International Journal of Economics, Management and Accounting 24, no. 1 (2016): 15-47
© 2016 by The International Islamic University Malaysia

ENTREPRENEURSHIP AND LEADERSHIP: AN ISLAMIC PERSPECTIVE

Maryam Fozia[a,b], Ayesha Rehman[a,c], and Ayesha Farooq[a,d]

[a]Department of Business Administration, Aligarh Muslim University, Aligarh, India. (Email: [b]maryam1.asad@gmail.com, [c]ayesha.rehman100@gmail.com, [d]ayeshafarooq4@gmail.com)

ABSTRACT

Islam is a religion that provides not only guidelines for spiritual matters but also worldly matters, including the conduct of business. The main contribution of the study is in explaining the role of religion in managing enterprises vis-à-vis the characteristics of an entrepreneur and leader who practices Islam in conducting business. The principles are for leaders and entrepreneurs who are desirous of implementing leadership and entrepreneurship as guided by Islam. Two broad categories are discussed in this article: entrepreneurship and leadership in Islam. Seminal work in this area provides the understanding on the teachings of Islam and its principles for practicing entrepreneurship and leadership. The teachings of Islam have been elucidated from practicing perspectives. This article shows that Islam is a practical religion with entrepreneurship and leadership practice characterized by *taqwā* (faith), *tawakkul* (dependence on Allah), efficient and proper use of resources, the use of permissible sources of production and the production of permissible products, sincerity in efforts, trustworthiness in all dealings, concern for societal welfare and the environment, fairness and transparency in all activities, pursuance of knowledge, taking pride in work/ labor, and consultation with stakeholders before decision making. This article suggests that leaders and entrepreneurs who possess the qualities laid down in Islam are expected to combat any managerial challenge and complexity in administering their responsibilities. This article attempts to express the Islamic teachings in such a way that it is easier for entrepreneurs and leaders to practice Islam. Along with proposing the principles a good amount of rationalism is generated through citing Quranic verses and *aḥādīth* pertinent to each sub-topic.

JEL Classification: M53, Z12

Key words: Islamic entrepreneurship, Islamic leadership, *Qur'ān*, *Ḥadīth*, Business ethics

1. INTRODUCTION

Islamic entrepreneurship and leadership can be linked with the huge Muslim population. Now there are about 1.6 billion Muslims, expected to increase by 35% in the next 20 years, rising to 2.2 billion by 2030 (Pew Research Center, 2011). Based on the recent World Halal Forum report, the global *ḥalāl* food and beverage trade is estimated to be worth USD 1.4 trillion annually (Farouk, 2013) equivalent to 16% of the entire global food industry. It accounts for 20% of the world food product trade in Europe, Africa, and Asia, accounting for 10%, 24% and 63% respectively (van der Spiegel et al., 2012). As Muslims become more aware of the kind of products they can consume with Islamic compliance, the entrepreneurial efforts in this area will also grow to meet this demand.

Since the distinction between entrepreneurs and leaders is blurred, the successful entrepreneurs are leaders whose vision lead to economic interventions (Lazear, 2005). According to Eyal and Kark (2004), theories of leadership suggest a significant relationship between leadership and entrepreneurship. Conger and Kanungo (1998) argued that leader-entrepreneurs with charismatic (transformational) leadership traits "are by nature entrepreneurial". Indeed, transformational leadership has also been linked to innovation promotion in organizations (Bass, 1985; Howell and Avolio, 1993; Howell and Higgins, 1990). The term "transformational leadership" itself has been defined as resulting in the transformation of individual followers or of an entire organization (Yukl, 1998). Accordingly, charismatic leadership has been associated with innovation (Bass, 1985; Conger and Kanungo, 1987, 1988; House, 1977). Furthermore, empirical evidence suggests that proactive behavior, such as initiative, demonstrating, taking action and persisting until goals are achieved, is associated with transformational and charismatic leadership (Bateman and Crant, 1993; Crant, 2000; Deluga, 1998). Therefore, it could be argued that leadership is associated with components of entrepreneurship as mentioned in the entrepreneurial research. Given these trends, a reflection on the Islamic way of venture process implementation and leading becomes particularly pertinent.

Therefore, this article attempts to emphasize the practice of entrepreneurship and leadership in the light of the *Qur'ān* and *Sunnah*. The discussion is divided into a few sections: research gap, concepts of entrepreneurship and leadership, genesis of the terminology used for entrepreneurship and leadership practiced in the light of *Qur'ān* and Sunnah, literature review, indicative matrix for practicing entrepreneurship, and leadership from Islamic perspectives. In

addition, some additional relevant Qur'anic verses and *aḥādīth* with their interpretations will be given.

