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The Influence of an Understanding of Maqāṣid al-Sharī'ah and Business Ethics Orientation on Sustainable Business Decisions Among Muslim Entrepreneurs in Central Java

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ABSTRACT

This study examines the influence of understanding Maqāṣid al-Sharī'ah and business ethics orientation on sustainable business decisions among Muslim entrepreneurs in Central Java, Indonesia. A quantitative approach with an explanatory research design was employed, involving 85 Muslim entrepreneurs as respondents. Primary data were collected through structured questionnaires using a five-point Likert scale and analyzed using multiple linear regression with IBM SPSS Statistics version 25. The findings reveal that understanding Maqāṣid al-Sharī'ah has a positive and statistically significant relationship with sustainable business decisions. Similarly, business ethics orientation demonstrates a positive and significant relationship, indicating a relatively stronger standardized association. The simultaneous regression model is statistically significant, explaining 62.6% of the variance in sustainable business decisions (R^2 = 0.626). These findings highlight the complementary roles of Islamic legal understanding and ethical commitment in sustainability-oriented entrepreneurial decision-making. The study contributes to Islamic entrepreneurship literature by integrating cognitive understanding of religious objectives and normative ethical orientation within a unified analytical framework. Practically, the findings emphasize the importance of strengthening Islamic economic literacy and ethical business practices to encourage economically viable, socially responsible, and environmentally sustainable entrepreneurial decisions. However, the cross-sectional design and deviation from residual normality warrant caution in interpreting statistical significance and causality.

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1. INTRODUCTION

Sustainable business development has become an increasingly important concern in contemporary entrepreneurship as businesses face growing expectations to balance economic profitability with social responsibility, ethical governance, and environmental preservation. Business

sustainability extends beyond maintaining financial performance to encompass the creation of long-term stakeholder value while minimizing adverse social and environmental consequences. This perspective requires entrepreneurs to integrate ethical considerations into strategic and operational decisions, including resource allocation, production processes, employment practices, supplier relationships, and customer engagement. Within Islamic entrepreneurship, sustainable business development also incorporates religious and moral responsibilities emphasizing justice, accountability, social welfare, and responsible resource utilization [1]–[3] explains that sustainable entrepreneurship within Islamic economic thought is closely associated with maṣlaḥah, or public welfare, through entrepreneurial activities guided by spiritual and ethical values. Similarly, [4] emphasize the importance of integrating Islamic jurisprudential principles, stakeholder protection, ethical responsibility, and sustainability objectives into entrepreneurial frameworks. These perspectives suggest that business success should not be evaluated exclusively through profitability and competitive advantage but also through the extent to which entrepreneurial decisions support societal welfare and long-term environmental sustainability. Consequently, understanding the relationship between Islamic principles, ethical considerations, and sustainable business decision-making is essential for developing responsible entrepreneurial practices, particularly among Muslim entrepreneurs operating in resource-constrained business environments.

One of the fundamental foundations of responsible entrepreneurship in Islamic economic thought is Maqāṣid al-Sharī'ah, which refers to the higher objectives of Islamic law concerning the preservation of religion (ḥifẓ al-dīn), life (ḥifẓ al-nafs), intellect (ḥifẓ al-'aql), lineage (ḥifẓ al-nasl), and wealth (ḥifẓ al-māl). These objectives provide a comprehensive normative framework for evaluating entrepreneurial activities according to their implications for individual welfare, economic justice, social responsibility, and long-term sustainability. In practical business contexts, the preservation of wealth supports legitimate transactions and responsible financial management, while the preservation of life emphasizes consumer protection, occupational safety, and the prevention of harmful business practices. Likewise, the preservation of intellect encourages accurate information and responsible knowledge development, whereas the preservation of lineage and religion reinforces intergenerational responsibility and ethical commercial conduct. Understanding these objectives may influence how Muslim entrepreneurs assess business alternatives involving product quality, employee compensation, supply chain management, environmental protection, and organizational development. Previous studies support the relevance of these principles to sustainable entrepreneurship. [1] highlights the relationship between Maqāṣid al-Sharī'ah, spiritual values, and sustainable entrepreneurial development in Indonesia. [5] examines Maqāṣid al-Sharī'ah-based innovation and startup sustainability among Indonesian Muslim entrepreneurs, while [6] investigate environmental, social, and governance practices, Maqāṣid al-Sharī'ah orientation, and sustainable performance among MSMEs in Pekanbaru. Nevertheless, understanding the objectives of Islamic law does not necessarily guarantee their consistent implementation in business decisions. This distinction suggests the importance of investigating entrepreneurs' individual understanding of Maqāṣid al-Sharī'ah as a potential determinant of sustainability-oriented decision-making rather than examining Islamic principles solely as organizational values or conceptual frameworks.

