

Islamic Entrepreneurship and Management: Future Research Directions

Vanessa Ratten, Veland Ramadani, Léo-Paul Dana,
and Shqipe Gërguri-Rashiti

1 Introduction

Approximately 26.4% of the world's population is expected to follow Islam by 2030 making it the world's second largest religion (Pew Research Centre 2011). Islam is integrated into society around the world including educational systems in which religious beliefs are taught (Ramadani et al. 2015). The importance of Islam to business is evidenced by Madi (2014: 144) who states "Islamic economies play an increasingly prominent role in the global economy". As the world's second most practiced religion, there are over a billion Muslims in the world (Fattah and Butterfield 2006). People around the world practice Islam but the countries with a majority of Muslim populations are located in Asia, the Middle East and North-Central Africa (Pistrui and Fahed-Sreih 2010). The countries with a Muslim majority are largely located in the Middle East (Iran, United Arab Emirates, Bahrain), Africa (Egypt, Libya) and Asia (Indonesia, Bangladesh, Maldives) (Pistrui and Fahed-Sreih 2010). This means that there is a geographic dispersion of Muslims around the world in both developed, developing and transition economies (Anggadwita et al. 2015). In addition, Muslims come from linguistically diverse backgrounds and cultures, which affects their entrepreneurial behaviour and culture.

V. Ratten
La Trobe Business University, Melbourne, VIC, Australia

V. Ramadani (✉)
South-East European University, Tetovo, Macedonia
e-mail: v.ramadani@seeu.edu.mk

L.-P. Dana
Montpellier Business School, Montpellier, France

S. Gërguri-Rashiti
American University of Middle East, Egaila, Kuwait

As part of Islam individuals can change their values and behaviour but the external outcome may not be under their control but God's control (Farid 2007). The Qu'ran (13:11–13) states 'never will God change the condition of a people until they change it themselves'. This means that an individual's interaction may be different depending on the external environment in which they practice their Islamic faith. Previous research by Elyacher (2002) has discussed the internal and external locus of control in Islam in terms of the political and economic environment. Elyacher (2002) found that Egyptians viewed money as empowerment but were not likely to express individualism towards financial issues as they were viewed more as community concerns. The role of materialism in a culture is an important part of understanding society and business activity (Diener and Oishi 2002). In countries with materialist societies there is likely to be more emphasis on self-maximising behaviour at the expense of community good (Farid 2007). Furnham and Argyle (1998) describe some cultures as materialist and consumer orientated in which material possession is important. In cultures with more of a collectivist nature that have less emphasis on collecting material goods there is likely to be more emphasis placed on altruism and social goods. Mitchell (2002) argues that in Muslim societies there is less self-maximising behaviour as people place more weight on satisfactory profit. This leads to the suggestion that entrepreneurship in Islamic countries will be different because of the cultural attitudes and behaviours in the society.

The key features of religion are its collectivist nature, beliefs and practices. Most management research has focused on Islamic business or work ethics due to the issue of religion affecting work practices (Rice 1999). Basu and Altinay (2002) examined the role religion plays as a part of an entrepreneur's culture and found that it was integral to work practices. In the past Islam was considered by some to be an impediment to entrepreneurship but in reality is a way to help entrepreneurs in the marketplace (Pistrui and Fahed-Sreih 2010). This is due to the virtues of industriousness being a strong value in Islam, which is similar to the ideology of the Protestant work ethic (Tang and Ibrahim 1998).

Islam is a religion emphasising equilibrium between material and spiritual aspects of life (Elkhouly and Buda 1997). This is embedded in an individual's work and personal life, which is a product of their religious values (Farid 2007). Islamic values are influenced by the historical, political and social context (Adas 2006). Islam differs to other religions because of its principles and practices such as the prohibition of pork, alcohol, gambling, prostitution and usury (Adas 2006). The history of Islam dates back to the sixth century in the Arabian Peninsula and the religion has internationalised since its beginnings.