1.1 RESEARCH GAP

Entrepreneurship discipline is derived from multidisciplinary resources. Although entrepreneurial activities have been researched from the psychological (Begley and Boyd, 1987), social (Shapero and Sokol, 1982), institutional (Battilana, Leca and Boxenbaum, 2009), economic (Casson, 2003), and political (Schneider and Teske, 1992) perspectives, religion has been widely neglected with very few exceptions (Dana, 2010). Islam provides a foundation and framework for developing models of finance, economics, and entrepreneurship/ business (Gümüsay, 2014). In that way, Islam gives a perspective to these streams. A direct mention of entrepreneurial framework based on the in-depth Quranic understanding is yet to be researched. This will help the message of the Quran become a part of the practice in the entrepreneurial and leadership area. The combination of theology or religion studies with management will enrich interdisciplinary approaches (Gümüsay, 2014).

Similarly, much research has been conducted on leadership and its effectiveness (Bass, 1999; Fiedler, 1967; Stogdill,1974; Yukl, 2002); however, the research mainly focused on the Western business environment. Yukl (2002) noted that the research on leadership has largely been conducted in Western Europe during the past half century, United States and Canada and minimal research has been carried out in non-Western cultures. Moreover, the leadership literature lacks research from the Islamic perspective. Noting this paucity of research from an Islamic viewpoint, Ali (2005) emphasized that much of the current research on the issue from an Islamic perspective lacked depth and is at immaturity state. Kazmi (2004) echoed the same view by acknowledging the lack of research into Islamic perspectives in management study and calling for an Islamic approach to investigating management issues which could offer new perspectives.

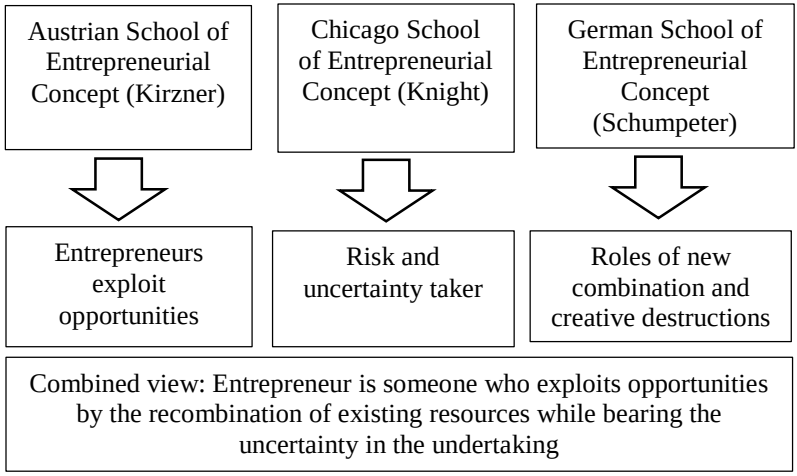
Therefore, this study intends to address some dimensions of the research gap and explore and reveal the leadership and entrepreneurship concepts in the light of *Qur'ān* and *Sunnah* as primary sources of values for the Muslims.

1.2 CONCEPT OF ENTREPRENEURSHIP

The word 'entrepreneur' is derived from the French word "Entreprendre" meaning 'to undertake' or 'enterpriser.' According to

Webster dictionary, an entrepreneur is 'the organizer of an economic venture; especially one who organizes, owns, manages, and assumes the risks of a business'. Economist R. Cantillon is the pioneer in this field, who proposed the 'risk taker theory of the entrepreneur'. The main features of entrepreneurship are identified as risk taking and action orientation, which is in tandem with the notion of entrepreneur who"is the most elusive of the cast of characters that constitutes the subject of economic analysis." (Baumol, 1993).

Figure 1: Entrepreneurial Schools of Thought



Source: Adapted from Hébert and Link (1989), Kirzner (1973, 1979), Schumpeter (1934).

Entrepreneurship derived from various economic theories. Hébert and Link (1989) classified the economic theories on entrepreneurship into three traditions – the Austrian, Chicago and German schools. Kirzner (1973, 1979) advocated from the Austrian school that entrepreneurs are those who exploit opportunities. Knight (1921) from the Chicago school emphasized the importance of risk-taking and the bearing of uncertainty. Schumpeter (1934) who hailed from the German school, concentrated on the role of new combinations and creative destruction. Therefore, a summary definition of an entrepreneur is proposed as someone who exploits opportunities by recombining the existing resources, while bearing the uncertainty in the undertaking (see Figure 1).

