $H_{10}$ . Acceptance of all of the alternative hypotheses above demonstrates that there are differences between inactive and active KKM in terms of innovation, quality, resource utilisation, market, work culture, ideas, risk, decision-making, knowledge, and organising. This is evident when the analysis of the entire value of the construct of KKM entrepreneurial success reveals a significant difference with KKM activity; this is the result of the significance value being less than 0.001 (Table 2), therefore the researcher failed to reject  $H_{11}$ .

As a consequence, the researcher uncovers that the value of inactive KKM entrepreneurial performance differs from that of active KKM entrepreneurial performance. The difference can be explained rationally because inactive and active KKM have clearly different achievements. This study's findings are congruent with those of Abdullah Sallehuddin et al. (2017). They believe that having good membership qualities, member support, and good internal supervision all contribute to entrepreneurial performance. In this regard, achievement is the result of competent management in an KKM. These criteria enable successful KKMs to remain active and successful in the cooperative business in which they participate. In fact, Zulfina Adriani et al. (2019) discovered in their research that factors of leadership, as well as the application of modern technologies, can improve the situation, making mosque cooperatives viable and active.

Analysis of the current status of KKM's performance shows that although it shows a slight improvement to be moderate compared to the research issue, KKM's activeness still shows that there are inactive cooperative businesses. However, inactive KKMs should review all improvement efforts for each of their performance criteria measured through this study, namely:

### **I. Innovation Performance**

In the view of Nikiforou (2023), they should have the ability to create innovation in all aspects of business, from product production to providing better services than existing ones. They need to apply innovative marketing methods, the use of the latest appropriate technology, the exploration of new markets and new business opportunities to the community or other traders. Therefore, approaches that can be taken, such as: encourage innovation in marketing, product production, and business operations; obliging KKM participants to attend a basic course on technology in marketing; providing KKM participants with technology skills training in business; and provide funds to help buy gadgets and software needed in business.

### **Ii. Performance in Quality Assurance**

According to Nurcaya, et al. (2024), quality assurance is a requirement in today's competitive world in order to thrive and remain relevant. Indeed, Wijaya and Said (2024), believe that poor product and service quality can lead to a bad consumer perception of a company. If a product is not successfully sold and accepted in the market, the entrepreneurs engaged will be disillusioned, leading to failure. According to the findings of this study, an entrepreneur can: strive to ensure that the products sold have a quality comparable to that of other brands accepted by the community; ensure that products for the consumer market follow good



manufacturing practices and are recognized by the government or relevant agencies; ensure that there are no problems in the manufacturing process that could harm consumers; promote quality assurance for product manufacturers; and increase the efficiency of sales service to clients in a larger geographic area.

### **iii. Performance in Terms of Resources**

In line with Chaudhary et al. (2024), it is not essential to employ a new input to a new process to create new objects. They must use the given resources to make a difference, even if it is on a tiny scale. In fact, Kantharia and Biradar (2023) adhere to the notion of no resource waste since, based on their research, a common mistake made by a new entrepreneur is not utilizing existing resources to the greatest extent possible. As a result, in order to ensure that idle KKM operators make better use of available resources, this study advises that: identify existing human resources and provide strengthening training; make serious considerations in the selection of new and existing staff; serious in the use of existing funds so that there is no waste and can optimize the benefits to maximize profits; review of existing products manufactured or marketed to consumers so as to retain only the best quality; and by using existing resources, inactive KKM operators can help the community provide job opportunities.

### **Iv. New Market Performance**

In accordance to Lu and Ruzhanskaya (2023), entrepreneurs that successfully explore new markets outperform other merchants in this regard. This is due to the discovery of Fahmi and Adharina (2023) that fresh market exploration is necessary to generate sufficient demand for a product or service given. Successful entrepreneurs must also be daring and astute when seeking opportunities, especially while competing with other entrepreneurs. As a result, they require several things to complete themselves, including: knowledge of the latest technology, device skills, and communication network facilities; the availability of a network of business partners; potential user profiles; target user knowledge; financial resources for technology and marketing investments; self-reliance in business competition; the products traded can meet the needs or demands of the market; and exploring new markets outside of the mosque parish.

