



Dynamics and traits of entrepreneurship: an Islamic approach

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Abstract

Purpose – The purpose of this paper is to develop traits and model of entrepreneurship development from Islamic point of view.

Design/methodology/approach – The study is descriptive, in so far as its goal is to describe a method, and the nature of the paper is conceptual. The study draws on secondary materials through library research.

Findings – In this paper both the traits as well as model of entrepreneurship are developed from Islamic perspective. The salient traits are knowledge, initiative, risk taking, customer orientation, employee involvement, strategic thinking, fear of Allah, hard working, innovativeness, excellence, honesty and truthfulness, morality, vision, optimism, patience, social welfare, Halal earnings and economical. The model would be used for developing entrepreneurship from Islamic perspective by performing various types of activities relating to the phases of preparatory and awareness development, support and motivation and feedback.

Research limitations/implications – The paper has implications for government, potential entrepreneurs and existing entrepreneurs of Muslim countries representing one fourth of the world population. It is also expected that the study will help and encourage Islamic scholars to think over the matter and make them more aware in developing entrepreneurship based on Quran and Sunna in the modern business world.

Practical implications – The findings of this research can be used as a guide to develop entrepreneurship in Muslim countries from Islamic point of view. The study could have practical implications falling within the purview of social sciences such as economics, business studies, public administration, political science, development studies, sociology, law, Quranic science, industrial management, education and human resource management.

Originality/value – While many studies, partially, have focussed on traditional entrepreneurship sparing the demand of Muslim world, in this paper, the authors open a new avenue contributing to the literature on entrepreneurship development from Islamic perspective. The proposed model will be of genuine interest and benefits to government as prime policymaker, existing entrepreneurs, potential entrepreneurs, Islamic scholars and academicians.

Keywords Entrepreneurship, Government, Islamic

Paper type Conceptual paper

1. Introduction

A country is poor not because of the lack of resources. Rather, it lacks sufficient number of good entrepreneurs (Gupta and Srinivasan, 1992). Indeed, entrepreneurs are called forth factor of production (Glancey and McQuaid, 2000), engine of economic growth (Schumpeter, 1934; Azim, 2011) and catalytic agent of change (Young, 1987), because; economic development of a country is accelerated by the activities of qualified entrepreneurs (Schumpeter, 1934; Matlay, 2005). Entrepreneurs are regarded as innovators (Schumpeter, 1934), organizers (Say, 1924), gap-fillers (Leibenstein, 1978)



and decision makers (Knight, 1921) in the course of industrialization. They are the only active agents who harness the technology, organize resources and initiatives ventures in order to exploit business opportunities (Azim, 2011). Effective, welfare-minded and self-less entrepreneurs are the crying needs of a nation (Chowdhury, 2008). According to Sadri (2010) entrepreneurship is both cause and consequence of economic growth, technological advancement and conceptual innovation and they are interknitted, interconnected and interwoven with one another.

Islam as a complete and comprehensive (Quran, 5:3) way of life highly encourages the development of agriculture, industry, trade and commerce (Ubaid, 1975), because; resources are mobilized and increased for fulfilling the needs of people through business (Ariff, 1991). Allah the almighty says "Business is lawful for you" (Quran, 2:275). According to Chapra (2008) the "need fulfillment" of all in a society is of utmost importance in Islamic jurisprudence. Prophet Mohammad (SAW) was himself engaged in trade and commerce before he became a prophet. He was a successful businessman. Known for integrity, he bore the honorific title Al-Amin, i.e. the Trustworthy. The Prophet (SAW) says "Search for your livelihood much below the soil- at every layer of the earth surface." It is the spirit of Islam that no piece of cultivable land is allowed to be left unused, because; Islam directs its followers to be productive and efficient in all spares of life. Allah says "Don't waste your wealth; those involved in misusing wealth are the brothers of the devil" (Quran, 6:141). Allah also says "When your prayer is over, spread over the earth and seek the bounty of Allah" (Quran, 62:10). Prophet Mohammad (SAW) says nine-tenth of the livelihood lies in business activities and one-tenth in cattle raising (agriculture). Islam has never encouraged people not to work, and just rely on fate or wait for fortune. Rather, the values and spirit of Islam can be of much help in inculcating the qualities of dynamism in its followers (Solaiman and Hillaly, 1997). Islam encourages human beings to attain Allah's provision (rizq) through their best effort (Khamsiah, 2006). Even the development of manufacturing industries that cater for the needs of the people is treated as a religious obligation (Al-Mukhtar, 1898). So, an individual can start and manage any kind of business enterprise within the boundary of Islam, because; the Qur'an and Sunnah have laid down detailed rules for commerce, industry, interest, debts, contracts, wills and finance. Islam lays out the basic principles of economic behavior as consumers, producers (entrepreneurs) and owners of wealth.