1.3 CONCEPT OF LEADERSHIP

Leadership is one of the cornerstones in our social activities (Patwary, 2003). It refers to a process of influencing and supporting others to work enthusiastically toward reaching an objective (Heinz and Koontz, 2005)). It is a significant success factor in organizations, be they small or large, formal or informal.

Figure 2: Leadership Schools of Thought

Source: Zaccaro, Kemp and Bader (2004); Parolini, Patterson and Winston (2009).

Some of the prominent leadership theories (please refer to Figure 2) are:

(a) Trait theory of leadership: Trait theory of leadership is defined as integrated patterns of personal characteristics that reflect a range of individual differences and foster

consistent leader effectiveness across a variety of group and organizational situations. (Zaccaro, Kemp, and Bader, 2004).

(b) Transactional leadership: It is a leadership style that proposes the exchange of rewards with subordinates for services provided by them (Parolini, Patterson and Winston, 2009).

(c) Transformational leadership: Transformational leadership approach leads to change in the organization's vision, strategy, and culture. This leadership style proposes empowerment of people in the organization and increases the base of power and effectiveness. (James and Joseph, 2001).

(d) Servant leadership: The literature suggests that Islamic leadership is found to be closest to the servant style of leadership (Ahmad and Fontaine, 2011). It advocates that leaders should serve those working under them, protect them and help them to reach their maximum effectiveness (Beekun, 2006; Khaliq, 2009). This leadership model has emerged out of the root concept of authentic leadership.

(e) Authentic Leadership: This is a recently evolved theory which states that an authentic leader knows and acts on what is genuine and real inside the leader's self, team and organization along with having a knowledge of what is true and real in the world (Terry, 1993).

2. LITERATURE REVIEW

The key constructs of the article are entrepreneurship, leadership, and Islamic perspectives of entrepreneurship and leadership. The conventional notion of entrepreneurship emphasizes on efforts, benefits and contributions. However, entrepreneurship from the Islamic perspective has two concepts merged seamlessly, "Islam" and "entrepreneurship" (Gümüsay, 2014). The notion of Islam is the declaration of belief in the one Allah and that Muhammad (peace be upon him) is the messenger of Allah. Moreover, Entrepreneurship from Islamic Perspectives (EIP) is not just a simple summation of Islam and entrepreneurship. Indeed, it is based on three interlinked pillars, and they shape each other.

i. The first pillar, based on the definition of entrepreneurship, is the pursuit of opportunities.

ii. The second pillar is socio-economic or ethical.

iii. The third pillar is religio-spiritual which links people to Allah with the ultimate objective of pleasing Allah.

As reflected in various *ḥadīth*, Islam has a positive attitude toward entrepreneurship and the rights of ownership. Prophet Muhammad (peace be upon him) was asked what type of earning was best, and he replied: "A man's work with his hands and every (lawful) business transaction." (Al-Tirmidhī, 1983). Wilson (2006) acknowledged the uniqueness of the Islamic code of business ethics and the positive contributions that "trust" can render to the economic activity in the form of cost effectiveness and organizational competence. It is important to take note that in Islam, it is ethics that dominates economics and not the other way round (Naqvi, 1981).

EIP incorporates moral values and Islamic ethics as applied to the economy (Ramadan, 2009). Islam proposes certain (entrepreneurial) financial partnerships such as *muḍārabah* and *mushārakah*.

i. In a *muḍārabah* partnership, one party, the *rabb al-māl*, provides capital and the other, the *muḍārib* provides entrepreneurial labor.

ii. In the case of *mushārakah*, various parties provide capital and some also engage in the management side. This capital can be mingled with other sources of funds in the enterprise. The profit is shared between the partners in an agreed and predetermined proportion and the losses are borne by the providers of the capital in proportion to their financial contributions; If the entrepreneur has not contributed to the capital, he effectively loses only time and effort invested in the project.

In EIP, the "…final ownership lies with Allah" *(Qur'ān*, 24: 33) with humans "as caliphs, trustees or viceregents" (*Qur'ān*, 2:30; 57:7). Therefore, the immediate ownership is not with the entrepreneurs. For instance, hoarding of wealth is prohibited in Islam (*Qur'ān*, 3:180; 9:34). Rameli et al. (2014) contended that several indicative characteristics (such as *sharī'ah* entrepreneurs, *ḥalāl* entrepreneurs, *bai'* entrepreneurs, *khiyār* entrepreneurs, and so on) can be examined based on the generic business functions (such as production, marketing, finance and human resources). Table 1 summarizes the Muslim entrepreneurs' indicative characteristics based on business functions.