### **V. Workplace Culture Performance**

In views of Simola (2023), without the value of a healthy work culture, an entrepreneur's efforts will not last long in the competition. Its failure can reduce the entrepreneurial value, cause it to lose the faith of society or customers, and cause it to fail in the market. According to Jamil et al. (2023), difficulties frequently arise in relation to self-discipline and employees, eroding consumer perception and trust. As a result, numerous requirements must be met in order for these pure value standards to be applied, including: sincere and honest in business; open and brave to try and be fair in the face of competition; disciplined in managing time, finances, and self; adhere to the direction setting and work planning; and have integrity in all matters.

### **Vi. A Brilliant Idea Execution**

This is consistent with Leick et al. (2024)'s belief that an entrepreneur must be well-versed in all aspects of business development. Their viewpoint is consistent with that of Otache et al. (2023), who believe that a good concept should be highlighted and that it is preferable to patent it as a new invention rather than something that is already on the market. As a result, they will fail to create or produce new products to market or contribute to society and the country if

they do not have a fantastic idea, such as not going through R&D. As a result, some examples required to generate a creative concept are: trying to conduct R&D at the KKM level; looking for product and service differences compared to the market; using more modern, slightly different, and popular marketing techniques; create more appeal to existing or potential customers; and use words in marketing that are appropriate for services and products.

### **Vii. Performance In Risk Tolerance**

The inactive KKM and must handle numerous business challenges sensibly and not give up in various scenarios. They must make courageous judgments, even if the risk is high for the firm, its members, and the entrepreneur himself. This is consistent with Kantharia and Biradar (2023) definition of an entrepreneur as someone who is brave in making decisions, brave in acting against the danger of competition, and brave in dealing with uncertain market conditions. As a result, the bravery to take risks in business is required to strive for: equip yourself with the knowledge of entrepreneurship as a whole; equip yourself with emotional and physical resilience; equip yourself with problem-solving skills; equip yourself with market analysis skills; and equip yourself with discipline and interpersonal relationship skills.

### **Viii. Decision-Making Performance**

In this regard, they also need to dare to take risks, have good leadership, and so on, as discussed previously. Indeed, Bhowmik and Paramanik (2023) think that the decision-making process requires wisdom so that the steps taken are wise and correct. For example, the decision-making process involves profit for the business in an unclear or uncertain situation Gómez Fernández-Aguado, et al. (2024) as well as a clear decision in a matter (Lan et al., 2024). Thus, clear and bold decisions based on the correct facts; receive sufficient skills training on business problem solving to be able to make correct decisions; understand the current rules and policies related to business ventures; understand the KKM business system so that the decisions made coincide with the interests of various related parties; and put wisdom into the consideration of the pros and cons of a decision.

### **Ix. Performance in Terms of Knowledge**

They will be able to avoid pitfalls and perform better in entrepreneurship if they have all of the fundamental knowledge. This is due to the fact that all of the criteria described previously are tied to knowledge. According to Chang and Cheng (2024), true entrepreneurs are individuals who successfully work on entrepreneurship, organizational management, economics, finance, social, and other people-related expertise. In fact, Azzam et al. (2023) believe that entrepreneurs with extensive knowledge of entrepreneurship are now required since they will encounter a variety of new difficulties, technologies, and changes in society's thinking. As a result, as an inactive KKM entrepreneur, they must expand their expertise in a variety of areas by: open up opportunities for yourself to continue learning; if able, finance or at least encourage its staff to continue studying or attend courses; attending scientific programs such as business-related seminars or dialogues; and be open-minded and conform to the latest technological requirements.