From pre-Islamic days, the Holy City of Mecca has been the center of commercial activities. It was indeed the annual trading center of Mecca that provided Prophet Mohammad the forum for preaching Islam. The early Muslims were not only engaged in trade but also they went to distant lands in connection with business. Islam in fact reached to different corners of the world like East and West Africa, East Asia through the business people. Sadri (2010) opined that Islamic civilization was a beacon light and an icon of scientific innovation, technological advancement and an improved entrepreneurship of that time for the rest of the world. Presently, everywhere in the Islamic world, stretching from West Africa to Lebanon, and Malaysia to Indonesia, Muslims have witnessed a "return" to Islamic traditions and the fundamentals of their faith as a way of asserting their identity, a mean to fight the unjust social and political oppression experienced in their societies, and an alternative to avert materialism and pressures of the twentieth century (Tayeb, 1997). But, many business people of Muslim world are still facing many challenges like bribery, nepotism, stealing, lying, fraud and deceit, conflict of interest, quality control issues, discrimination, falsification of information, abuse of public funds, environmental pollution (Abuznaid, 2009),

innovation, excellence, strategic thinking and skills while doing business. To overcome these problems many countries (such as Malaysia, Iran, Indonesia, etc.) have integrated Islamic values and spirits with modern disciplines of education relating to science, technology and business (Alhabshi, 1994).

Unfortunately, in spite of having clear and sharp directions in Islam regarding the establishment and management of business enterprises, many Muslims still pay no or little attention to the Islamic guide lines while developing and managing business enterprises. This is because, in one side, many Muslims lack due spirits of Islam and on the other side, absence of clear guide lines in entrepreneurship development from Islamic point of view. Though, Chowdhury (2008) developed a model (given bellow) with a view to develop Islamic entrepreneurship. But, this model only tells about selecting Islamic-oriented entrepreneurs as one of the inputs without telling how those Islamic-oriented entrepreneurs would be selected. Furthermore, this model could not tell how all Muslims would get sufficient contemporary as well as Islamic entrepreneurial knowledge so that they can acquire sufficient traits of Islamic entrepreneur with a view to fulfill the needs and desires of all stakeholders and thereby contribute to the balanced and equitable development of a society which will ultimately lead to happy, healthy, prosperous and peaceful society (Figure 1).

Therefore, this research is an attempt to develop the traits as well as model of entrepreneurship development in the light of Quran, Sunna, and practices of Khalifas (the successors of Islam) in order to help the policy makers of Muslim countries so that they can design their overall national policies (education policy, industrial policy, etc.) to produce sufficient numbers of quality entrepreneurs from Islamic perspective and thereby contribute in better and greater way in developing locally and internationally reputed successful business enterprises which will ultimately ensure economic emancipation and overall welfare for all the stakeholders. Islam as a life system, encourages and directs it followers to be honest and just (Quran, 4:135) absolutely to all regardless of color, caste, religion and sex. Moreover, it is expected that the study will help and inspire the Muslim entrepreneurs to acquire traits of Islamic entrepreneurs to be successful in life both here and hereafter.

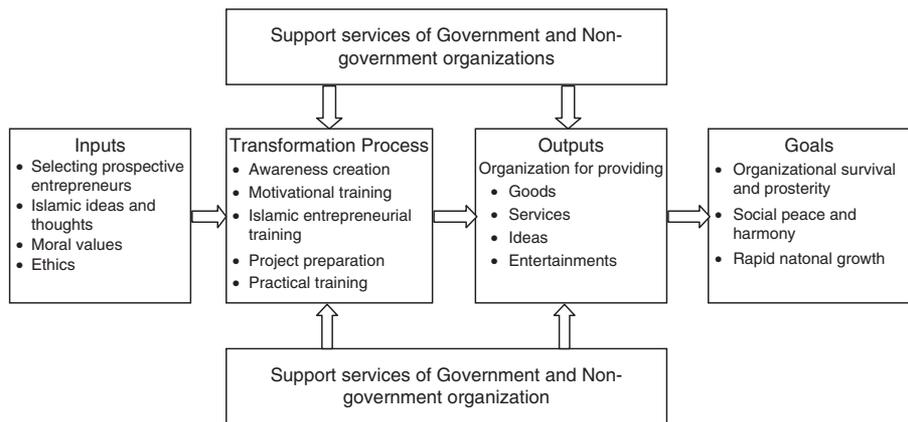


Figure 1.
Entrepreneurship
development model

Source: Chowdhury (2008)

2. Objectives of the study

In this study, the authors took interest to identify the various traits of entrepreneurs from Islamic perspective. The rationale of the study lies in the fact that no comprehensive research regarding traits of entrepreneurs from Islamic perspective has been undertaken. There are few studies addressing this issue, though, were not fully and analytically throw lighted from the Islamic point of view. In line with the main objectives other objectives of the study are as follows:

- to focus on the concept of entrepreneurship;
- to focus on the concept of entrepreneurship from Islamic perspective;
- to identify the salient traits of entrepreneurship from Islamic perspective; and
- to develop a model for creating entrepreneurship from Islamic point of view.