Different cultures and religions view money differently depending on socially acceptable behaviours (Maruyama 1989). Dana (2009: 87) states "people with different cultural beliefs and religious values have looked at entrepreneurship with varying degrees of legitimacy". The values an entrepreneur has influences the orientation of a business towards social and cultural influencers (Dana 1995). Participation in religious activities helps predict entrepreneurial success (Woodrum 1985). The environment for entrepreneurship is shaped by values and culture that

exist within society (Dana 2009). Religion is a part of a person's culture, which affects their entrepreneurial orientation. Managers should be aware of how culture and religion affect business and the relationship this has on international competitiveness (Farid 2007).

The role of religion in entrepreneurship is important as it relates to innovation, creativity and ability to maintain business ventures. Despite the media attention on religious entrepreneurship there is little written in the academic literature about it. This chapter is an important contribution to the blossoming scholarship about Islamic entrepreneurship and will present the role of Islam in entrepreneurship utilising a religious perspective about business. The aim of this conclusion chapter is to discuss the role of Islam in entrepreneurship by focusing on the spiritual, ethical and innovative elements that apply to business practices. The chapter indicates the entrepreneurial nature of Islam as a religion and provides a framework for future research about religious entrepreneurship.

2 Literature Review

2.1 *Entrepreneurship and Religion*

Religion influences economic and business performance due to its embedded role within society (Pistrui and Fahed-Sreih 2010). This means that the study of Islamic entrepreneurship and religious behaviour is important due to the role it plays in people's life as it affects decisions and choices about how to behave. Islam has an impact on businesses due to its role in influencing working hours and practices. The impact of religion on business is derived from religious beliefs, which are affected by cultural values that relate to entrepreneurship (Dana 2009). This means that the desirability of Islamic entrepreneurship is influenced by religious attitudes of people and society.

Research by Candland (2000) suggests that religious faith is a form of social capital that can be used in a variety of situations. In Islamic culture, religious people tend to hold social responsibility practices of business in higher regard than non-religious people. This is a result of people being influenced by cultural values, which are a result of religious influencers (Dana 2009). Entrepreneurship and religion are related due to the cultural context business plays in society (Dana 2010). Religious aspects in the context of entrepreneurship are important as it includes the practices and traditions that affect everyday life. Religion is a meta-physical source of information and impacts the way people conduct business. Religion and entrepreneurship are interconnected because they are a cause and consequence of business.

Galbraith et al. (1997) found in a study about Catholic entrepreneurs that often business leaders are also religious leaders. Various religions value entrepreneurship differently due to the cultural values such as frugality and thriftiness (Dana 2009).

Culture involves the integrated system of learned behaviours that are characteristic of a society (Hiebert 1976). These learned behaviours can include ideas, products and way of life that is integrated into everyday thinking (Dana 2009). The values an individual has in a cultural setting result from their tendency to prefer certain behaviour over others (Hofstede 2001). This means that values are held mostly by individuals whereas culture is part of the collective society (Hofstede 2001). Values can include conformity, security and tradition that are integral to the functioning of a society.

2.2 *Religiosity*

Religion is viewed as a social phenomenon because of its spiritual and link to cultural identity. Due to increased globalisation and emphasis on culture, the role of religion in business is being discussed more because of its linkage to societal entrepreneurship. Religion is an important phenomenon in business management research that should be acknowledged and discussed in more detail. This is due to religion being a set of social norms, which has an impact on corporate decisions and individual behaviour (Du 2014). A new interdisciplinary field within religious studies has emerged called ‘the political science of religion’ as it focused on the links between religion and politics (Du 2015).

Scholars know little about how religion influences entrepreneurial involvement and whether Islam is similar or different to other religions in the context of new business creation. The religious influence on entrepreneurship is important given the increasing proportion of Islamic business owners and the interaction between politics and religion. In this regard, it can be inferred that religion has important impacts on entrepreneurial behaviour and business management decisions. Islamic religious beliefs impact an entrepreneurs growth trajectory. Due to the role religious institutions play in business as they contribute to the social system of society and influence group activities.