### **X. Organizational Performance**

Inactive KKM entrepreneurs should be able to structure their businesses in the context of human resources, clients, transaction records, and compliance with current business regulations issued by the government or suppliers. According to Kinikli and Yercan (2023), failure of entrepreneurs to develop a more systematic management system will result in a slow

of issues, including contacts with the government, KKM regulators, consumers, and staff. As a result, Zhao et al. (2023) believe that entrepreneurs should use a specific strategy or system to make it easier for them to operate their business. As a result, inactive KKM should develop their own and the cooperative's staff's skills, for example, by: deepen the knowledge of cooperative management; always make quality standards the basis of organizational management; provide awareness and understanding to all staff on the importance of maintaining quality and complying with rules in business; cultivate enthusiasm to move forward to achieve the goals of the establishment; and employees and employers together in business.

Overall, this study recommends that inactive KKM should focus more on various activities in order to become more active or better in business. This proposal can also be worked on by active KKM to help them be more successful in business. Among the proposed recommendations are: the KKM employers need to ensure that their staff are instilled with business management knowledge; try to ensure that the community support the established KKM; the ANGKASA needs to ensure that KKM entrepreneurs are strengthened with knowledge of cooperative entrepreneurship; the ANGKASA needs to ensure leadership at the KKM management level; and KKM and ANGKASA, as much as possible, ensure that the cooperative business is equipped with mass technology.

## **6. Conclusions**

KKMs that are indicated to have a low degree of performance value, causing them to remain inactive, are currently less accurate. This study demonstrates that inactive KKM have improved to a moderately good level of performance. This could be attributed to ANGKASA's ongoing intervention actions through various entrepreneurial programmes.

However, this study demonstrates that there are still differences in all entrepreneurial characteristic performance between inactive KKM and active ones, which ANGKASA and the cooperative business people involved can continuously improve. The effort must be made in accordance with active, self-confident, plan appropriately, and run the business well. This is imperative in order to realise ANGKASA's objectives for cooperative entrepreneurship by 2030. As a result, every entrepreneurial performance construct examined in this study necessitates efforts by every entrepreneur to increase value. An entrepreneur, for example, requires more exposure and knowledge in the field of cooperative businesses.

## **Implication**

The study's implication is that ANGKASA must work more in the future to increase the level of performance of KKM in order to remain relevant and be able to overcome the issues encountered. This agency's assistance is critical to ensure consistency in all parts of KKM's planning and management system. ANGKASA and KKM entrepreneurs may be able to collaborate in the future to build an appropriate business procedure and create a better system.

## **Limitation**

This study only measured the entrepreneurial performance of KKM in Peninsular Malaysia,

but in the context of East Malaysia, it is not involved in this study. This is because it is difficult to carry out field research in East Malaysia due to the researcher's logistical problems. Since the study of the entrepreneurial performance of KKMs is new and there is not much information from previous studies, the analysis of this study also does not involve the question of forming a model for the entrepreneurial performance of KKMs that is best for use by cooperative entrepreneurs in the future.

## Funding

This article was part of my PhD thesis (the main author) and received no funding.

## Statements

The authors declare that they have no competing interests.

## Institutional Review Board Statement

A research evaluation panel (internal examiners) from Universiti Utara Malaysia examined the research procedure, which included the legitimacy of field study data, the field study process, and research ethical compliance.