Table 1: The Muslim Entrepreneur's Indicative Characteristics across Four Business Functions

Business Functions	Characteristics of Muslim Entrepreneurs
Production	1. Entrepreneurs should deal with those types of products which comply with the concept of *ḥalāl* ṭaīyiba, based on maṣlaḥaḥ; comply with *Maqāṣid Sharī'ah*; based on the notion of necessity and priority (*al-Aulawīyāt*); not harmful or dangerous to the consumer/ environment. 2. They should produce the products ethically, use only the *ḥalāl* (lawful) resources, apply only the legitimate workstyle, avoid cheating and not engage in bribery and usury, maintain cleanliness, get the Halal Certificate, and comply with the procedures and the required standards as recommended in Halal Certification.
Marketing	1. The entrepreneur should not engage in any transactions that are forbidden by Islam; such as *Bai' al-Najāsh*, usury, monopolization of the market, and should not resort to manipulations for profiting. 2. Their advertisement for business promotion should be correct, clear and transparent, without any victimization, adopt fair pricing system, not resorting to customer handcuffing, eliminating all elements of uncertainty or cheating, promotion only through the brand ambassadors allowed by the *Sharī'ah*. 3. There should be a product return policy in place. (As per the Islamic concept of *khiyār*). 4. The competitive strategy should enhance the quality of the products, expose the goodness of the products, and not vilify the competitors. Maintain ethics and morals in the competitive scenario. 5. Entrepreneurs should practice the concept of 4Ps or 5Ps in conducting their business and must strive to qualify for Halal Certification.
Finance	1. They should comply with the fundamental principles of Islamic finance – lawful (*ḥalāl*), right intention in financial transaction, avoid *gharar*

Business Functions	Characteristics of Muslim Entrepreneurs
	(uncertainty), not involve elements of *ribā* (usury), or *maisir* (gambling). 2. The capital should either be sourced from their own capital or from debt and equity (applying the principle of *qarḍ al-ḥasan* (i.e. benevolent loan). 3. Expenses should be borne according to the principles of *Ḍarūrīyāt*, *Ḥājīyāt*, and *Taḥsīnīyāt*, prioritizing the necessary expenses such as labor costs, management cost, *zakāt*, debts, and then spending on miscellaneous expenditure that have been declared right such as awards and bonuses to the employees; should avoid wasteful expenses.
Human Resources	1. Select theworkers against fair and equitable salaries at par with their qualifications and the market and skill. 2. Develop a relationship with the workers based on Islam by considering the employees as an asset rather than just a labor, firm belief that the sustenance and pleasure are the mandates of Allah.

Source: Adapted from Rameli et al. (2014).

2.1 LEADERSHIP FROM ISLAMIC PERSPECTIVES (LIP)

In view of Islam, a leader leads a group which is expected to exercise influence in forming and attaining ethical goals and objectives. The success of a leader depends on team building that leads to team spirit. In congruence with conventional practices, leadership in Islam serves as a bridge for leaders to influence their followers' attitude and behaviors to achieve organizational objectives (Ali, 2007). The leader needs to be a visionary to lead an organization to success (Khaliq, 2009). Leadership is the ability to see beyond assumed boundaries to come up with solutions that only few can visualize (Beekun and Badawi, 1999). In Islam, everybody has some leadership responsibility based on the statement of the Prophet (peace be upon him) who said, "Everyone of you is a shepherd and every shepherd is responsible for his flock." (Muslim, 1993). That is, a man is the guardian of his family and is responsible for it. A woman is the guardian of her husband's home and his children and she is responsible for them, and the servant is a guardian of the property of his master and he is responsible for it.

Conventional leadership thought highlights the importance of human relationships, religious values, and spirituality. In reality, leadership is about offering oneself and one's spirit (Beekun and Badawi, 1999). It is understood that leadership is unsuccessful when people have overemphasized psychological, bureaucratic, and technical-rational authority and have neglected moral, professional as well as spiritual authority. Islam demands that leaders pay attention to followers' needs. It is trusteeship of Allah, a responsibility given from Him and a service to mankind (Toor, 2007). Rost (as stated in Beekun, 2006) viewed leadership as a dynamic relationship based on mutual influence and common purpose between leaders and followers in which both are moved to higher levels of moral development and motivations.