In addition to understanding Maqāṣid al-Sharī'ah, business ethics orientation represents another important dimension influencing sustainable entrepreneurial decisions. Business ethics orientation refers to an individual's commitment to moral principles, fairness, integrity, accountability, transparency, and

stakeholder welfare when evaluating business alternatives. Within Islamic entrepreneurship, these commitments are associated with principles such as ṣidq (truthfulness), amānah (trustworthiness), ‘adl (justice), iḥsān (excellence and benevolence), and maṣlaḥah (public welfare). Entrepreneurs with stronger ethical orientations may demonstrate greater consistency in protecting consumer interests, maintaining contractual obligations, treating employees fairly, and considering environmental consequences, even when responsible alternatives require additional costs or reduce immediate profitability. [7] examined the implementation of Islamic business ethics in relation to business sustainability among Sharia-oriented SMEs in Surabaya, emphasizing fairness, transparency, and customer trust. Similarly, [8] investigated the contribution of Islamic business ethics to sustainable competitive advantage among SMEs in Lumajang Regency. [9] further identified ethical leadership, organizational fairness, moral orientation, and employee commitment as important elements connecting Islamic business ethics with sustainable enterprise development, while highlighting the comparatively limited attention given to environmental sustainability. Although understanding Maqāṣid al-Sharī‘ah and business ethics orientation are closely related, they represent distinct dimensions of entrepreneurial behavior. The former concerns cognitive comprehension of Islamic legal objectives, whereas the latter reflects normative commitment to applying ethical principles in practical decisions. Examining these variables simultaneously is therefore important for determining their respective relationships with sustainable business decisions, which encompass long-term economic viability, social responsibility, and environmental considerations.

Indonesia provides a relevant context for examining sustainable business decision-making because micro and small enterprises contribute substantially to economic activities, employment opportunities, and regional commercial development. [10] identifies employment absorption, business revenue, capital structures, financing accessibility, innovation, partnerships, and operational constraints as important characteristics of micro and small manufacturing industries. These conditions illustrate the challenges entrepreneurs face when balancing profitability, stakeholder expectations, and sustainability responsibilities. Central Java represents a particularly relevant geographical setting because its entrepreneurial environment encompasses diverse activities, including trading, manufacturing, food production, and services across urban and rural communities. Muslim entrepreneurs operating in these sectors frequently encounter competing demands involving financial limitations, market competition, employee welfare, supplier relationships, consumer protection, and responsible resource management. Despite growing academic attention to Islamic entrepreneurship, several research gaps remain. Previous studies have generally examined Maqāṣid al-Sharī‘ah or Islamic business ethics separately, frequently emphasizing organizational sustainability, sustainable competitive advantage, innovation, or overall business performance rather than sustainability-oriented decisions at the individual entrepreneur level [1], [5]–[9]. Furthermore, limited empirical attention has been devoted to distinguishing the contribution of entrepreneurs' cognitive understanding of Islamic legal objectives from their normative ethical orientation within a unified analytical model. This limitation creates a conceptual and contextual research gap concerning how these two dimensions are associated with sustainable business decisions among Muslim entrepreneurs in Central Java.

To address these gaps, the present study examines the influence of understanding Maqāṣid al-Sharī‘ah and business ethics orientation on sustainable business decisions among Muslim entrepreneurs in Central Java, Indonesia. Specifically, the study investigates whether understanding Maqāṣid al-Sharī‘ah is positively associated with sustainable

business decisions, whether business ethics orientation demonstrates a significant relationship with such decisions, and whether both independent variables jointly explain variations in sustainability-oriented entrepreneurial choices. Sustainable business decisions are conceptualized as choices incorporating economic continuity, responsible resource management, stakeholder welfare, ethical business relationships, and environmental protection. Given the survey-based approach, the findings are interpreted as statistical associations rather than definitive causal relationships. The study offers three principal contributions. Theoretically, it integrates cognitive understanding of Islamic legal objectives and normative business ethics orientation within a unified framework for explaining sustainable entrepreneurial decisions. Empirically, it extends existing Islamic entrepreneurship research by examining these relationships at the individual entrepreneur level within the regional context of Central Java. Practically, the findings are expected to provide insights for Muslim entrepreneurs, business development institutions, Islamic economic organizations, and policymakers in strengthening ethical awareness and sustainability-oriented decision-making. By distinguishing religious understanding from ethical commitment, the study seeks to provide a more comprehensive explanation of how Islamic normative principles relate to economically viable, socially responsible, and environmentally sustainable entrepreneurial practices.