3. Methodology

This study is a desk-based and library-oriented research. The researchers studied the Holy Quran, Sunna, available published literatures, research monographs, journals and magazines in this field in order to develop the traits as well as a model of entrepreneurship from Islamic perspective. The study has been structured in the light of the research objectives.

4. Concept of entrepreneurship and entrepreneur

4.1 *Entrepreneurship*

Entrepreneurship is the creation of new enterprise (Low and Macmillan, 1988). It is the creation and management of a new organization designed to pursue a unique, innovative opportunity and achieve rapid, profitable growth (Drucker, 1985). It is the dynamic process of creating value by taking risk (Ronstadt, 1984). Entrepreneurship is the innovative activities to exploit the business opportunities (Schumpeter, 1934). Entrepreneurship is the skills and innovativeness by which people take initiative to become involved in productive pursuits for achieving their objectives (Chowdhury, 2008). According to Richard Cantillon, entrepreneurship is the process of starting a business enterprise for producing products and selling at an uncertain price for highest commercial yields. Entrepreneur is someone who starts his/hr own business. Entrepreneur is that person who has ability and mentality to start an enterprise either for producing goods or rendering services and thereby making profit.

4.2 *Islamic entrepreneurship*

Islamic entrepreneurship is the process of starting an enterprise for producing goods or rendering services which are halal for making reasonable profits. Islamic entrepreneurship does not involve in those activities which fail to ensure consumer rights, social responsibilities, ethical values and healthy business practices (Chowdhury, 2008). Islamic entrepreneur is a person who starts and manages business enterprise following the guidelines of Islam. He carefully avoids undesirable hoarding, unkind treatment to employee and unfair dealing with customers. Profit making is not the only goal of Islamic entrepreneurship. Rather, earning of divide satisfaction, social welfare and protection of national interest are the motivating forces of such entrepreneurship (Chowdhury, 2008).

5. Salient traits of entrepreneurs from Islamic perspectives

Islamic entrepreneur has some distinct traits which are described below.

5.1 Knowledge

Acquiring knowledge is a mandatory for all Muslims. Prophet Muhammad (SAW) always prays to Almighty Allah (SWT) to increase him in knowledge (Holy Quran, 20:114) no matter how knowledgeable or skilfull he is. Regarding the importance of knowledge Allah (SWT) says “The person who has been granted wisdom (knowledge) by Allah is, indeed, immensely resourceful” (Quran, 2:269). Knowledge is the lost wealth of Muslims so wherever they find they must acquire it. To run a business enterprise successfully from Islamic perspective an entrepreneur must acquire sufficient contemporary and Islamic knowledge. In Islam, there is always a room for improvement, as regards knowledge; Allah says “Those truly fear Allah, among His servants, who have knowledge, for Allah is exalted in Might, Oft-forgiving” (Quran, 35:28). The Holy Quran also declares, “Pursue not that of which thou hast no knowledge” (25:67). Ali (1989) (R) stated that a person “who acts according to knowledge is like one whose road is clear.” Excellence in knowledge regarding business is highly required to identify the strengths, weaknesses, opportunities and threats relating to business which can ultimately help in devising necessary policies and strategies to make the business successful.

5.2 Initiative

Taking initiative for establishing business enterprise can be considered as a very good deed, because, thousands of people are benefited through good business enterprises. Allah says in this regard “Those who do righteous deed shall have a reward unailing” (Quran, 2:42) and “It is natural for human being to take initiatives (make efforts) for achieving something, yet initiatives (efforts) must aim at all honesty” (Quran, 2:149). Muslim entrepreneurs should possess enough zeal, mental stamina and inspiration to take initiatives to uplift the economic condition of people of society. In spite of having sufficient knowledge and resources, initiatives may not be taken to set up enterprises. Whereas, with no or minimum amount of resources one may take timely initiatives to establish enterprise and eventually become renowned entrepreneur. In fact, Allah directs Muslims to take initiatives for mobilizing the resources. Allah says “When your prayer is over, spread over the earth and seek the bounty of Allah” (Quran, 62:10). Truly, Islam has never encouraged people not to work, and just rely on fate or wait for fortune.

5.3 Risk taking

Where there is no risk there is no entrepreneurship; because; future is uncertain and no one can certainly say what will exactly happen. As a result, risk may be derived at any time from economic, political and natural environment. Allah says, “[...] when you have made a decision, put your trust in Allah, certainly, Allah loves those who put their trust (in Him)” (Quran, 3:159). An Islamic entrepreneur must depend on Almighty Allah (SWTA) for the outcome of any action. It is known in Islam as *Tawakkul*. However, dependence on Allah without any thoughtful endeavor is not supported by Islam. But an entrepreneur must take calculated risk. An entrepreneur cannot take his/her enterprise to the heights of excellence until he/she has extra ordinary future anticipation and risk taking skills by which he/she takes bold but wise and timely decisions.