In one of the *aḥādīth* (teachings) of Prophet Muhammad (peace be upon him*),* a person is encouraged to develop good behaviors and characteristics (Al-Bukhārī, 1980). It implies, a leader should have a balanced personality where he is strong but not violent, generous but not extravagant and lenient but not weak (Khan, Farooq, and Hussain 2010). The Prophet (peace be upon him) said, "If Allah puts anyone in the position of authority over the Muslims' affairs and he secludes himself (from them), not fulfilling their needs, wants, and being spared from poverty, Allah will keep Himself away from him, not fulfilling his need, want, and being saved from poverty." (Muslim, 1993).

In Islam, leadership is a process of coaching and inspiring voluntary followers in an effort to achieve a clear, concrete and defined shared vision (Aabed, 2006). Management activities such as planning, organizing, directing and controlling could be dormant until the leader triggers the power of motivation in people and guides them to their goals (Khaliq, 2003). In turn, the followers must provide leaders with fair and unbiased feedback. They should help and support their leaders in doing good deeds. One of the earliest Muslims and the second caliph after Prophet (peace be upon him), 'Umar (may Allah be pleased with him) said: "May Allah have mercy on anyone who points out my faults to me." (Al-Ghazālī, 1993). In Islam, a leader is not free to act according to his wishes, nor must he submit to the wishes of any group; rather he must act only to implement Allah's commands on earth. In the *Qur'ān*, Allah says:

> "And We made them leaders guiding men by Our command and We sent inspiration to do good deeds, to establish regular prayers, and to practice regular charity, and they constantly served Us only." (*Qur'ān*, 21:73).

Muslims believe that Islamic values are universal. Thus, leadership in Islam centers on trust. It represents a religious and psychological contract between leaders and their followers that they will try their best to protect, guide and treat their followers justly (Khaliq, 2007). It revolves on doing good deeds for the sake of Allah, the Muslim community, and humanity. Al-Buraey (as quoted in Ali, 2007) stated that Islamic leadership helps the individual in achieving happiness in both worlds.

The Islamic leadership principles compiled by scholars are in abundance. For example, Kassem and Al-Buraey (as quoted in Ismail, 2007) gave instances of Islamic leadership principles; they indicated that team building techniques could be seen in congregational prayers, Friday sermons, and various other religious activities.

A few characteristics of an Islamic leader are given here. Prophet Muhammad (peace be upon him) said about the leader of a *jamā'ah* (organization / community / nation) "Whosoever obeyed the leader, he obeyed me, and whosoever disobeyed the leader disobeyed me." (Al-Bukhārī, 1980; Muslim, 1993). Al-Talib (1991) identified some essential characteristics of Islamic leadership, which are also applicable to the managerial leaders in an organization.

(a) Allegiance: The Islamic leader/manager is bound in allegiance to Allah.

(b) Global Islamic Goals: The leader perceives the goals of an organization not only in terms of the interest of the organization, but also in terms of wider and broader Islamic objectives.

(c) Adherence to Sharī'ah and Islamic Manners: The leader must follow Islamic injunctions. He can only continue his office as long as he observes the principles of *Sharī'ah*. His behavior must conform to Islamic manners.

Five bases of power are usually described in the leadership literature; the Islamic perspective of leadership incorporates all five but views them differently (Beekun and Badawi, 1999).

i. Legitimate power: Legitimate power is associated with one's position in the organization. Islam discourages Muslims from seeking positions of authority actively. Campaigning for a position of power may imply that one is enamored with the position for one's advancement or some other self-serving reason. Prophet Muhammad (peace be upon him) said: "Do not ask for a position of authority, for if you are granted this position as a result of your asking for it, you will be left alone (without Allah's help to discharge the responsibilities

involved in it), and if you are granted it without making any request for it, you will be helped (by Allah in the discharge of your duties)." (Muslim, 1993). An exception can be made to this command, when a person identifies a situation as a potential crisis or disaster. He should have the expertise required to help others in this situation; he may seek a specific position to provide assistance. For example, Prophet Joseph (peace be upon him) requested the King of Egypt to grant him such a position (i.e., to be placed in charge of the granaries). A deed done with the right and pure intention is within the parameters of Islam.

ii. Reward power: A leader who has the position power may also control organizational rewards, including pay raises, desirable work assignments, or promotions. It is noteworthy that 'Umar ibn Al-Khaṭṭāb (may Allah be pleased with him) used to pay state officials high salaries. He intended to ensure that they would not get tempted by bribes. By treating his appointees equitably, 'Umar (may Allah be pleased with him) became one of the most eminent Islamic leaders.