Religion is a source of business information and can affect a believer’s involvement in society (Jones-Correa and Leal 2001). Greenberg (2000) proposes that the social capital theory of religion can help believers share knowledge. This exchange of information creates social value amongst religious people that affects business involvement. Types of information shared can vary from resource involvement, political resources and business knowledge (Du 2015). Gerber et al. (2008) suggests that attendance at religious gatherings including church can increase information sharing and social compliance. This means religious activities are a form of social networking, which is important for exchanging relevant and timely business information that gives entrepreneurs a competitive edge. The sharing of common value in the weekly ceremonies and rituals of Islamic people is an important part of the building of social capital.

The origin of religious entrepreneurship dates back to Weber (1930) who discussed the role of religion in economic development. As part of Weber’s

(1930) seminal work he argued that protestants had a better work ethic than people from other religions. One of the earliest writers focusing on religion and work ethics was Marx (1843) who linked it to capitalism. Lenski (1961) suggested that religion affects work, politics and family life as it links attitudes with spiritual beliefs. Stulz and Williamson (2003) found in a study about the Catholic religion that the anti-usury culture means that there are low levels of creditor's protection rights.

Religiosity or the use of religion in a person's life affects their work-life balance and economic aspirations (Iannaccone 1998). Guiso et al. (2003) found that religious beliefs are linked with personal attitudes such as trust and commitment. Miller and Hoffman (1995) found that religious people are risk averse as there was a negative correlation between religiosity and attitudes towards danger. Du (2015) supports the view that religious believers acquire more civic skills through their participation in social and community activities. Osaba (2003) looked at self-reported attitudes towards behaviour and found risk-averse individuals attend church more than risk-seeking individuals. Diaz (2000) in a study about religion and gambling in Las Vegas found that religious people gamble less. Barsky et al. (1997) in a study about religious differences in behaviours found that Jewish people are the most tolerant of risk with Protestant people less risk tolerant and Catholics have medium risk tolerance. Another study by Halek and Eisenhauer (2001) about insurance policies found that Catholics and Jews are more risk averse than Protestants.

The prevailing view in religious studies is that people who fear uncertainty are more religious than other people (Miller 2000). This is due to people being interested in religion due to their anxiety about uncertainty (Miller and Hoffman 1995). Religious people are more anxious and rigid in their behaviour than non-religious people. Most of the studies about religion and risk aversion focus on Western religions as this is the cultural background of most scholars (Lerner and Keltner 2001). Western religions comprise Catholicism, Islamism, Judaism and Protestantism, which are among the most widely practised in the world. Eastern religions include Buddhism, Hinduism and Taoism, which are more popular in Asia. Western religions focus on the existence of one God and on the practice of worshipping a God in ceremonies. Part of this involves communicating with a higher authority about their desires. Eastern religions instead of worshipping stress more on teaching about a philosophical way of life. This means that for Eastern religions the goal is understanding and contentment whilst western religions are interested in the evolution of life. Hilary and Hui (2009) found that religion indirectly influences decision making styles of individuals in United States firms and this was a result of the Western influences.

2.3 Islamic Culture and Business

Islamic culture has three ideological groups that affect entrepreneurship: traditionalists, modernists and secularists (Pistrui and Fahed-Sreih 2010). Traditionalists

believe in the strict following of the Koran and in keeping with the original ideology of Islam. This means interpreting the original meaning of Islam and incorporating this tradition into their daily lives. Modernists adapt to changing society conditions that are compatible with Islamic values. As part of this modernist approach, the introduction of new ways of observing Islamic culture is practiced. Increasingly a modernist approach is being taken that combines core Islamic values and new ways of thinking about how to practice religion.

Islam has five pillars that are part of the core values and spiritual beliefs of the religion (Pistrui and Fahed-Sreih 2010). These five pillars of Islam are the creed, prayer, charity, fasting and pilgrimage. The first pillar is the creed which involves the belief that Allah is the only God and Mohammad is God's final prophet. The second pillar is prayer, which involves 'Salat' and 'Du'a', which are a central part of the religion. Salat are ritual prayers that are conducted at specific times of the day. Du'a are personal prayers addressed specifically by a person to God. The third pillar is zakat or charity and involves giving to social causes. This social welfare incorporates a tax to help the needy, which is a form of social security.

