

# Who is the Good Entrepreneur? An Exploration within the Muslim Social Tradition

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**Abstract-**Entrepreneurship is a critical need in society, and an entrepreneur's life can be a life wonderfully lived. However, most of the literature examining entrepreneurship takes an overly narrow financial viewpoint when examining entrepreneurship and entrepreneurial success. Our paper surveys the current entrepreneurial literature on what constitutes successful entrepreneurship. We then engage key conceptual ideas within the Muslim social tradition to analyses what we see as an undeveloped notion of success. We then move to construct a richer notion of success through the virtue.

**Key Words:** Entrepreneur, Success, Muslim Social Tradition

## 1 INTRODUCTION

### Background

The concept of change to business idea as one of the most prominent factor of entrepreneur. Recent statistics shows that the dramatic increase in the impact that entrepreneurship has on economic growth (Timmons, 1999), which has certainly contributed to the focus on entrepreneurship of late. For example, the change in employment as a percentage of the total workforce in the US employed by the Fortune 500 companies has dropped from 20% in 1980 to about 7% in the late 1990s. During the same time, new businesses represented 77% of new jobs created, while the fortune 500 actually lost over 5 million jobs. In the mid twentieth century about 200,000 new businesses were started each year in the US. That number is now estimated to be about 3.5 million new businesses each year. Clearly there has been a fundamental transformation to an economy that is rooted in, and fueled by, entrepreneurial development.

One of the key attributes of a successful entrepreneur is having a great personality. According to Azlina Abu Bakar (2009), the word personality comes from a Latin word 'persona' which refers to someone's exterior characteristics including their way of thinking, behavior and emotions. Thus, according to Eysenck H.J. (1970), personality from the aspect of way of thinking proves that a person has the

stability in their cognitive system. Meanwhile, Abdul Aziz (2009) explains personality from behavioral aspects shows that someone will have some sort of defense mechanism within his body system. On the other hand, Miftah Muhammad Abdul Aziz (1997) suggests that personality from the aspect of emotional strength is related to one's emotional stability.

### Objectives

The objective of this research paper is to find out "Who is the good entrepreneur? An exploration within the Muslim social tradition".

To establish that how success influence on the performance of good entrepreneur.

### Significance of the study

This study is very useful for the entrepreneur in the Pakistan who want to become a good entrepreneur in Islamic perspective because we stated some information from Quran and Hadith. This include empowering the youth to be successful entrepreneur. This work have not been done before on this topic in Pakistan, so this is our research gap.

Yet despite these impressive contributions, deeply embedded within entrepreneurship, as a practice and a body

of the literature, are unexamined first principles. We believe that this failure to understand entrepreneurship within a moral context is a problem not only for society, but also for entrepreneurs, whose growth is stunted by this lack of understanding. The first among these unexamined first principles is how entrepreneurial success is defined. The vast majority of studies narrowly define entrepreneurial success in terms of financial performance.

“Who is the good entrepreneur: An exploration to the Muslim Social Tradition”. Yet not any of the researcher done the research on this topic. A commonly accepted description of entrepreneurship is a process of identifying, evaluating, seizing an opportunity and bringing together the resources necessary for success. It is the actions and behaviour of entrepreneurs, rather than any characteristics of them that have dominated the study of entrepreneurship. That is, entrepreneurship is defined in terms of what people do, rather than describing a set of traits that entrepreneurs share in common. Entrepreneurship can be seen as the process of taking on calculated, well-planned business risks in the pursuit of opportunity in the market. Since this definition of entrepreneurship focuses on the process of building a business, much of the research is at the enterprise level of analysis. However, it is impossible to remove the entrepreneur from entrepreneurship. Without it, you simply have an empty vessel. Examination of entrepreneurship should include the personal and interior side experienced by the entrepreneur, beginning with the very first impulse, the spirited emotions and the courage that prompt an individual to start a business venture.