iii. Coercive power: In addition to controlling organizational rewards, a leader in a position of domination also controls group sanctions. Islam identifies the legitimacy of coercive power but suggests that it should not be used to coerce followers toward evil. In fact, the Prophet (peace be upon him) once said, "obedience (to the leader) is required only for what is good," emphasizing the leader's role as servant. 'Umar (may Allah be pleased with him) was quoted to have said: "I am appointing you governors and agents not to beat your bodies or take your money, but rather to teach you and serve you." (Abdul-Hadi, 1970).

iv. Referent or charismatic power: Persons have charisma when others wish to follow them because they are captivated by their personality. Born leaders are usually charismatic. Ethical charismatic leaders, such as Prophet Muhammad (peace be upon him) and all other Prophets (peace be upon them), use power for the benefit of mankind, learn from criticism, work to develop their followers into leaders, and rely on moral standards.

v. Expert power: Those leaders who possess valuable information and expertise are considered to have expert power which is beneficial to their followers who need this information to perform their tasks. For example, in a prayer

congregation, a person may be chosen to lead the prayers because of his knowledge of Islam. There is no clergy in Islam.

3. METHODOLOGY

This study uses content analysis on entrepreneurship and leadership themes derived from the *Qur'ān* and *aḥādīth*. The use of Quranic index allows the study to quickly identify Quranic verses falling within the categories of trade, business, and entrepreneurship. Likewise, for the term leadership. The *aḥādīth* are taken from the authentic collections of *aḥādīth*. The content analysis is based on the commentaries made by scholars.

4. FINDINGS AND DISCUSSION

The following section provides principles for practicing entrepreneurship and leadership from the Islamic perspective. It is followed by a detailed discussion of the relevant *ḥadīth* and Quranic verses.

4.1 QURANIC ANALYSIS

The first part will be from the Quranic verses.

4.1.1 *TAQWĀ* (FEAR OF ALLAH) AS THE FOUNDATION OF PRICIPLES

Successful entrepreneurs and leaders must have fear of Allah (*taqwā*) in Allah. Allah says:

> "O you who have believed, shall I guide you to a transaction that will save you from a painful punishment? [It is that] you believe in Allah and His Messenger and strive in the cause of Allah with your wealth and your lives. That is best for you, if you should know." (*Qur'ān*, 61: 10-11).

Through this decree, entrepreneurs and leaders must believe in Allah and strive in search of wealth to improve themselves and do everything according to Allah and the Prophet's teachings. Entrepreneurs are considered successful when they have "*taqwā*" in Allah while in pursuit of profit from entrepreneurial activities.

The results show that leaders' level of *taqwā* will influence their effectiveness, where one dimension of spirituality, which is belief, and three dimensions of responsibility, namely *ṣadaqah*, integrity and emotional control were found to predicate Business Leadership Effectiveness. Allah says:

> "O you who believe! When you contract a debt for a fixed period, write it down. Let a scribe write it down in justice between you. Let not the scribe refuse to write, as Allah has taught him, so let him write. Let him (the debtor) who incurs the liability dictate, and he must have *taqwā* of Allah, his Lord, and diminish not anything of what he owes." (*Qur'ān*, 2:282).

Prophet Muhammad (peace be upon him) said, "An adulterer will not commit adultery when he is fearful of Allah (*taqwā*), and a thief will not steal when he is fearful of Allah (*taqwā*)."

4.1.2 *TAWAKKUL* (DEPENDENCE ON ALLAH)

In Islam, the notion *rizq* (provision) ultimately is granted by Allah. The entrepreneur or managerial leaders in Islam must have *tawakkul*. In that sense, risk is 'out-stored' and risk taking is made easier. Allah asked his believers to depend on Him. Allah says: "….when you have made a decision, put your trust in Allah, certainly, Allah loves those who put their trust (in Him)." (*Qur'ān*, 3: 159).

In Muslim countries (which are referred to as high-context cultures here), people tend to be fatalists. Fatalism is characterized by the phrase "*Inshā Allah*", which means "If Allah wills it" (Rice, 1999). This means that Muslims will do their best, but the external outcome may not be under their control. However, dependence on Allah without any endeavor is not supported by Islam. Islamic leadership is a position of divine trust. A leader must enjoy this trust with the highest degree of responsibility. Allah says: "Those, who, if we give them power in the land, establish ṣalāt and pay *zakāh* and enjoin the right and forbid the wrong, with Allah rests the end of affairs." (*Qur'ān*, 22:41).