2. LITERATURE REVIEW

2.1 Theoretical Foundation

The relationship between Islamic religious understanding, ethical orientation, and sustainable business decision-making is grounded in the Maqāṣid al-Sharī'ah framework, the Theory of Planned Behavior (TPB), and stakeholder-oriented sustainability perspectives. Maqāṣid al-Sharī'ah emphasizes human welfare (maṣlaḥah), justice, and the prevention of harm as fundamental principles guiding entrepreneurial activities [1], [11]. Meanwhile, the Theory of Planned Behavior explains how individual beliefs, attitudes, and perceived behavioral control shape behavioral intentions and decisions [12]. In this context, understanding Maqāṣid al-Sharī'ah and business ethics orientation may encourage entrepreneurs to adopt responsible practices that balance profitability with social and environmental considerations, although this study does not test the complete TPB model. Furthermore, stakeholder-oriented perspectives emphasize the importance of protecting employee welfare, consumer interests, community well-being, and environmental sustainability. [4] highlight that Islamic entrepreneurship integrates religious principles, ethical responsibilities, stakeholder rights, and sustainable development. Collectively, these perspectives provide a theoretical foundation for examining how Islamic understanding and ethical orientation relate to sustainable business decisions among Muslim entrepreneurs.

2.2 Understanding Maqāṣid al-Sharī'ah

Maqāṣid al-Sharī'ah refers to the fundamental objectives of Islamic law aimed at promoting human welfare (maṣlaḥah), ensuring justice, and preventing harm through the preservation of religion (ḥifẓ al-dīn), life (ḥifẓ al-nafs), intellect (ḥifẓ al-'aql),

lineage (ḥifẓ al-nasl), and wealth (ḥifẓ al-māl). In entrepreneurship, understanding these objectives extends beyond religious compliance to encompass ethical decision-making, fair transactions, consumer protection, employee welfare, responsible resource management, and long-term sustainability. [13] emphasize that Islamic business ethics grounded in Maqāṣid al-Sharī'ah supports sustainable development, corporate social responsibility, and social justice. However, understanding these principles differs from their practical implementation, as financial and organizational constraints may limit ethical business practices. Accordingly, this study conceptualizes understanding Maqāṣid al-Sharī'ah as an individual-level cognitive variable measured through five dimensions using self-reported Likert-scale indicators. These indicators assess entrepreneurs' perceived understanding of Islamic objectives and their relevance to sustainable business decisions rather than objectively measuring jurisprudential competence.

2.3 Business Ethics Orientation

Business ethics orientation refers to entrepreneurs' commitment to ethical principles, moral responsibility, and stakeholder interests in business decision-making, emphasizing fairness, honesty, integrity, accountability, and responsible conduct. Within Islamic entrepreneurship, these values are grounded in ṣidq (truthfulness), amānah (trustworthiness), 'adl (justice), iḥsān (benevolence), and maṣlaḥah (public welfare), which guide entrepreneurs in balancing profitability with ethical and social responsibilities. Ethical orientation encourages transparent transactions, fair pricing, contractual compliance, employee welfare, and consideration of environmental consequences. Previous studies highlight the contribution of Islamic business ethics to customer trust, business sustainability, and sustainable competitive advantage [7], [8]. Similarly, [9] identify ethical leadership, organizational fairness, and moral commitment as important factors supporting sustainable enterprise development, while noting limited attention to environmental sustainability. Accordingly, this study conceptualizes business ethics orientation through five dimensions: ethical integrity, fairness, accountability, stakeholder responsibility, and ethical consistency. These dimensions are measured using Likert-scale indicators to assess entrepreneurs' ethical commitments as distinct from their reported sustainable business decisions.

2.4 Sustainable Business Decisions

Sustainable business decisions refer to entrepreneurial choices that integrate economic viability, social responsibility, and environmental preservation into business operations and long-term strategies. Grounded in the triple bottom line perspective, sustainable decision-making emphasizes balancing economic, social, and environmental considerations

while addressing potential trade-offs [14]. The economic dimension focuses on financial stability, resource efficiency, and business continuity, while the social dimension emphasizes employee welfare, consumer protection, fair transactions, and stakeholder relationships, consistent with [15] stakeholder approach. Meanwhile, the environmental dimension involves responsible resource utilization, waste reduction, energy efficiency, and pollution prevention. Within Islamic entrepreneurship, these dimensions align with the principles of justice, stewardship, public welfare, and the preservation of wealth. However, [9] highlight the limited attention given to environmental sustainability in Islamic business ethics research. Accordingly, this study conceptualizes sustainable business decisions as entrepreneurs' reported consideration and selection of alternatives that balance economic sustainability, stakeholder welfare, and environmental responsibility. This approach focuses on sustainability-oriented decision-making rather than objectively measured business performance.

2.5 *Previous Empirical*

Previous studies have examined the relationship between Islamic economic principles, business ethics, and entrepreneurial sustainability across different contexts. [11] emphasized the importance of integrating Maqāṣid al-Sharī'ah into entrepreneurial decision-making, while [1] highlighted spirituality, public welfare, and ethical responsibility as foundations of sustainable entrepreneurship. Similarly, [7] identified the relevance of Islamic business ethics to business sustainability, whereas [8] examined its relationship with sustainable competitive advantage among SMEs. More recent reviews by [9], [13] further emphasized the integration of Islamic ethical principles, social responsibility, resource management, and sustainable enterprise development. However, existing research has primarily focused on conceptual frameworks, organizational performance, and business sustainability rather than individual-level sustainable business decisions. Furthermore, limited empirical attention has been given to distinguishing the cognitive understanding of Maqāṣid al-Sharī'ah from business ethics orientation within a unified quantitative model. Accordingly, this study addresses these gaps by examining the respective and combined relationships of both variables with sustainable business decisions among Muslim entrepreneurs in Central Java, Indonesia.