The emphasis on social causes helps encourage the development of charitable causes. The fourth pillar is fasting, which relates to the holy month of Ramadan. In Ramadan, there is abstention from certain food, drink, tobacco and sexual relations. The fifth pillar is pilgrimage and refers to the duty to travel to Mecca for Haji. This pilgrimage is a once in a life time obligation to travel to the holy city of Mecca. Part of Islam culture focuses on personal effort as a way to wealth creation and financial well-being is a component but not the sole emphasis of the religion. Muslim culture around the world is changing due to increased internationalisation and economic trends. Allah or God is at the heart of Muslim culture and used to explain decision making within society (Rice 1999). Often uncertainties in life are linked to Allah with the term 'unsha Allah' (God willing) commonly referred to mean 'let the boss decide' (Pistrui and Fahed-Sreih 2010).

2.4 Islamic Culture

Islamic culture encourages people to work collectively rather than individually as part of their collectivist orientation. Culture is an important part of entrepreneurship as it influences behaviour. The development of enterprise is a function of culture and values existing in society (Dana 2009). Values can vary amongst different communities depending on the orientation towards entrepreneurship. Dana (2009) suggests that some religions are less orientated to entrepreneurship because of their culture. Religious beliefs are derived from cultural values, which impact lifestyle choices in a society (Drakopoulou Dodd and Gotsis 2007). This means that religious circumstances affect the desirability and level of entrepreneurship (Dana 2009).

Dana (2009: 88) states "religions teach, promote and propagate cultural value systems within a given society". The propensity of an individual towards

entrepreneurial activity is based on values and ethics. Religion is a source of an individual's morals and expected behaviour. Value orientations are complex but involve rank ordering principles based on an evaluative process (Dana 2009). The values can be separated into affective, cognitive and directive elements based on the interaction with the environment (Kluckhohn and Strodtbeal 1961). Entrepreneurship is linked to values as human thoughts determine actions. Religious beliefs have a significant impact on an individual's view about work (Farmer and Richman 1965). Part of the cultural understanding about human behaviour involves value orientations people have in terms of their motives and relationship with others (Dana 2009). The natural environment interacts with human behaviour to determine the reasons people act in a certain manner. Religion creates needs in society, which leads to opportunities for entrepreneurs (Dana 2009). In a study about Muslim entrepreneurs in London, Altinay (2008) found that religious orientation affects the amount of support and advice given to others. Another study by Dana (2007) supported the view of religious orientation as he discussed how religion is at the core part of Amish business people who establish businesses that incorporate their beliefs.

3 Islamic Entrepreneurship

Entrepreneurs have a higher tolerance for risk and uncertainty, which makes them more energetic people (Farid 2007). The desire for autonomy and pursuit of goals sets entrepreneurs apart from other people. Entrepreneurial opportunity is obtained from the interaction of individual characteristics and environmental conditions (Busenitz et al. 2000). Entrepreneurs have been referred to as decision makers, gap fillers, innovators and organizers (Hoque et al. 2014). In order to exploit opportunities entrepreneurs initiate and organise resources for business ventures (Azim 2011). Entrepreneurship is based on the causal variables that arise from the environment, which influences religious circumstances (Dana 2009). An entrepreneur is influenced by the social conditioning they have received from their environment (Drakopoulou Dodd and Anderson 2007). Entrepreneurs are described as individuals with a vision that can take it to successful implementation in the marketplace (Analoui and Karami 2003). The key features of an entrepreneur are their ability to find and exploit gaps in the market (Kakabadse 2001).

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Islamic entrepreneurship is embedded in social relationships that have a collectivist nature. Family and kinship are part of the culture impacting entrepreneurship. Societal practices towards family determine working relationships and position within society. The societal norms about the role of family in work life are influenced by cultural expectations. Islamic culture has a continued tradition of tribalism that influences family life. Tribalism or 'hamula' involves a group of descendants living in close proximity (Pistrui and Fahed-Sreih 2010). This means that extended families are connected and sometimes this leads to nepotism in the workforce. The loyalty of tribalism culture in Islamic society influences the socio-economic systems, which affect entrepreneurship. Islamic culture encourages loyalty to family as part of the structure of society. This encompasses a moral obligation in Islamic culture for individuals to help their family. Islamic culture expects individuals to be loyal to their extended family and social values reinforce their expectation.