4.1.3 *ḤALĀL* (ACCEPTED IN ISLAM)

The concept of "*Ḥalāl*" (permissible in Islam), discourages Muslim entrepreneurs from selling alcohol and pork which are considered to

be "*Ḥarām*" (not accepted in Islam) and discourages leaders from leading any prohibited endeavor. Muslim entrepreneurs must use *ḥalāl* means to produce *ḥalāl* products. As commanded by Allah: "Eat of the things which Allah hath provided for you, lawful and good, but fear Allah, in whom ye believe." (*Qur'ān*, 5:88).

Earning lawful (*ḥalāl*) living is justifiable by engaging in productive activities, such as employment (working for others) and self-employment and employing others (undertaking entrepreneurial activity). The leaders must prepare managerial plans and policies in order to achieve the rational (*ḥalāl*) objectives. But an entrepreneur or leader must depend on Allah for the success of any plan. Allah commands: "O ye people! Eat of what is on earth, lawful and good, and do not follow the footsteps of the Evil One (Satan), for he is to you an open enemy." (*Qur'ān*, 2: 168).

Islam approves of working for others for fixed salary, it encourages and provokes Muslims to commence entrepreneurship as the preferred option to earn *ḥalāl* income. Beg (1979) stated that Islam not only motivates Muslims to be entrepreneurs, but in fact, it makes it obligatory on them to work hard and gain ḥalāl earnings beyond their immediate needs in order to care for the community and the Muslim ummah at large. Earning *ḥalāl* income through entrepreneurship and helping others to earn a living spares the public wealth from being exploited by a few and discourages reliance on the state. Public wealth belongs to the people (Muslim ummah), so it should be utilized in projects serving the common need and the common interest of society through Islamic leadership.

4.1.4 PREVENT WASTAGE OF RESOURCES

Islam encourages people to enjoy resources without waste. Allah says: "O children of Adam! Eat and drink but waste not in excess, for Allah does not love the wasters." (*Qur'ān*, 7:31). Prophet Muhammad (peace be upon him) requested his followers not to waste water even when doing ablution for prayer next to a flowing river. He encouraged the people to remove harmful objects from the path of people and considered that to be the basic manifestation of belief. Prophet Muhammad (peace be upon him) encouraged people to plant trees to benefit future generations. The Prophet (peace be upon him) said: "There is no Muslim who plants a tree or a plant, except that whatever is eaten from it is a charity for him. Whatever is stolen from that is a charity for him. Whatever is eaten from it by an animal is a charity for him. Whatever a bird eats is a charity for him, no one suffers a loss except that it will be a charity for him till the Day of Judgement."

(Muslim, 1993). Therefore, entrepreneurs and leaders should be careful about any wastage in their organization under their leadership.

4.1.5 PRACTICING HIGH MORAL VALUES WITH SINCERITY

The *Qur'ān* and *Sunnah* of Prophet Muhammad (peace be upon him) explicitly recommend moral entrepreneurial activity, for instance, the elimination of ribā: "But Allah hath permitted trade (*bai'*) and forbidden usury (*ribā*)." (*Qur'ān*, 2:275).

Narrated by Hudhaifah (may Allah be pleased with him) that the Prophet (peace be upon him) said: "Once a man died and was asked: "What did you use to say (or do) (in your life time)?" He replied, "I was a businessman and used to give time to the rich to repay his debt and (used to) deduct part of the debt of the poor." So he was forgiven (his sins)." (Al-Bukhārī, 1980).

An Islamic managerial leader must be sincere and fair enough to attain the organizational objectives. The Quranic terminology of sincerity is *khuluṣīyāt*. *Qur'ān* urges Muslims to be sincere in their praying, good deeds and meditations.

4.1.6 TRUSTWORTHINESS

Abu Sa'īd (may Allah be pleased with him) reported that the Prophet (peace be upon him) said: "The truthful, trustworthy merchant is with the Prophet (peace be upon him), the true ones, and the martyrs (on the Day of Resurrection)." (Al-Tirmidhī, 1983). Moreover, the Prophet Muhammad (peace be upon him) and many of his close companions were trustworthy and successful entrepreneurs.

Everyone in leadership must have the public trust. The following verse of *Qur'ān* explains that the Islamic system urges and motivates every member of the organization in general and leaders, specially, to be trustworthy (Alhabshi and Ghazali, 1994). Allah says:

> "Allah doth command you to render back your trusts to those to whom they are due; and when ye judge between man and man, that ye judge with justice: verily how excellent is the teaching which He giveth you! For Allah is He Who heareth and seeth all things." (*Qur'ān*, 4:58).

4.1.7 CONCERN FOR SOCIAL WELFARE

The social welfare system in Islam or *zakāt*, in which everyone is obligated to give a percentage of their excess goods to the community,

is just one example of such mercy between community members. Many texts in *Qur'ān* and *ḥadīth* encourage Muslims to offer charity in different forms. Allah says: "O you who have believed, bow and prostrate and worship your Lord and do good that you may succeed." (*Qur'ān*, 22:77).