## 2 Literature Review

Yet, a review of recent studies on entrepreneurial ventures reveals that much of the literature focuses on the actions and behaviors as it relates to financial growth as the measure of success. The most common measures of growth are concerned with revenue growth or growth in market share (Frombrun and Wally, 1989; Tsai, MacMillan and Low, 1991; Brush and Vanderwerf, 1992; Hoy et al., 1992; Brown, 1996; Schwartz et al., 1997; Wisnieske and Dowling, 1997; Ensley and Amason, 1999; Stoica and Schindehutte, 1999). However, revenue growth is not the only measure of financial performance. Other studies operationalized success as growth in profits (Chandler, 1996; Bamford et al, 1996; Ireland and Hitt, 1997; Ensley and Griden, 1998). Chrisman et al. (1998) measured success in terms of survival of the business, the ultimate measure of financial performance. Most of these studies used measures that are common in assessing publicly held stocks traded in equity markets, even though most of the ventures being studied were privately held. Public equity markets view business ownership only in terms of a financial investment and therefore it can be understood why financial performance is the main focus for assessing success. But should it be assumed that privately held businesses owned by entrepreneurs should be assessed using these same measures? Is this all that is important to an entrepreneur?

A few studies use measures of success that may have specific relevance for many entrepreneurs on a personal

basis, rather than focusing only on objective financial measures at the enterprise level of analysis. For example, Levie (1997) defined growth in terms of growth in total employment. The number of employees is a common measure used by entrepreneurs when asked to assess the progress of their business ventures. Two studies used "cash taken out of the business," Cooper et al. (1996) and Franquesa and Cooper (1996). To the entrepreneur, cash flow is considered the life-blood of the business, so the ability for the entrepreneur to take cash out through bonuses or dividends is an important measure of success from the entrepreneur's perspective. Franquesa and Cooper (1996) also assessed the entrepreneurs' general satisfaction with running their businesses. Certainly the importance of entrepreneurs being financially successful, whether defined by externally imposed measures or those important to the entrepreneur, is self-evident: it is foundational to the economic survival of a business venture. However, Cooper (1995) stated that the problem of much of the entrepreneurship literature is that studies measure performance variables that are easiest to gather information about, rather than those that are important and meaningful. This then raises the question: Important to whom? There is virtually no effort in the literature to ask entrepreneurs what success means to them. Is it creating jobs, creating wealth, creating and marketing a useful product or service, distributing wealth, or something even more deeply personal and principled? And there is no attempt to examine what entrepreneurial success means taken from a moral perspective, let alone a spiritual or religious perspective. That is, what is a good entrepreneur?

A few papers addressed measures of entrepreneurial success from a broader stakeholder perspective. Cornwall (1998) suggested the importance of examining an entrepreneur's contribution to economic and community development. Sapienza and Grimm (1997) assessed customer and employee satisfaction to measure success. It should not be assumed that the lack of scholarly focus on more personal measures of entrepreneurial success reveals a lack of concern on the entrepreneur's part on these issues. It will, however, require a fundamental change in the perspective taken by scholars.

Examining entrepreneurial success as a first principle requires a moral analysis of the good entrepreneur that goes well beyond a simple evaluation of financial performance. It entails that entrepreneurs and entrepreneurial research take seriously this critique of economist, as well as the neglect of two dimensions of work that are methodologically neglected in the study of entrepreneurship, namely the subjective dimension of work and the role of virtue.

The critical challenge for entrepreneurs as well as scholars in entrepreneurship is to begin to integrate the subjective and objective dimensions of work. If entrepreneurs were to create organizations without due regard to the objective dimensions of work, chaos would reign as a prelude to bankruptcy. But in a similar way, if they were to create organizations without recognizing the subjective dimension of work, chaos of a different order would reign, namely, the moral and spiritual stagnation of persons. It is in light of

this challenge of integration that the Muslim social tradition proposes the role of virtue as a critical framework to integrate the subjective and objective dimensions of entrepreneurial work.

Yet, the work of an entrepreneur, or any worker, is not only achieving objectives, since the activity of work does not only terminate in objects. The entrepreneur changes not only the world, but she also changes herself. As a self-reflexive activity, work reflects right back into the person. When she works, as well as when any of us work, she not only makes a choice about what she works on, that is, the objective dimensions of work, but she also simultaneously makes a choice about herself, that is, through her labour, she can partially realize herself (Gregg, 1999).