5.4 Customer orientation

Customers are the constituent for whom products are produced or services are rendered by the entrepreneurs. No business enterprise can survive ignoring the interest of customers. In this regard Allah says “And O my people! Give just measure and weight, nor withhold from the people the things that are due. Commit not evil in the land with intent to do mischief” (Quran, 11:85). Considering the importance of customers, Islamic entrepreneurs should develop the process (core process and support process) of business in that way so that sufficient values are delivered to customers, because; customers are satisfied when their expectations regarding a service or product have been met or exceeded (Krajewshi and Ritzman, 2005). For this reason, Islam permits for making reasonable profit only (Ather *et al.*, 2011). Indeed, profit is the reward of the entrepreneur for taking the initiatives and risk to set up business enterprises. Undoubtedly, one should make profit through customer satisfaction, otherwise; business enterprise will not be able to survive. Customer satisfaction depends not only on the quality and performance of products, but also on how customers are treated and how service is delivered. Entrepreneurs must not promise any feature or value in products or services that they will not be able to deliver to customers. Allah says “O you who believe! Fulfil [your] obligations” (Quran, 5:1). The Prophet (SAW) states “The Muslims are bound by their stipulations” (Abu Da’ud). The Prophet (SAW) condemns promise breaking as the hallmark or trait of a hypocrite. If he makes a promise, he breaks it, and if he makes a compact, he acts treacherously (Bukhari).

Furthermore, as a part of customer satisfaction, the entrepreneurs must communicate time to time with their customers in many ways such as interaction in daily operations, dialogue forums such as customer focus groups in the product development phase, customer surveys that provide important feedback, dialogue via social media, customer satisfaction surveys, and follow up on customer satisfaction and brand perception.

5.5 Employee involvement

Engaged employee brings body, soul and mind to work (Collier and Esteban, 2007). But, in many of today’s organizations, people only bring their arms and brains to work, not their souls (Mitroff, 2003). The consequence is that organizations do not trigger the full creativity and potential of their employees. Employees, in turn, do not succeed in developing themselves as holistic human beings (Rego *et al.*, 2007). But entrepreneurs can overcome this problem by cultivating the principles of Islamic industrial relations with a view to ensure congenial and conducive workplace for better productivity and profitability. Islam encourages and promotes the spirit of love and brotherhood between the employer (entrepreneur) and employees. According to the Islamic teachings it is the religious and moral responsibility of the entrepreneur (employer) to take care of the overall welfare and betterment of his employees. Islam always encourages the entrepreneur not only to pay fair wages and remuneration but also to ensure good working conditions for the employees. The Prophet of Allah (SAW) has said “around you, Allah has placed those who are your brothers [workers under you] who are around you, Allah has placed them under you. So, if anyone of you has someone under him, he should feed him out of what he himself eats, clothe him like what he himself puts on, and let him not put so much burden on him that he is not able to bear, [and if that be the case], then lend your help to him” (Bukhari). The Prophet (SAW) also said “I will be foe to three persons on the last day one of them being the one

who, when he employs a person that has accomplished his duty does not give him his due" (Bukhari). The Prophet (SAW) is also reported to have said "The wages of the labourers must be paid to him before the sweat dries upon his body" (Ibn Majah). So in no way Muslim entrepreneurs should exploit the workers rather they should practice the principles of Islamic industrial relations in their workplace for ensuring the productive work place through employee involvement.

As part of employee involvement Muslim entrepreneurs should provide necessary training to update and upgrade the conceptual, human and technical skills of employees and thereby making the employees capable to handle various organizational activities more confidently and correctly. Dynamic performance evaluation system should be introduced in the organization and many decisions are to be made like promotion, incentive, increment, salary enhancement, work distribution, training and development and counseling based on the performance report (Rahim, 2007).

5.6 Strategic thinking

To combat the challenges of competitors as well as to identify the business opportunity from volatile environment and thereby making the organization successful, an entrepreneur must think strategically. Considering the importance of strategic thinking Allah says in the Quran that "Indeed, the worst of living creatures in the sight of Allah are the deaf and dumb who do not use brain/reason" (Quran, 8:22). Allah also says "And it is not for a soul to believe except by permission of Allah, and He will place defilement upon those who will not use reason/brains/intelligence" (Quran, 10:100). Allah says in Quran that those who would be thrown into the Hell will say "Had we but listened or used our intelligence, we would not (now) be among the Companions of the Blazing Fire!" (Quran, 67:10).