2.6 Hypothesis Development

Understanding Maqāṣid al-Sharī'ah is expected to influence sustainable business decisions by strengthening entrepreneurs' awareness of economic, social, and moral responsibilities. This understanding provides ethical guidance for evaluating business alternatives concerning employee welfare, consumer protection, financial management, and environmental preservation. From the perspective of the Theory of Planned Behavior,

knowledge of Islamic legal objectives may shape favorable attitudes toward responsible business practices, although their implementation also depends on individual motivation and available resources. [11] emphasize the relevance of Maqāṣid al-Sharī'ah to entrepreneurial decision-making, while [1] highlights its contribution to sustainable entrepreneurship and public welfare. Similarly, business ethics orientation encourages entrepreneurs to prioritize fairness, transparency, accountability, and stakeholder interests when making commercial decisions. Previous studies demonstrate the relevance of Islamic business ethics to business sustainability and sustainable competitive advantage [7]–[9] further identify moral orientation and organizational fairness as important elements supporting sustainable enterprise development. These findings provide a theoretical foundation for examining the respective relationships of religious understanding and ethical orientation with sustainable business decisions.

Understanding Maqāṣid al-Sharī'ah and business ethics orientation also represent complementary dimensions of sustainable entrepreneurial decision-making. The former reflects cognitive understanding of Islamic legal objectives and their implications for human welfare, whereas the latter represents a normative commitment to applying ethical principles in commercial activities. Integrating these dimensions may provide a more comprehensive explanation of how entrepreneurs balance economic viability, social responsibility, and environmental sustainability. [13] emphasize the relationship between Islamic legal objectives, ethical business practices, and sustainable development, while [4] highlight the integration of Islamic jurisprudential principles, ethical responsibilities, stakeholder protection, and sustainability. Accordingly, examining both variables simultaneously through multiple linear regression enables an assessment of their combined explanatory relationship with sustainable business decisions without implying an interaction effect or establishing causality. Based on these theoretical arguments and previous empirical findings, the following hypotheses are proposed:

H1: Understanding Maqāṣid al-Sharī'ah has a positive and statistically significant influence on sustainable business decisions among Muslim entrepreneurs in Central Java.

H2: Business ethics orientation has a positive and statistically significant influence on sustainable business decisions among Muslim entrepreneurs in Central Java.

H3: Understanding Maqāṣid al-Sharī'ah and business ethics orientation simultaneously have a statistically significant influence on sustainable business decisions among Muslim entrepreneurs in Central Java.

Ajzen, I. (1991). The theory of

3. METHODS

3.1 Research Design and Approach

This study employed a quantitative approach with an explanatory, cross-sectional research design to examine the influence of understanding Maqāṣid al-Sharīʻah (X_1) and business ethics orientation (X_2) on sustainable business decisions (Y) among Muslim entrepreneurs in Central Java, Indonesia. Grounded in the Maqāṣid al-Sharīʻah framework, the Theory of Planned Behavior, and stakeholder-oriented sustainability perspectives, data were collected through structured questionnaires to assess respondents' religious understanding, ethical orientation, and sustainability-related decisions. Data were analyzed using multiple linear regression with IBM SPSS Statistics version 25 to evaluate individual and simultaneous relationships between the independent variables and the dependent variable. Given the cross-sectional survey design, the findings were interpreted as statistical associations rather than definitive causal relationships.

3.2 Research Population and Sample

The target population comprised Muslim entrepreneurs engaged in business activities in Central Java, Indonesia, across various sectors, including trading, manufacturing, food production, and services. The study involved 85 respondents as individual units of analysis, selected based on their identification as Muslim entrepreneurs, business operations within Central Java, and direct involvement in managerial or operational decision-making. These criteria ensured that participants possessed relevant experience in evaluating ethical and sustainability-related business decisions. The sampling approach was non-probability-based if respondents were recruited according to these predefined criteria, although the specific technique should reflect the actual recruitment procedure. The sample was used to examine relationships between understanding Maqāṣid al-Sharīʻah, business ethics orientation, and sustainable business decisions through multiple linear regression. However, the limited sample size and sampling coverage may constrain statistical power and the generalizability of the findings.