Most entrepreneurial education and literature is all about how to change things: discern opportunities in markets niches, build business through a relationship with customers and suppliers, manage the day-to-day cash flow, attract a consistent flow of cash to fuel growth, develop a team of employees with complementary skills and talents, and learn to effectively create systems as the business grows. It is in the objective changes that one begins to see the significance of humanity's dominion over creation. People have the rational capacity to see and anticipate opportunities and to change the world.

This connection between one's work and one's identity can be found in the history of names. During the middle Ages as well as other earlier historical periods, the products created were closely identified with the people who made them. Names such as Baker, Smith, Miller, Cook, Mason, Carpenter, Hunter, and Farmer attest to the close identity between what one made and who one was. Even today when people ask, "What do you do?" answers come back, "I'm a teacher," "I'm a plumber," "I'm an accountant." There is of course the dangerous conflation between what one does, doing, and who one is, being, but to deny the connection between the two is to make human work insignificant in the moral life.

The addition, Yusuf Kamal Muhammad *et al.* (2001, p. 130) states that encourage on entrepreneurship not only based on this commercial activity have been allowed by Allah the Almighty during and after they perform *Hajj*, but it is also viewed as *jihad* for the cause of Allah. Meanwhile, Badr al-Din al-Ayni explains that business and trade is as important as marriage, familial and criminal issues as stated in the *Kitab al-Buyu* as according to the book of *Sahih al-Bukhari*. It further explains that human can manage to avoid marriage but none can avoid from being involved in entrepreneurship either as a trader, buyer or consumer. Thus, if entrepreneurship is neglected, life will cease and humanity destroyed without having to serve its purpose.

As a matter of fact, Imam Ibn Taymiyyah stresses that Islamic law scholars from the Shafi'ite school, Imam Ahmad bin Hanbal, Abu Hamid al-Ghazali and Abu al-Farj Ibn al-Jawzi in chorus stated that entrepreneurial is a responsibility that must be performed social wise. This is due to the fact that life will not prosper without committing

this responsibility (Abd al-Halim, 1992). While Ibn 'Abidin (2000, 1, p. 32), a scholar of Hanafi school, further support the statement claiming that entrepreneurship is important for it is a responsibility that must be carried out socially. Among Shafie School on the other hand, Imam Nawawi stated that in social view; employment, trade and other livelihood necessities is a responsibility that must be carried by everyone in completion of life (al-Nawawi, n.d., 6, p. 194). Meanwhile, Imam Ahmad bin Hanbal explains in Salih bin Muhammad al-Fahd al-Mazid (1403H., p. 60), property and possession can be gained through four ways, they are: business and trade, kinship, tutoring and real-estate, but among these four, he prefers the outcome gained from business and trade.

Entrepreneurship is one of the many aspects in life which was discussed in the Al-Quran. There are evidences in the Quran which point out the importance of gaining wealth through entrepreneurship. Allah SWT has stated in the Quran: "And we have certainly established you upon the earth and made for you therein ways of livelihood. Little are you grateful." (Surah Al-A'raf: 10).

It has also being mentioned in the Quran: "And out of His mercy He made for you the night and the day that you may rest therein and [by day] seek from His bounty and [that] perhaps you will be grateful." (Surah Al-Qasas: 73).

Both of these decrees from Allah SWT are evidences or reminders which call the mankind to work hard and search for benefits from all sources provided by Allah SWT in this world. Entrepreneurship is an example of this and at the same time is an '*ibadah*' (religious ritual) to Allah SWT if they are carried out honestly and for the right reason. In the context of being successful in this particular field, a Muslim entrepreneur has to possess an Islamic-based personality. This is what distinguished Muslim entrepreneurs from non-Muslim entrepreneurs.

According to Dewan Dictionary (2007:1208), a leader means someone who leads. It is originated from the word 'lead' which literally means guide, show and push. According to Habibah Alias and Noran Fauziah Yaakob (2002), leader is defined as a process whereby an individual uses all his strength and thinking skills and potential to the fullest. Leadership also involves the aspect of ability, capability, intelligent to control and adapt in any situation. Those with leadership skills are said to be able to avoid inappropriate elements which can affect them. They are said to be able to react professionally in any situations.