5.7 Innovativeness

Innovation is the paramount factor of entrepreneur that differentiates the entrepreneurial behavior from managerial activity (Schumpeter, 1934). According to Drucker (1985) innovation is that quality of entrepreneur by which he takes initiative in a systematic, purposeful and organized way for bringing changes regarding many dimensions of business (product, process, technology, promotion and price, etc.) with a view to satisfy the needs of customers and thereby remaining ahead in the market place. Regarding the dynamism and innovativeness of entrepreneurs the Holy Qur'an says "We do not change the circumstances of people until they do not change what is within themselves" (13:11). In fact there is no room for an indolent and idle brain in Islam. According to Islamic teachings, a man can have nothing but what he strives for (Holy Qur'an 53:39).

5.8 Excellence

Islam has given high importance on excellence regarding every kind of job for all times. Sincerity can make an enterprise excellent one (El-Sayyad, 1993). The feelings of making the enterprise excellent one may awaken one's talents, abilities and originality. Allah, the Glorious, declares: "Then strive together towards all that is good" (2:148). The Prophet (pbuh) has ordered to seek perfection in all fields. The Messenger of Allah (pbuh) said "Verily, Allah loves that when anyone of you does a job to perfect it." The Prophet (pbuh) also said "Verily Allah has enjoined goodness to everything; so, when you kill, kill in a good way and when you slaughter, slaughter in a good way.

So, every one of you should sharpen his knife, and let the slaughtered animal die comfortably” (Sahih Muslim). Muslim entrepreneurs can attain excellence by performing the best deeds in addition to following in the footsteps of those who did perfect deeds regardless of nationality and religion. Prophet Muhammad instructed “If you pray, pray well, and if you fast, fast well.”

5.9 *Hard working*

Work is considered as an act of worship in Islam (Syed, 2008). The Prophet Muhammad Himself, who is considered a paragon of virtues in Islam, was a hardworking person and used to pray seeking Allah’s shelter from laziness or idleness. Allah says “That man can have nothing but what he strives for (Quran, 53:30); That (the fruit of) his striving will soon come in sight; Then will he be rewarded with a reward complete” (Quran, 53:40-41). The Holy Quran also says “Allah does not change the condition of people until they have changed themselves” (13:11, 22:41). Allah (SWTA) further says “When Salat is complete, strike out into the earth and seek His bounty” (62:10). Prophet Muhammad strikes a balance between worship and work. Prophet Muhammad (SAW) said “Verily the best things which you eat are those which you earn yourselves or which your children earn” (Bukhari). It is recorded in his traditions how he turned a man who came to him begging into a productive member of the society by teaching him how to work and provide for himself. So, Muslim entrepreneurs have to be constant in their acts of worship, they also have to work hard to make a living, as it is recorded in one of the famous sayings of scholars: “Work hard (for making a living and survival) as if you are going to die” (Al-Albani).

5.10 *Patience*

The Prophet (SAW) says “There is nothing superior and valuable than patience” (Bukhari). In Islam, patience is considered as an important trait (Safi, 1995) by which entrepreneurs can overcome many hindrances to the way of achieving the predetermined goals. Allah says, “[...] be patient with gracious patience” (Quran, 70:5). Allah also says “[...] be patient for the decision of your Lord, [O Muhammad], and be not like the companion of the fish when he called out while he was distressed” (Quran, 68:48). HE further says “[...] be patient; indeed, the [best] outcome is for the righteous” (Quran, 11:49). “[...] be patient, for indeed, Allah does not allow to be lost the reward of those who do good” (Quran, 11:115). “And We made, from among them, leaders, giving guidance under Our command, so long as they displayed patience, and continued to demonstrate faith in our signs” (Qur’an, 32:23). In the Holy Qur’an there are many indications about patience (2:249, 3:186, 10:109, 16:127, 46:35, 6:34, 37:102, 2:249, 8:65, 3:186). Showing utmost patience and endurance at the time of hurdles, dangers and bad days of business entrepreneurs can seek the bounty of Allah.

5.11 *Vision*

Vision is the one’s personal picture of the new world that the entrepreneur seeks to create (Wickham, 1998). According to Henry *et al.* (2003) vision drives an entrepreneur to put the original idea into practice. Iqbal (2006) opined that an entrepreneur is the one who follows his own light (Rumi) and sees what others cannot see. He does not rely on what is already in existence; He is a dynamic open-minded person with a very keen perception. Using his visionary mind, he creates the world of his own that eventually leads to materializing the vision into reality.