3.3 Research Variables and Operational Definitions

This study incorporated three principal variables: understanding Maqāṣid al-Sharīʻah (X_1), business ethics orientation (X_2), and sustainable business decisions (Y). Understanding Maqāṣid al-Sharīʻah refers to entrepreneurs' perceived knowledge of Islamic legal objectives and their relevance to business responsibilities, while business ethics orientation reflects their commitment to ethical principles in commercial activities. Sustainable business decisions represent entrepreneurs' consideration of economic continuity, social welfare, and environmental responsibility in decision-making. Each variable was operationalized through theoretically relevant dimensions and measurable questionnaire indicators to distinguish religious understanding, ethical commitment, and sustainability-oriented decisions. The operational definitions and measurement indicators are presented in Table 1.

Table 1. Operational Definitions and Measurement Indicators

Variable	Operational definition	Measurement indicators	Scale
Understanding Maqāṣid al-Sharīʻah (X_1)	The entrepreneur's perceived understanding of the objectives of Islamic law and their relevance to business activities.	Preservation of religion; preservation of life; preservation of intellect; preservation of lineage; preservation of wealth.	Likert 1–5
Business Ethics Orientation (X_2)	The entrepreneur's commitment to applying moral principles and ethical considerations in commercial activities.	Honesty and integrity; fairness; trustworthiness and accountability; stakeholder responsibility; consistency in ethical conduct.	Likert 1–5

Sustainable Business Decisions (Y)	The entrepreneur's reported tendency to incorporate long-term economic, social, and environmental considerations into business decisions.	Economic sustainability; social responsibility; environmental responsibility; long-term business orientation; stakeholder consideration in decision-making.	Likert 1–5

3.4 Data Source and Collection Procedures

This study utilized primary data collected from Muslim entrepreneurs in Central Java through a structured questionnaire measuring understanding of Maqāṣid al-Sharīʻah, business ethics orientation, and sustainable business decisions. Responses were recorded using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), with composite scores calculated from the relevant indicators. Secondary literature supported the theoretical framework and instrument development. Data were screened for completeness and coding consistency before analysis using IBM SPSS Statistics version 25. Instrument validity was assessed through corrected item–total correlations, with values of at least 0.30 used as an initial screening criterion, while reliability was evaluated using Cronbach's alpha, adopting 0.70 as the conventional threshold for acceptable internal consistency [16]. Composite Likert scores were treated as approximately continuous for regression analysis, recognizing the ordinal nature of individual responses [17]. These procedures were intended to support measurement consistency and the statistical examination of relationships among the research variables.

3.5 Data Analysis Techniques

Data were analyzed using IBM SPSS Statistics version 25 through descriptive statistics, instrument validity and reliability testing, regression diagnostics, and multiple linear regression. Descriptive analysis summarized respondents' characteristics and variable distributions, while regression assumptions were evaluated through tests of residual normality, multicollinearity, heteroscedasticity, linearity, and independence [18]. Multiple linear regression was employed to examine the relationships between understanding Maqāṣid al-Sharīʻah (X_1), business ethics orientation (X_2), and sustainable business decisions (Y), using the equation $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$. Individual hypotheses (H1 and H2) were evaluated using t-tests, while the simultaneous hypothesis (H3) was assessed using an F-test at a 5% significance level. The coefficient of determination (R^2) and adjusted R^2 were used to evaluate the model's explanatory power, with findings interpreted as statistical associations rather than causal relationships.

4. RESULTS AND DISCUSSION

4.1 Descriptive Statistical Analysis

Descriptive statistical analysis summarizes the central tendency and dispersion of respondents' scores on the three research constructs. Mean scores indicate the general level of agreement with the questionnaire statements, while standard deviations reflect differences across respondents.

Table 2. Descriptive Statistics of Research Variables

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Understanding Maqāṣid al-Sharīʻah (X_1)	85	1.80	4.80	3.492	0.648
Business Ethics Orientation (X_2)	85	1.40	5.00	3.642	0.740
Sustainable Business Decisions (Y)	85	1.60	5.00	3.687	0.735

Table 2 presents the descriptive statistics of 85 respondents across the three research variables. Understanding Maqāṣid al-Sharīʻah (X_1) recorded a mean of 3.492 (SD = 0.648), with scores ranging from 1.80 to 4.80, indicating a relatively high level of perceived

understanding. Business ethics orientation (X_2) achieved a mean of 3.642 (SD = 0.740), ranging from 1.40 to 5.00, reflecting favorable ethical orientations among respondents. Meanwhile, sustainable business decisions (Y) recorded the highest mean of 3.687 (SD = 0.735), with scores ranging from 1.60 to 5.00, suggesting a relatively strong consideration of sustainability in entrepreneurial decision-making. Overall, all three variables demonstrated relatively high mean scores, indicating positive respondent assessments of Islamic legal understanding, ethical commitment, and sustainable business practices.

4.2 Research Instrument Validity and Reliability

4.2.1 Validity Testing

Item validity was examined using corrected item–total correlation coefficients for each of the three research constructs. Corrected item–total correlations assess the relationship between an individual questionnaire item and the sum of the remaining items measuring the same construct. A coefficient of 0.30 was used as a practical screening threshold for acceptable item consistency.