Islamic entrepreneurship has become more known for being a marketing concept rather than a theologically valid term (Guemuesay 2015). There is increasing focus on Muslim customers and entrepreneurs are marketing products based on this demand. Many businesses incorporate religious marketing such as halal certification when selling products. The interaction between Islam and entrepreneurship is important due to the innovations and new business activity developed based on religion. Islam is the belief in the one God and that Muhammad is the messenger of God. Part of Islamic practice involves Iman, which is the belief in Allah (God) and part of this involves his messengers and destiny. Ihsan involves worshipping Allah (God) even though you may not see him, he sees you.

Entrepreneurs are the subject of economic analysis as they are one of the most intriguing characters in business (Baumol 1993). Scholars interested in the role of Islam values in entrepreneurship focus on textual and contextual factors influencing religious beliefs including the Quran, Synnah, Ijma and Qiyas (Guemuesay 2015). The Quran is the primary textual source for most Muslims as it contains the word of God and verses covering a period of 20 years from approximately 600 AD. In the Quran there are more than 114 surahs (or chapters) and 6000 ayat (or verses) that describe behaviour and the way of life for Muslims. The Sunnah is another textual source and it contains the sayings of the prophet Muhammad. This includes the silent and tacit approval of appropriate behaviour as suggested by the prophet Muhammad, which are important in daily life. Contextual sources for Muslims

include the Ijma (or consensus), which involves the agreement from the religious community about Islamic jurisprudence. The Ijma is important in setting the standard about codes of behaviour appropriate for individuals practicing Islam. The Qiyas (or analogy) involves analogical reasoning, which may be debated amongst religious scholars in terms of meaning and terminology.

In Islam, the hoarding of wealth is prohibited (Quran 3:180), which impacts business development. Individuals practising Islam need to purify their wealth by giving Zakat (Quran 9:103). Zakat means that Muslims need to help disadvantaged people by redistributing their wealth. As part of zakat Muslims pay each year the zakatable minimum (nisab), which is usually approximately set at 2.5 %. Worshiping practices of Muslims including having five daily prayers affects working conditions in an organization. In addition, other Muslim practices such as fasting during the holy month of Ramadan affect the ability of people to work. All areas of business are affected by Islamic practices in which socio-economic as well as spiritual welfare is important (Guemuesay 2015). In Islam, the fulfilment of contracts is considered obligatory (Quran 5:1), which affects the perceived trustworthiness of Muslims. In terms of finance-related business practices there are a number of beliefs that distinguish Islam from other religions. These include lying (Quran 5:1), gambling (Quran 5:90) and false measuring (Quran 55:9).

In Islam the taking of interest is forbidden (Quran 30:39), which has given rise to the Islamic finance industry. This has meant interest (riba) is not allowed and means that Muslims need to finance business activities different to those from other religious faiths. In these loans the total price of the contract is included that does not factor in interest rates. This has made Islamic finance also attractive for people from other religions as it gives a total price that is clear instead of uncertain interest rate charges. Another Islamic principle relating to finance is gharar, which refers to uncertainty or ambiguity. In Islam, the lack of clarity about prices in a contract is forbidden. In an Islamic economy the market is shaped by the ethical system existing, which incorporates institutional mechanisms (Naqui 1994). Kayed and Hassan (2010) refer to Islam as an entrepreneurial religion due to its embedded beliefs which encourage entrepreneurial activity. In Islam, the concept of rizq is granted by Allah and refers to wealth creation. This means that Muslims need to have faith and trust in Allah (God) in terms of their business activities. For entrepreneurs who focus on innovation and risk taking this may mean being obligated to do a certain type of behaviour. Essers and Benschop (2009) in a study about Muslim businesswomen found that Islam is perceived as being negative for successful entrepreneurship. Some Islamic legal institutions make it hard for economic development because of their lack of flexibility (Kuran 2012). There is some suggestion by the media that Islam is responsible for less market development because of its religion principles impeding entrepreneurship. This misconception is based on the lack of studies focusing on religion and entrepreneurship.