## References

- Abd Rahim Md. Nor. (2009). *Statistical methods in research*. Prentice Hall.
- Abdul Rahim Abdul Rahman, & Tuan Pah Rokiah Syed Hussain. (2024). *The entrepreneurial performance of Mosque Community Cooperatives in Peninsular Malaysia*. Doctorate Thesis. University Utara Malaysia.
- Abdullah Sallehuddin, Al Mansor Abu Said, Nor Hasmanto, Mohd Ariff Mustafa, Mohammad Jais, Azizi Samsudin, Md Shukor Masuod, & Hishamuddin Ismail. (2017). Crafting preliminary model for mosque cooperatives' antecedents of performance. *Asian Social Science*, 13(2), 116-125. DOI:10.5539/ass.v13n2p116.
- Azzam, I. A., Alserhan, A. F., Mohammad, Y. T., Shamaileh, N. A., & Al-Hawary, S. I. S. (2023). Impact of dynamic capabilities on competitive performance: A moderated-mediation model of entrepreneurship orientation and digital leadership. *International Journal of Data and Network Science*, 7(4), 1949 – 1962. DOI: 10.5267/j.ijdns.2023.6.017.
- Barbu, T. C., & Boitan, I. A. (2019). Cooperative banks' business model at the crossroads between financial performance and societal involvement. *Ekonomicky casopis*, 67(2), 157-174. <https://www-scopus-com.eserv.uum.edu.my/record/display.uri?origin=recordpage&zone=relatedDocuments&eid=2-s2.0-85062283171&noHighlight=false&sort=plf-f&src=s&sid=364be1649d16f0f564bb8e6fea625b7a&sot=b&sdt=b&sl=36&s=TITLE-ABS-KEY%28risk+AND+cooperatives%29&relpos=2>
- Bhowmik, M. R., & Paramanik, R. N. (2023). Role of entrepreneurship in social enterprises and master weaver enterprises: Case of handloom weaving industry, India. *International Journal of Entrepreneurship and Small Business*, 51(1), 86 – 105. DOI: 10.1504/IJESB.2024.135222.
- Chang, Y., & Cheng, Q. (2024). Entrepreneurial mentoring, financial support and incubator patent licensing: Evidence from Chinese incubators. *European Journal of Innovation*

- Management, 27(1), 290 – 309. DOI: 10.1108/EJIM-03-2022-0140.
- Chaudhary, S., Dhir, A., Meenakshi, N., & Christofi, M. (2024). How small firms build resilience to ward off crises: A paradox perspective. *Entrepreneurship and Regional Development*, 36(1-2), 182 – 207. DOI: 10.1080/08985626.2023.2265327.
- ChoudhuryKaul, S., Supriyadi, O., & Fahlevi, N. (2023). Muslim Indonesian women entrepreneurs: a factor analysis of business performance. *Journal of Islamic Marketing*, 14(12), 3186 – 3207. DOI: 10.1108/JIMA-01-2022-0036.
- Chen, C., Sun, E. W., Miao, W., & Lin, Y-B. (2024). Reconciling business analytics with graphically initialized subspace clustering for optimal nonlinear pricing. *European Journal of Operational Research*, 312(3), 1086 – 11071. DOI: 10.1016/j.ejor.2023.07.011.
- Dopelt, K., Mordehay, N., Goren, S., Cohen, A., & Barach, P. (2023). “I believe more in the ability of the small person to make big changes”: Innovation and Social Entrepreneurship to Promote Public Health in Israel. *European Journal of Investigation in Health, Psychology and Education*, 13(9), 1787 – 1800. DOI: 10.3390/ejihpe13090130.
- Fahmi, F. Z., & Adharina, N. D. (2023). Cultural values and innovation in indigenous entrepreneurship: A case study from Indonesia. *International Journal of Entrepreneurship and Small Business*, 51(1), 62 – 85. DOI: 10.1504/IJESB.2024.135221.
- Gomez Fernandez-Aguado, P., Partal Ureña, A., & Trigo Martínez, E. (2024). Risk contribution to deposit insurance: Evidence from commercial and cooperative banks in the Eurozone. *Economic Analysis and Policy*, 81, 341 – 355. DOI: 10.1016/j.eap.2023.12.006.
- Hanandeh, R., Alharafsheh, M., Albloush, A., Lehyeh, S. M. A., & Kilani, Q. (2024). The impact of entrepreneurship self-concept, work motivation, and risk taking on human resource department performance and business overall performance at Jordan private universities. *Uncertain Supply Chain Management*, 12(1), 143 – 150. DOI: 10.5267/j.uscm.2023.10.010.
- Hartikayanti, H., & Permadhy, P. (2015). Analyzing factors affecting performance of cooperative in Cimahi. *Review of Integrative Business and Economics Research*, 4(2), 190-198. [https://buscompress.com/uploads/3/4/9/8/34980536/riber\\_k15-097\\_\\_190-198\\_pdf](https://buscompress.com/uploads/3/4/9/8/34980536/riber_k15-097__190-198_pdf)
- Jamil, M., Md Fadzil, A. F., Waqar, A., & Yaacob, M. R. (2023). Exploring entrepreneurial qualities for the sustainability of family businesses in Pakistan. *Journal of Family Business Management*, 13(4), 856 – 872. DOI: 10.1108/JFBM-05-2022-0073.
- Kantharia, N. J., & Biradar, J. (2023). What influence the performance of banks? Evidence from public sector banks in India. *Journal of Indian Business Research*, 15(1), 23 – 39. DOI: 10.1108/JIBR-04-2022-0112.
- Kinikli, F., & Yercan, M. (2023). The relationship between members’ participation and organizational trust in cooperative firms: A case of dairy cooperatives in Izmir province-Turkey. *New Medit*, 2023(1), 85 – 98. DOI: 10.30682/nm2301f.
- Lan, X., Yan, J., He, S., Zhao, Z., & Zou, T. (2024). Distributed cooperative reinforcement learning for multi-agent system with collision avoidance. *International Journal of Robust and Nonlinear Control*, 34(1), 567 – 585. DOI: 10.1002/rnc.6985.
- Leick, B., Lebmann, G., Strohl, A., & Pargent, T. (2024). Place-based entrepreneurs and their competitiveness: A relational perspective on small regional banks. *Journal of Small Business and Entrepreneurship*, 36(1), 75 – 107. DOI: 10.1080/08276331.2020.1836463
- Lu, J. J., & Ruzhanskaya, L. S. (2023). Factors Influencing Chinese Migrants’ Entrepreneurial Activity in Russia: A Case Study of Sverdlovsk Region. *R-Economy*, 9(2), 187-206. DOI: 10.15826/recon.2023.9.2.012