5.12 Optimism

Muslims entrepreneurs do not feel insecure and disappointment at any stage of life due to their trust on Almighty (Hoque *et al.*, 2010). No doubt, ups and downs may come in the life of almost everybody but hope for success helps not only to be confident but also to be pragmatic. Confidence is an individual's beliefs concerning his or her ability to perform-specific tasks successfully (Greenberg and Baron, 2000). But overconfidence is not expected because that may lead to entrepreneurs failing to perceive the risk inherent in certain situations (Azim, 2011). Muslim entrepreneurs do not look at life or world with gloomy and aimless eyes; because, Allah says "O My servants who have transgressed against themselves [by sinning], do not despair of the mercy of Allah. Indeed, Allah forgives all sins. Indeed, it is He who is the Forgiving, the Merciful" (Qur'an, 39.53). Muslim entrepreneurs firmly believe that impossible is nothing and with greater enthusiasm and ambitiousness all the hurdles coming in the way become easy automatically (Hoque *et al.*, 2010).

5.13 Halal earnings

In Islam there is a boundary regarding the entrepreneurial activities and no entrepreneur can cross it if he/she wants to get salvation in the hereafter. The Holy Qur'an says "Do not devour one another's property wrongfully, nor throw it before the judges in order to devour a portion of other's property sinfully and knowingly" (2:188). The Holy Qur'an also declares "Do not devour another's property wrongfully – unless it be by trade based on mutual consent" (4:29). The Prophet (sws) endorsed the importance of legitimate ways of earning. He said, "The best form of gain is a man's work with his hands, and every legitimate sale" (Ahmad).

From the above statements it is clear that a Muslim entrepreneur must be determined to earn only through halal (legitimate) means. He should not only avoid illegitimate means in earning his provisions and livelihood but also keep (distance) himself aloof from matters dubious and doubtful. The Prophet (sws) is also reported to have said, "Leave what makes you doubt for things that do not make you doubt" (Tirmidhi). The Prophet (sws) states "A time will come upon the people when one will not care as to how he gets his money whether legally or illegally" (Bukhari).

Moreover, foremost among the unacceptable business practices strongly condemned in Islam is *Riba*. *Riba* (interest), by definition, is the extra sum the moneylender charges from the borrower for deferred payment. Islam has forbidden all forms of *Riba* since it involves both oppression and exploitation. Islam strictly forbids this form of tyrannical dealings and condemns it in severe terms. The Holy *Qur'an* says "Allah has permitted trading and forbidden *Riba* (usury)" (2:275). The Holy Qur'an also says "Devour not *Riba* doubled and re-doubled" (3:130). It further states "O you who believe! fear Allah and give up what remains of your demand for usury if you are indeed believers. If you do it not, take notice of war from Allah and his Apostle: but if you turn back you shall have your capital sums; deal not unjustly and you shall not be dealt with unjustly" (2:278). The *Sunnah* is equally emphatic in denouncing *Riba*. The Prophet (sws) is reported to have said "May Allah send down His curse on the one who devours *Riba* and the one who pays it and on the two witnesses and on the person writing it" (Ahmad).

5.14 Honesty and truthfulness

Customers, employees and society as a whole will be benefited only when the entrepreneurs will be honest and truthful. But it has become common practices of most

of the entrepreneurs that they hardly speak truth and act honestly. As a result the antisocial activities like bribery, corruption, falsehood, underweighing, frauds and adulteration are widely practiced. But in Islam the status of honest and truthful entrepreneurs is very high. The Prophet (SAW) said “The truthful entrepreneur (merchant) [is rewarded by being ranked] on the Day of Resurrection with prophets, veracious souls, martyrs and pious people” (Tirmidhi). The Prophet (SAW) has also exhorted the believers to strictly adhere to truthfulness in business transactions. He says “The seller (entrepreneur) and the buyer have the right to keep or return the goods as long as they have not parted or till they part; and if both the parties spoke the truth and described the defects and qualities [of the goods], then they would be blessed in their transaction, and if they told lies or hid something, then the blessings of their transaction would be lost” (Bukhari).

The tradition implies that Allah blesses business dealings if both the buyer and the seller (entrepreneur) are true to each other. Telling lies and hiding facts will result in the loss of divine blessing. The Holy Prophet said: “Traders (entrepreneurs) are wicked people.” The Companions asked: “O Messenger, has Allah not permitted business?” The Messenger replied: “Of course He has declared trading lawful. But they (i.e. the traders/entrepreneurs) will swear by Allah and do evil, they will not speak but tell lies” (Ahmad). Owing to honesty and truthfulness in life once Muslims were reliable to the non-Muslims. Muslim entrepreneurs should be out and out honest as well as truthful in their entrepreneurial activities.