Table 3. Corrected Item–Total Correlation Results

Variable	Item	Corrected item–total correlation	Criterion
Understanding Maqāṣid al-Sharī'ah	X1.1	0.616	0.300
	X1.2	0.590	0.300
	X1.3	0.696	0.300
	X1.4	0.648	0.300
	X1.5	0.658	0.300
Business Ethics Orientation	X2.1	0.641	0.300
	X2.2	0.632	0.300
	X2.3	0.768	0.300
	X2.4	0.734	0.300
	X2.5	0.617	0.300
Sustainable Business Decisions	Y1	0.697	0.300
	Y2	0.785	0.300
	Y3	0.718	0.300
	Y4	0.668	0.300
	Y5	0.732	0.300

Table 3 presents the corrected item–total correlation results for the 15 questionnaire indicators across three research variables. Understanding Maqāṣid al-Sharī'ah (X_1) recorded correlation values ranging from 0.590 to 0.696, while business ethics orientation (X_2) ranged from 0.617 to 0.768. Meanwhile, sustainable business decisions (Y) demonstrated values between 0.668 and 0.785. All indicators exceeded the minimum criterion of 0.300, indicating satisfactory item–total correlations. These findings suggest that all questionnaire items demonstrate adequate internal consistency with their respective constructs and can be retained for subsequent reliability testing and regression analysis.

4.2.2 Reliability Test Results

Reliability testing was conducted using Cronbach's alpha to assess the internal consistency of the questionnaire items representing each variable. A minimum Cronbach's alpha value of 0.70 was used as a conventional criterion for acceptable reliability.

Table 4. Reliability Test Results

Variable	Number of items	Cronbach's alpha	Criterion	Result
Understanding Maqāṣid al-Sharī'ah (X_1)	5	0.839	0.700	Reliable
Business Ethics Orientation (X_2)	5	0.859	0.700	Reliable

Sustainable Business Decisions (Y)	5	0.881	0.700	Reliable

Table 4 presents the reliability test results for the three research variables, each measured using five questionnaire items. Understanding Maqāṣid al-Sharī'ah (X_1) recorded a Cronbach's alpha of 0.839, while business ethics orientation (X_2) achieved 0.859. Sustainable business decisions (Y) demonstrated the highest reliability coefficient of 0.881. All values exceeded the minimum criterion of 0.700, indicating satisfactory internal consistency across the three constructs. These findings confirm that the measurement instruments demonstrate acceptable reliability and are suitable for subsequent statistical analysis.

4.3 Correlation Analysis

Pearson correlation analysis was employed to provide an initial examination of the relationships among the three research variables.

Table 5. Pearson Correlation Matrix

Variable	X_1	X_2
Understanding Maqāṣid al-Sharī'ah (X_1)	1.000	
Business Ethics Orientation (X_2)	0.514	1.000
Sustainable Business Decisions (Y)	0.673	0.702
Variable	X_1	X_2
Understanding Maqāṣid al-Sharī'ah (X_1)	1.000	
Business Ethics Orientation (X_2)	0.514	1.000
Sustainable Business Decisions (Y)	0.673	0.702
Variable	X_1	X_2
Understanding Maqāṣid al-Sharī'ah (X_1)	1.000	
Business Ethics Orientation (X_2)	0.514	1.000

Table 5 presents the Pearson correlation matrix for the three research variables. Understanding Maqāṣid al-Sharī'ah (X_1) demonstrated a positive correlation with sustainable business decisions (Y), with a coefficient of 0.673, while business ethics orientation (X_2) showed a slightly stronger positive correlation with sustainable business decisions (r = 0.702). Meanwhile, the correlation between understanding Maqāṣid al-Sharī'ah and business ethics orientation was 0.514, indicating a moderate positive relationship between the independent variables.

4.4 Classical Assumption and Regression Diagnostic Tests

The assessment focused on residual normality, multicollinearity, heteroscedasticity, and residual autocorrelation.

Table 6. Regression Diagnostic Test Results

Diagnostic test	Statistic	Result	Interpretation
Shapiro–Wilk residual normality	W = 0.961	p = 0.012	Evidence against residual normality
Tolerance: X_1	0.736	Above 0.10	No severe multicollinearity
Tolerance: X_2	0.736	Above 0.10	No severe multicollinearity
VIF: X_1	1.359	Below 10	No severe multicollinearity
VIF: X_2	1.359	Below 10	No severe multicollinearity

Breusch–Pagan heteroscedasticity test	LM = 3.402	p = 0.182	No significant evidence of heteroscedasticity
Durbin–Watson statistic	DW = 2.221	Near 2	No obvious indication of strong first-order autocorrelation

Table 6 presents the regression diagnostic results. The Shapiro–Wilk test indicated a significant deviation from residual normality (W = 0.961, p = 0.012), suggesting that the normality assumption was not satisfied. However, tolerance values of 0.736 and VIF values of 1.359 for both independent variables indicated no severe multicollinearity. The Breusch–Pagan test (LM = 3.402, p = 0.182) showed no statistically significant evidence of heteroscedasticity, while the Durbin–Watson statistic of 2.221 suggested no obvious first-order autocorrelation. Overall, the regression diagnostics revealed acceptable multicollinearity, heteroscedasticity, and autocorrelation results, although the violation of residual normality warrants caution when interpreting conventional statistical significance tests.