Religion plays an important role in business management due to its impact on process and strategy (Tracey 2012). Despite the significance of religion to business it has been mostly studied from an ethics perspective. This has limited its development in terms of application and theory in an Islamic entrepreneurship context.

There have been a number of studies looking at the role of religion in marketing practices (e.g., Rinallo et al. 2013; Roomi and Harrison 2010). The role of religion in society is a sensitive topic due to the lack of understanding about certain issues. This has led to some researchers being afraid to incorporate religion into studies about entrepreneurship because of its contextual nature. Some research around religion has focused on spirituality as it is less debatable and can be interpreted in a different manner (Steingard 2005).

Religious entrepreneurship has distinct practices based on scriptural sources that date back from many years ago. The distinct meta-physical part of religion distinguishes it from other forms of entrepreneurship. Islam has an entrepreneurial character because of its interpretative processes that incorporate innovation. Some religious beliefs associated with Islam give rise to entrepreneurial endeavours. Islamic entrepreneurship is under represented in the mainstream entrepreneurship literature because of its limited study of religious beliefs. This has led to Islamic entrepreneurship being misquoted instead of linking it to other management studies. Religion continues to play an important role in society due to the political and social tensions derived from its beliefs. This has meant that whilst globally we are in a secular society, religion still impacts human behaviour (Habermas 2001). Berger (1999) stresses that whilst secularization exists, religion is still the driving force for many decisions.

The concept of Islamic finance has grown significantly in the past decade as more emphasis is placed on religious values in society (Usmani 2001). More individuals are incorporating an Islam-based approach to their decisions and this includes work practices. Religious studies are popular amongst sociology scholars because of their ethnographic approach. In addition, sociology incorporates the view that human behaviour is environmentally determined based on existing factors within an individual's life. Religion is important for entrepreneurs as it provides a basis to do business by and a way of evaluating critical decisions. Religious entrepreneurship is a dynamic concept that changes depending on prevailing views of society.

Religion is integral to understanding the development and growth of entrepreneurship in society. It is important to contextualise Islam by understanding the beliefs and values associated with this religion. Analou et al. (2009) defined entrepreneurship in Islam as the process individuals on their own or within organisations pursue opportunities without thinking about the resources required or the consequences of their behaviour. Islamic entrepreneurs have proactive abilities to deal with environmental uncertainty by incorporating religion beliefs into their business activity. Businesses need entrepreneurs as they challenge existing norms and standards of behaviour in order to change outdated practices.

Islamic entrepreneurship offers one of the best ways to incorporate religious beliefs with the ability to enact economic prosperity (Analou et al. 2009). Organisations that reform themselves from bureaucratic and traditional to entrepreneurial will be able to incorporate religious entrepreneurship. There has been increasing tension between Islam and capitalism as religious beliefs conflict with societal expectations. This can be seen with the Islamic style of dress, ban of alcohol and

pork consumption and the innovative financial system. Despite the prohibition of charging interest by Islamic religious law, countries with a majority of Muslim population such as Indonesia, Malaysia and Turkey have interest bearing investment accounts.

3.1 Spirituality and Entrepreneurship

Vega (2002) proposes that spirituality in entrepreneurship is when there is a connection between social and financial concerns. Spirituality is an important part of religion as it is concerned with the connection of a higher power (Pio 2010). Kauanui et al. (2006) in a study of entrepreneurs found that spirituality is relevant to the business world. Spirituality is acknowledging a higher force above that currently in the physical realm of a person's existence. This means that spiritual individuals believe that there is a higher authority active in both personal and business affairs (Pio 2010). Religions entrepreneurs participate in business and spiritual endeavours as they integrate their spiritual beliefs with morals and values in business. Iyer (2004) in a study of merchant castes of India found that religiosity has an impact on community consciousness. This means that religious entrepreneurs incorporate merit and honour into business decisions (Iyer 1999).