5.15 Social welfare

Social welfare is currently a universal notion in business (Pearce and Doh, 2005). Social welfare aspect of business not only protects the well-being of employees, communities and the environment but also develops competitive advantage (Porter and Kramer, 2006). Allah says “You are the best nation; you have been created for the welfare of mankind. You order for right, true and welfare-oriented activities and keep the people away from sin and undesirable tasks and have deep faith on Allah” (Quran, 3:110). Prophet Mohammed (SAW) stated that, “The best of people are those who benefit others.” The Muslim entrepreneurs will not set up their enterprises merely for making profits rather for ensuring social welfare in the form of producing hygienic products, making reasonable profit, creating employment opportunity, paying due taxes to the government, ensuring employee welfare and protecting national interest. Moreover as part of social welfare, an Islamic entrepreneur will not set up any enterprise (like wine, brothel) that violates the welfare aspects of society.

5.16 Morality

An entrepreneur can increase his reputation among all stakeholders with the help of his personal moral branding. A man having high-moral reputation can easily develop good image and thereby can develop his/her enterprise. In spite of having a lot of knowledge a person cannot be accepted by others unless and until his morality is good. The Messenger of Allah said: “Indeed I have been sent to complete the perfecting of good character” (Sunan An-Nasai). Almighty Allah declares about the character of His Prophet: “And you are on an exalted standard of character” (Quran, 68:4). The Prophet (SAW) also says “The best among you are those whose character is good” (Shihh-al-Bukhari). The wise says, “When money is lost nothing is lost, when health is lost something is lost, but when character is lost everything is lost.” Allah declares “Indeed in the Messenger of Allah (Muhammad [SAW]) you have a good example to

follow for him who hopes for (the meeting with) Allah and the Last Day, and the remembrance Allah much” (Quran, 33:21).

5.17 Economical

Muslim entrepreneurs will neither be miser nor extravagant. The Prophet (SAW) said, “Every day two angels come down from heaven one of them says, ‘O Allah ! Compensate every person who spends in your cause;’ and the other (angel) says, ‘O Allah ! destroy every miser’” (Bukhari). The Holy Qur’an declares; “Give the kinsman his due, and the needy, and the wayfarer, and waste not (your wealth) in wantonness. Lo! the squanderers were ever brothers of the devils, and the devil was ever an ingrate to his Lord” (17:26-27). In another verse Allah says “Eat and drink, but waste not by excess” (Quran, 7:31). The prophet (SAW) also said, “There are two habits which are never present together in a believer; miserliness and bad manners” (Tirmidhi). But it is commonly seen that some entrepreneurs are very miser and some waste their time, money and other resources by their pompous life. But Islam orders Muslims to lead simple, homely and economical life.

5.18 Fear of Allah

Allah says “Verily, the most honorable person to Allah among you is he who fears Him most” (Qur’an 49:13). Allah-fearing (Taqwa) is the inner feelings and drive for accountability of entrepreneurs about overall activities toward almighty Allah. He/she thinks that every single activity is being observed and recorded by Allah and for every good or bad deed he/she will be rewarded or punished. Allah says “[...] whosoever does good equal to the weight of an atom (or a small ant) shall see it. And whosoever does evil equal to the weight of an atom (or a small ant) shall see it” (Quran, 99:7-8). Once Muslims were transparent, honest and ethical because of Taqwa.

Based on the above discussions it can be said that Islam has entrepreneurial outlook having salient traits. These salient traits presuppose a separate spectrum for viewing entrepreneurship under Islamic perspective. Hence, the authors developed the following model for developing entrepreneurship from Islamic point of view.

6. Description of the model

In the below-drawn model there are many activities for developing entrepreneurship from Islamic perspective which can be under three phases such as preparatory and awareness developing, motivation and supportive and feedback. The detailed descriptions of these phases are given in Figure 2.

6.1 Preparatory and awareness developing activities

Islamic entrepreneurship will not be developed automatically rather a lot of activities are to be performed thoughtfully and delicately to prepare the Islamic entrepreneurs. As part of preparatory activities, education should be provided in all education institutions (schools, colleges, universities and madrasas) so that every single student can acquire sufficient traits (knowledge, skills, honesty and values, etc.) to establish, operate and manage business enterprise efficiently and effectively from Islamic perspectives. Of course, quality Islamic entrepreneurship would not be developed overnight. Rather, it is a continuous and rigorous process. But with the help of preparatory activities it would be possible to create the mind set of people to be Islamic entrepreneurs. Furthermore, the awareness should be developed continuously among the existing and potential entrepreneurs to set up and manage business enterprise