- Masroor, I., Tasneem, S., Alam, M. N., Hossen, S. S., Nabi, M. N., & Ghosh, A. (2023). Transaction governance structure, institutional voids and transaction efficiency: An analysis of small and medium-sized enterprises in emerging markets. *Business Strategy and Development*, 6(4), 724 – 738. DOI: 10.1002/bsd2.273.
- Miranda-Guerra, M. D, P., Samán-Chingay, S., Benzaquen-Hinope, H. A., & Esparza-Huamanchumo, R. M. (2023). Experiential marketing and business competitiveness: A systematic review. *Revista Venezolana de Gerencia*, 28(10), 1386 – 1401. DOI: 10.52080/rvgluz.28.e10.31.
- Nikiforou, A. (2023). Matching inventors with surrogate entrepreneurs: A framework informing the entrepreneurial team-formation process. *Academy of Management Perspectives*, 37(2), 157 – 173. DOI: 10.5465/amp.2021.0106.
- Nur Indah Riwijanti, & Fadlioli. (2019). Mosque-based Islamic cooperative for community economic development. *Review of Integrative Business and Economics Research*, 8(s2), 196-208. [https://buscompress.com/uploads/3/4/9/8/34980536/riber\\_8-s2\\_15\\_h18-163\\_196-208.pdf](https://buscompress.com/uploads/3/4/9/8/34980536/riber_8-s2_15_h18-163_196-208.pdf)
- Nurcaya, I. N., Rahyuda, I. K., Giantari, G. A. T., & Ekawati, N. W. (2024). Business performance concept development apparel industry MSMEs in Bali. *Uncertain Supply Chain Management*, 12(1), 315 – 322. DOI: 10.5267/j.uscm.2023.9.019
- Nuruddeen Abba Abdullahi. (2018). Cooperative societies and microenterprise financing in Nigeria: A literature approach. *Journal of Finance, Accounting and Management*, 9(1), 1-22. [https://www.researchgate.net/publication/343725915\\_Cooperative\\_Societies\\_and\\_Microenterprise\\_Financing\\_in\\_Nigeria\\_A\\_Literature\\_Approach/citations](https://www.researchgate.net/publication/343725915_Cooperative_Societies_and_Microenterprise_Financing_in_Nigeria_A_Literature_Approach/citations)
- Otache, I., Echukwu, I. J., Umar, K., Yunusa, A., Audu, S. (2023). Internal factors affecting the performance of employee-based savings and credit cooperatives: Evidence from Nigeria. *Journal of Enterprising Communities*, 17(6), 1154 – 1170. DOI: 10.1108/JEC-03-2022-0046.
- Othman, R., Choo, H. C., Zazale, S., & Aris, N. A. (2016). Human-capital based governance structure, success factors and barriers to effective governance: Co-operatives in Malaysia. *Environment-Behaviour Proceedings Journal*, 1(1), 394-400. <https://ebpj.eiph.co.uk/index.php/EBProceedings/article/view/238/156>
- Rizqi Anfanni Fahmi. (2018). Enhancing the economic role of the mosque through empowerment: A case study in Yogyakarta City. *Jurnal Ekonomi Manajemen & Bisnis*, 19(1), 57-70. <https://journal.unimal.ac.id/emabis/article/view/278/193>
- Simola, S. (2023). Exploring Agape in the organizational prevention of work-related moral injury. *Humanistic Management Journal*, 8(3), 355-377. DOI: 10.1007/s41463-023-00161-9.
- Sotelo, R., & Frantz, T. L. (2022). Preparing for the quantum future: Perspectives of an entrepreneurial innovator. *IEEE Engineering Management Review*, 50(3), 13 – 16. DOI: 10.1109/EMR.2022.3196882.
- Suriyankietkaew, S. (2023). Effects of key leadership determinants on business sustainability in entrepreneurial enterprises. *Journal of Entrepreneurship in Emerging Economies*, 15(5), 885 – 909. DOI: 10.1108/JEEE-05-2021-0187.
- Unit Koperasi Kariah Masjid [Mosque Community Cooperative Unit]. (2020a). Kertas konsep penubuhan Koperasi Kariah Masjid [Concept paper for the establishment of the Mosque Community Cooperative]. Tidak diterbitkan [Unpublished]. Bahagian Pembangunan Komuniti [Community Development Section], Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA).
- Unit Koperasi Kariah Masjid [Mosque Community Cooperative Unit]. (2020b). Laporan