Same with Sheikh Abdul Munir bin Sheikh Abdul Rahim (2008), leaders are those who are able to lead themselves and other individuals and are able to interact with an individual or groups. Abdullah Hassan and Ainon Mohd. (2005) discusses the main role of a leader i.e. to move mankind and the organization under his leadership forward by increasing their efficiency and improving teamwork among the staffs in the organization. A leader must build teamwork among his workers and integrate the individual's interests with the organization's interests. Idris Zakaria (1996) states that the characteristics of a great leader are wise, strong, and intelligent, has a strong memory, knowledgeable, very experienced, modest, honest, prudent, just and has a strong will. This attributes are knowledge and skills which can be acquired, trained and improved over time.

### 3 Methodology:

#### Sample and data collection:

The purpose of this study is to identify the “Who is the good entrepreneur? An exploration from Muslim Social Tradition”. In order to achieve the purpose of study, a structure questionnaire was design to collect the data. The target population for this research was to collect data from those peoples who have knowledge about good entrepreneur in Muslim Social Tradition. Interviews conducted from the religious persons and also from entrepreneurs. The respondent participate voluntarily and it was assured their responses will be keep confidential and only will only be used for this research.

From 50 distributed questionnaires 50 were received back. The questionnaires were distributed by hand to different entrepreneurs and religious persons.

#### Demographic Detail of the respondents:

As mention above total response of sample size was 50. Out of these major portion of sample consist male which is 46 and 04 respondent were female.

#### Questionnaire and Scales:

The designed questionnaire has 14 open ended questions. The language which is used for this research is English because English is taught from very beginning in Pakistani schools.

Out of these fourteen (14) questions that were used in questionnaire, questionnaire was adopted from Billy Thibodeaux.

**Control Variables:**The current study used a few control variables related to good entrepreneur demographic such as gender, age, considered as control variable.

### 4 Discussion

While asking questions from responders mostly said that entrepreneur cause of success is parent’s prayers, they guide them the right way and give us the right direction. Some said that professional guidance and help from friend helps them to way of success.

Good entrepreneur is that who have complete information and who follow Hazrat Muhammad (S.A.W) teaching and

have belief on Allah. Responders said that creative thinker, foresight persons are good entrepreneur.

They have ability to best use of resources, utilize the resources in such a way their resultant success of business. If a person have some leadership qualities so they can motivate the employees towards their objectives. They are good entrepreneur if they have some financial knowledge.

They need some training about new innovations in the field of entrepreneur after that they can take good decisions about their business. They need to conduct a survey about their new product development.

Entrepreneur vision and objectives are serve society by offering best product and services. Offer quality oriented to customers with low prices and better quality. Entrepreneur main objective is customer satisfaction.

Some have different objectives like health care, and lead public towards prosperity. As a business owner their responsibilities were planning, overall supervision, decision making, guideline, training and motivating towards their objective.

Entrepreneur should have some religious qualities like sincerity, honesty, enough knowledge, know his strength and weakness and create opportunity, reasonable profit teamwork spirit and other things that are more important.

The cooperative and collaborating work within the team and between teams in Hazrat Muhammad (S.A.W) and His companions Era. Because Haram is not allowed in our religion. So every entrepreneur should follow Hazrat Muhammad (S.A.W) teaching.

### 5 Conclusion

In light of our discussion, how can we speak meaningfully about entrepreneurial success? According to what we have said above, we conclude that the proper ordering of three distinct kinds of goods are necessary for the entrepreneur to define her activity as virtuous which serves as the basis of success: (1) the good of being technically competent, (2) the good of the individual and (3) the good of community (social order of work).

Scholars in the entrepreneurial field need to engage more seriously in a comprehensive notion of success by recognizing the wide variety of goods necessary for a successful organization. If they fail to do this, the discipline of entrepreneurship risks attending, discussing and publishing only the easiest of measures, which we describe as foundational goods.

Those of us in the field need to further develop creative instruments which help entrepreneurs to assess how well they are achieving what we have called excellent goods in organizations and to design practices and policies which move organizations closer to achieving those goods.

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