Muslims view the family as the core part of society and part of the preservation of their identity (Pio 2010). In Islam there are five categories of human actions: commanded, recommended, permitted, disapproved and forbidden (Pistrui and Fahed-Sreih 2010). Muslims believe in Muhammad as the prophet and that the Koran is God's scripture. In a religion people have core obligations that they are required to follow as part of their spiritual beliefs. Muslim ideologies are changing as a result of globalisation and emerging mindsets about expected behaviour. This means that in Muslim cultures there is a different value system, which faces challenges in adapting to societal trends.

The core principle of Islamic finance is risk sharing in that someone who invests in your enterprise takes a share of the profit or loss (Pistrui and Fahed-Sreih 2010). As part of the distinctive development of Islamic finance, Shari'a compliant products have emerged that comply with religious beliefs. Entrepreneurship is encouraged in the Muslim religion and this can be seen in some of the hadiths from the prophet such as "the best gains from honourable trade and from a man's work with his own hands" (Pistrui and Fahed-Sreih 2010: 115).

Zakaria (2001) in a study about Muslim women in Nigeria found that although they had a marginal role in society they made substantial contributions to the economy. Zakaria (2001) highlights that despite popular misconception women are considered equal to men with regards to spirituality, business and political life. Pio (2004) describes spirituality as being the life energy of an individual linking harmony with the universe. Religion and spirituality are complex as they refer to sacred-secular-space, which examines the interaction between work and spirituality (Benfield 2003). Spirituality is concerned with the connection to others in a meta-

physical sense, which has a transcendental nature in meaning (Dent et al. 2005). Some people see spirituality as a form of inner wholeness as it is important to their well being (Gibbons 2000). Others refer to religion in a spiritual way as it links their energy to knowing about a supernatural power (Dean et al. 2003). Religion has been a way for individuals to seek meaning in their life as a way to explain and understand things outside their control (Moch and Bartunek 1990). Spirituality enables people to have a sense of inner calm, which can be good for their overall wellbeing (Neck and Milliman 1994).

The core aspects of spirituality are harmony in self and a holistic understanding between spirit and body. This can involve experiencing a sense of holism in which personal growth is achieved by having a sense of balance (Pio 2010). The central element of the Muslim socioeconomic system is the family and kinship network (Pistruoi 2005). An entrepreneurial mindset is fostered in the Muslim religion when strategic innovation is fostered based on business continuity. This is achieved by focusing on the growth of business based on appropriate financial and management control.

4 Managerial Implications

This chapter has discussed the involvement of entrepreneurs in business activities. Religious-based studies using the Islamic context are necessary given the increasing role Islam is playing in the world economy. Studies from an Islamic understanding about entrepreneurship will further help integrate the role of culture in society. The findings from this chapter can provide managers with important recognition that religious belief is crucial for business growth. This chapter validated the social capital theory of religion (Greenberg 2000) by stating how Islamic values are integrated with entrepreneurial behaviour. This can provide entrepreneurs in firms located in Islamic countries with important inspiration about how they can integrate their religious beliefs with business activity.

Given the increased emphasis on work-life balance for many individuals considering the unique features of Islam will enable better overall business performance. The findings of this chapter suggest the higher chance of long term success for entrepreneurs that utilise their religious beliefs in a positive manner. The emphasis on religion with business involvement in this chapter motivates Islamic entrepreneurs who wish to integrate their beliefs to incorporate their social values into their long term business objectives.

5 Future Research

This chapter can motivate three branches of future studies about religious entrepreneurship and more specifically the role of Islam in entrepreneurship. First, future studies should pay attention to the role of religion on intention to start new businesses. This can include more empirical work regarding religion and the link with different types of businesses that are started by entrepreneurs. More focus should be placed on future research that examines whether being Muslim makes individuals want to start Islamic businesses as part of their link to their cultural heritage. Second, researchers should address cross-cultural differences in religious entrepreneurship in terms of how Islamic business principles may be different based on ethnicity and country-of-origin. Due to the increased international mobility of Islamic entrepreneurs it would be interesting to see whether immigrants based on their religion are more likely to start a business. Finally, as religious entrepreneurship studies are still in their early stages compared to other types of entrepreneurship research, future research, should focus on the historical development of Islamic business. This could include case studies of successful businesses that have marketed Islamic principles as part of their overall business strategy. This would ensure more robust findings that could be potentially compared to other studies about religion.

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