prestasi Koperasi Kariah Masjid [Performance report of the Mosque Community Cooperative]. Tidak diterbitkan [Unpublished]. Bahagian Pembangunan Komuniti [Community Development Section], Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA).

- Wijaya, O. Y. A., & Said, H. (2024). The mediating role of sustainable supply chain management on entrepreneurship strategy, social capital and SMEs' financial and non-financial performance. *Uncertain Supply Chain Management*, 12(1), 557 – 566. DOI: 10.5267/j.uscm.2023.8.016
- Zhao, Y., Qian, K., Bo, S., Zhang, Z., Li, Z., Li, G-Q., Dehghani-Sanij, A. A., & Zie, S. Q. (2023). Adaptive Cooperative Control Strategy for a Wrist Exoskeleton Using Model-Based Joint Impedance Estimation. *IEEE/ASME Transactions on Mechatronics*, 28(2), 748-7571. DOI: 10.1109/TMECH.2022.3211671
- Zulfina Adriani, Joeliaty, Hilmiana, & Yunizar. (2019). Improving performance through transformational leadership and utilization of information technology: A survey in mosque-based Islamic cooperatives in Indonesia. *Academy of Strategic Management Journal*, 18(2), 1-13. file:///C:/Users/User/Downloads/11260-23935-1-PB%20(3).pdf