4.5 Multiple Linear Regression Analysis

Multiple linear regression was employed to examine the statistical relationships between understanding Maqāṣid al-Sharī'ah, business ethics orientation, and sustainable business decisions. The model included two independent variables and one dependent variable. The regression coefficients indicate the estimated change in sustainable business decision scores associated with a one-unit increase in each independent variable, holding the other predictor constant.

Table 7. Multiple Linear Regression Results

Predictor	Unstandardized B	Std. Error	Standardized Beta	t	Sig.
Constant	0.255	0.299	—	0.853	0.396
Understanding Maqāṣid al-Sharī'ah (X_1)	0.481	0.089	0.425	5.393	<0.001
Business Ethics Orientation (X_2)	0.481	0.078	0.484	6.146	<0.001

Table 7 presents the multiple linear regression results examining the relationships between understanding Maqāṣid al-Sharī'ah (X_1), business ethics orientation (X_2), and sustainable business decisions (Y). The estimated regression equation is $Y = 0.255 + 0.481X_1 + 0.481X_2$. Understanding Maqāṣid al-Sharī'ah demonstrated a positive and statistically significant relationship with sustainable business decisions (B = 0.481, β = 0.425, t = 5.393, $p < 0.001$). Similarly, business ethics orientation showed a positive and significant relationship (B = 0.481, β = 0.484, t = 6.146, $p < 0.001$). Although both variables had identical unstandardized coefficients, business ethics orientation exhibited a stronger standardized relationship with sustainable business decisions. Meanwhile, the constant was not statistically significant (p = 0.396).

4.5.1 Simultaneous Hypothesis Testing

The simultaneous F-test was employed to evaluate H3, which proposed that understanding Maqāṣid al-Sharī'ah and business ethics orientation jointly explain significant variation in sustainable business decisions.

Table 8. ANOVA Results of the Regression Model

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	28.404	2	14.202	68.536	<0.001

Residual	16.992	82	0.207		
Total	45.396	84			

Table 8 presents the ANOVA results for the multiple linear regression model examining the simultaneous relationship between understanding Maqāṣid al-Sharī'ah, business ethics orientation, and sustainable business decisions. The results indicate that the regression model is statistically significant ($F(2, 82) = 68.536$, $p < 0.001$), demonstrating that the two independent variables jointly explain significant variation in sustainable business decisions. The regression sum of squares was 28.404, compared with a residual sum of squares of 16.992, indicating that the model accounts for a substantial proportion of the observed variation. These findings support H3, confirming the combined explanatory relevance of both predictors, although the previously identified deviation from residual normality warrants caution when interpreting conventional statistical significance.

4.6 Coefficient of Determination

The model summary presents the explanatory power of understanding Maqāṣid al-Sharī'ah and business ethics orientation in predicting sustainable business decisions. The results indicate a strong multiple correlation ($R = 0.791$), with an R^2 value of 0.626, demonstrating that both independent variables collectively explain 62.6% of the variation in sustainable business decisions, while the remaining 37.4% is associated with factors outside the model. The adjusted R^2 of 0.617 indicates that the model retains substantial explanatory power after accounting for the number of predictors. Furthermore, the standard error of estimate was 0.455, while the Durbin–Watson statistic of 2.221 suggested no obvious first-order autocorrelation.

4.7 Discussion

The findings demonstrate that understanding Maqāṣid al-Sharī'ah has a positive and statistically significant relationship with sustainable business decisions among Muslim entrepreneurs in Central Java ($B = 0.481$, $\beta = 0.425$, $t = 5.393$, $p < 0.001$), supporting H1. This result indicates that entrepreneurs with a stronger understanding of Islamic legal objectives tend to demonstrate greater consideration of economic, social, and environmental responsibilities in their business decisions. The finding aligns with [11], who emphasize the relevance of Maqāṣid al-Sharī'ah in integrating religious principles into entrepreneurial activities. Similarly, [1] identifies public welfare (maṣlaḥah) and ethical responsibility as essential foundations of sustainable entrepreneurship. The result is also consistent with [5], who examines the contribution of Maqāṣid al-Sharī'ah-based innovation to startup sustainability, and [6], who highlight the relationship between Islamic legal objectives and sustainable enterprise performance. From the perspective of the Theory of Planned Behavior [12], religious understanding may shape entrepreneurs' beliefs and favorable evaluations of responsible business practices. These findings suggest that understanding Islamic legal objectives is relevant not only to religious compliance but also to entrepreneurial judgments concerning stakeholder welfare, responsible resource utilization, and long-term business continuity.