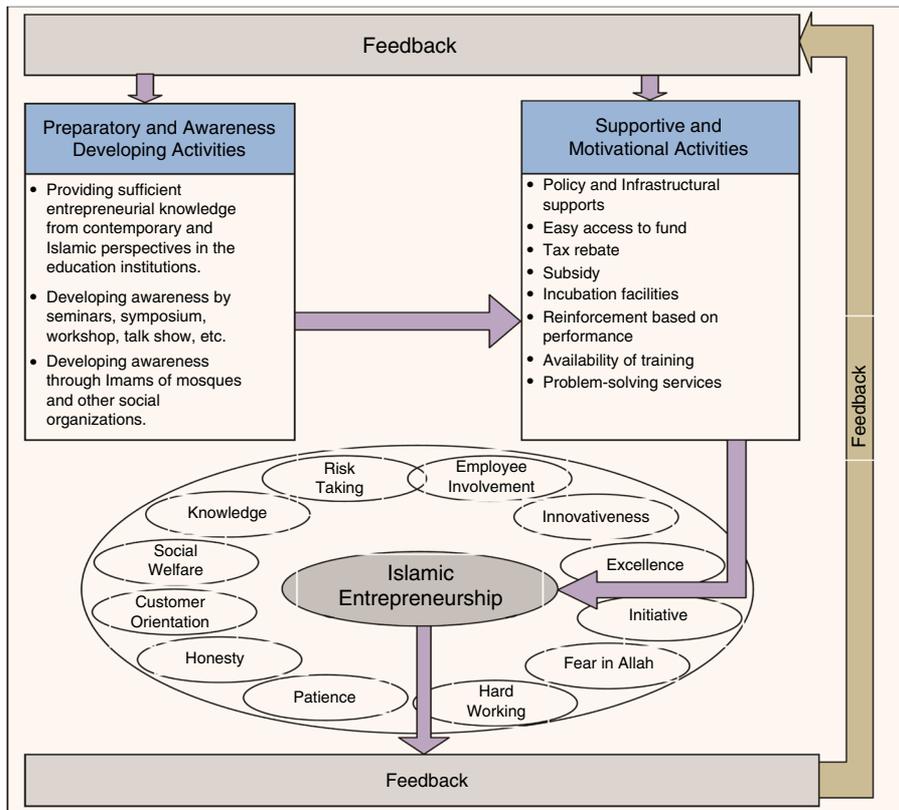


Figure 2. Islamic entrepreneurship development model (IEDM)

Source: Developed by authors

upholding the traits of Islamic entrepreneurs and thereby becoming successful both in life here and hereafter. In developing awareness the imams of mosques (clerics) can play very important and effective role. Because, every type of people including educated, uneducated, administrator, policy makers, bureaucrats, businessmen and general people come in the mosque especially to say juma prayer on every Friday. So, continuous awareness can be developed through imams of Mosques regarding the traits of Islamic entrepreneurs. Moreover, for developing skills, knowledge and awareness among existing as well as potential entrepreneurs, various types of programs like seminar, symposium, workshop and talk show should be organized continuously in an effective and efficient way.

6.2 Supportive and motivational activities

No entrepreneurship can be developed without policy support from government. It is the responsibility of the government of Muslim countries to provide sufficient policy, infrastructural, incubation and other supports to the entrepreneurs so that people can apply their full potentiality and skills to develop enterprises and thereby expedite the wheel of economy with a view to remove poverty and unemployment which ultimately bring peace, prosperity and happiness in the mind of people. In addition, the government should provide motivation in the form of easy access to fund, tax

rebate, subsidy, accelerated depreciation, problem-solving services, awarding for good entrepreneurship, etc.

Government also may come forward to identify the underprivileged entrepreneurs and to address the barriers they are suffering from to ensure balanced development of entrepreneurship. Alternative motivational and supportive measures should be taken to facilitate them.

6.3 Feedback

Time to time feedback should be taken by the policymakers through continuous monitoring so that the policy makers can certainly know the level and rate of development of Islamic entrepreneurship. Desired Islamic entrepreneurship will not be developed overnight rather is the outcome of integrated and continuous efforts both government and entrepreneurs. Taking feedback, the policy makers must identify the constraints to the way of entrepreneurship development and proper strategies should be devised to remove the hindrances with a view to ensure the due progress in entrepreneurship development. May be that the new policies are to be formulated or the existing policies relating to preparatory and awareness developing activities as well as supportive and motivational activities are to be modified to develop entrepreneurship from Islamic perspective. It is to remember that to cope with changing business environment, existing policies may not be sufficient to exploit the market opportunities, eventually revisions of policies are to be done thoughtfully at a regular interval of time for the greater and better welfare of the country.

7. Conclusion

In developing Islamic entrepreneurship, the government must play key and central role because, government has the authority to formulate necessary policies relating to different phases of entrepreneurship development. In this regard, government should use the every opportunity and option effectively and efficiently. Moreover, every single Muslim should have sufficient drive and mentality to acquire the traits to be entrepreneurs from Islamic perspective and thereby ensuring the salvation both in life here and hereafter. In this study, not only traits of entrepreneurs are developed but also a model is developed from Islamic point of view. So, it is expected that this study will help immensely in developing awareness among government, existing entrepreneurs, potential entrepreneurs and Islamic scholars regarding the entrepreneurship development from Islamic perspective and thereby helping in accelerating entrepreneurship development process with a view to reduce poverty and ensure overall welfare of the country.

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