Business ethics orientation also demonstrated a positive and statistically significant relationship with sustainable business decisions ($B = 0.481$, $\beta = 0.484$, $t = 6.146$, $p < 0.001$), supporting H2. Its higher standardized coefficient compared with understanding Maqāṣid al-Sharī'ah ($\beta = 0.425$) indicates a relatively stronger conditional association with sustainability-oriented decision-making. This finding suggests that entrepreneurs who consistently prioritize honesty, fairness, accountability, and stakeholder responsibility tend to demonstrate stronger consideration of sustainability in their commercial decisions. The result is consistent with [7], who highlight the relevance of Islamic business ethics to

business sustainability and customer trust, and [8], who examine ethical business practices in relation to sustainable competitive advantage. Furthermore, [9] identify moral orientation, organizational fairness, and ethical leadership as important elements supporting sustainable enterprise development. From a stakeholder perspective, [15] emphasizes that business decisions should consider the interests of parties affected by organizational activities, while [4] connect Islamic ethical responsibilities with stakeholder protection and sustainable development. These theoretical perspectives support the interpretation that ethical orientation may encourage entrepreneurs to balance profitability with employee welfare, consumer protection, transparent transactions, and environmental responsibility. Nevertheless, the observed association does not establish that ethical orientation directly causes improvements in sustainability-related decisions.

The simultaneous regression analysis indicates that understanding Maqāṣid al-Sharīʻah and business ethics orientation jointly demonstrate a statistically significant relationship with sustainable business decisions ($F(2, 82) = 68.536$, $p < 0.001$), supporting H3. The coefficient of determination ($R^2 = 0.626$; adjusted $R^2 = 0.617$) indicates that both variables collectively explain 62.6% of the observed variation in sustainable business decisions, while the remaining 37.4% is not explained by the model. These findings suggest that religious understanding and ethical orientation provide complementary explanations of sustainability-oriented entrepreneurial behavior. This interpretation is consistent with [13], who integrate Maqāṣid al-Sharīʻah with Islamic business ethics, corporate social responsibility, and sustainable development. It also aligns with [14], who emphasize the interconnected economic, social, and environmental dimensions of business sustainability. Theoretically, the study contributes by distinguishing cognitive understanding of Islamic legal objectives from normative ethical commitment within a unified quantitative framework. Practically, the results suggest that entrepreneurship development initiatives may benefit from combining education on Islamic legal objectives with ethical decision-making and sustainability practices. However, the cross-sectional design, self-reported measurements, and sample of 85 respondents limit causal interpretation and generalizability. Additionally, the significant Shapiro–Wilk result ($p = 0.012$) indicates a deviation from residual normality, warranting caution when interpreting conventional regression inference. Future research should employ larger and more diverse samples, incorporate objective sustainability indicators, and consider robust statistical procedures to strengthen the validity of these relationships.

Other more recent trends in the field of Islamic Psychology, marked by yellow-colored keywords, have a greater tendency towards applying empirical and practical psychological studies. These include words like “depression,” “prevalence,” “epidemiology,” “cross-sectional study,” “questionnaire,” “surveys and questionnaires,” “young adult,” and “adolescent.” These trends clearly demonstrate how Islamic Psychology has gradually evolved towards evidence-based methodologies, using quantitative techniques for investigating psychological problems.

5. CONCLUSION

This study concludes that understanding Maqāṣid al-Sharīʻah and business ethics orientation are positively and significantly associated with sustainable business decisions among Muslim entrepreneurs in Central Java, Indonesia. Both independent variables demonstrated significant individual relationships, with business ethics orientation exhibiting a stronger standardized association than understanding Maqāṣid al-Sharīʻah. Furthermore, the simultaneous regression model explained 62.6% of the variation in sustainable business decisions, confirming the combined explanatory relevance of religious understanding and ethical commitment.

These findings indicate that knowledge of Islamic legal objectives and adherence to ethical business principles are important considerations in entrepreneurial decisions involving economic continuity, stakeholder welfare, and environmental responsibility. Theoretically, the study contributes to Islamic entrepreneurship literature by distinguishing cognitive understanding of Maqāṣid al-Sharī'ah from normative ethical orientation within a unified quantitative framework. Practically, entrepreneurship development programs should integrate Islamic economic education, ethical awareness, and sustainability-oriented business practices to strengthen responsible decision-making. Nevertheless, the study is limited by its sample of 85 respondents, geographical focus, reliance on self-reported data, and deviation from residual normality. Future research should incorporate larger and more diverse samples, objective sustainability indicators, and robust statistical methods to further examine these relationships and improve the generalizability of the findings.

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