To encourage the faithful to love to spend their money, land, and other possessions they treasure, Allah says:

> "Never will you attain the good [reward] until you spend from that which you love. And whatever you spend, indeed, Allah knows it." (*Qur'ān*, 3:92).
> "The ones who establish prayer, and from what we haveprovided them, they spend." (*Qur'ān*, 8:3).

Prophet Muhammad (peace be upon him) was exemplary as a leader and an entrepreneur. The revelation given to Prophet Muhammad (peace be upon him) was about the establishment of radical forms of social justice in which tolerance, equity, and charity were at the heart of Islam. Prophet Muhammad (peace be upon him) translated these characteristics into action, and his influence will continue for all time. Prophet Muhammad (peace be upon him) demonstrated ethnic and religious tolerance and established social welfare based on an Islamic social entrepreneur system. Prophet Muhammad (peace be upon him) encouraged people making donations on specific occasions. For example, he encouraged on-going charity with the following advice: "When the son of Adam dies, his actions are cut off except for three: an ongoing charity (ṣadaqah jāriah) and knowledge which brought benefit and a virtuous son who makes supplication for him." (Al-Nawawī, 2013).

In the era of Caliph 'Umar ibn 'Abdul 'Azīz (may Allah be pleased with him), poverty was eliminated from the Islamic community and prosperity had reached all individuals, Muslims or non-Muslims. This was achieved through "*al-waqf*" (or suspension), which is a type of charity involving property. It constituted a cornerstone of the Islamic economic welfare system and was a crucial element in building Islamic civilization. By taking part in *al-waqf*, faithful Muslims donate property, including money, buildings, land, wells, trees, and other possessions, strictly for the sake of Allah, as a form of worship, thanking Allah for His bounty and in anticipation of a reward in the hereafter. *Al-Waqf* donations provide long-term benefit for many. Orphans, the poor, sick, and students are allowed to use this charity. While meeting the economic needs of society, *al-waqf*

eliminates selfishness and promotes a sense of responsibility toward current and future generations (Salarzehi, Armesh, and Davoud, 2010).

4.1.8 *AL-'ADL* (JUSTICE)

Researches on justice (*al-'adl*) with respect to organization, in the previous four decades have underlined the importance of perceptions of justice for work behavior and motivation (Colquitt et al., 2001; Loi et al., 2006). The term justice in the organizational perspective describes the role of fairness as it is precisely related to the workplace. The leaders in organizational justice are especially concerned with the process whereby employees determine either they have been treated fairly in their jobs and the process in which those determinations cast effect on other work-related activities (Moorman, 1991). The leaders must treat team members justly and fairly without any discrimination regardless of their caste, creed, and color. Islam always urges doing justice to all. The *Qur'ān* commands Muslims to be just and fair in any circumstances even if the verdict goes against their parents or themselves. Allah says:

> "O you, who believe! Stand out firmly for justice, as witness to Allah, even as against yourselves or your parents or your kin and whether it be against rich or poor, for Allah protects both." (*Qur'ān*, 4: 135).

Justice is the key point in managing people; it is the duty of a leader or an entrepreneur to guarantee justice across the organization. Rawls (1971) affirms that justice is the chief virtue to control the whole organization. Once justice is ensured, all organization members will be comfortable and confident because they believe that the leader looks after their interests without bias. This motivates the organization, since every member will work with full commitment toward objectives.

4.1.9 KNOWLEDGEABLE

The first Quranic verses revealed to the Prophet Muhammad (peace be upon him) manifests the importance of knowledge in Islam. Allah says:

> "Proclaim! (or read!) In the name of Thy Lord and Cherisher, who created-; Created man, out of a (mere) clot of congealed Blood; Proclaim! and Thy Lord is Most Bountiful; He who taught (the use of) the pen; Taught man that which He knew not." (*Qur'ān*, 96:1-5).

Islam is a religion of knowledge (Sullivan, 2004). Prophet Muhammad (peace be upon him) was also committed to education to ensure the importance of knowledge and emphasize the risk of neglecting it. Prophet Muhammad (peace be upon him) particularly encouraged his followers to obtain knowledge of religion and law. Islam also encourages freedom of thought. Managers or executives should create an environment in the organization so that the staff members can easily opine on any issue. The Four *Khulafā'* (Caliphs) of Islam considered this as an indispensable element of their leadership (Patwary, 2003). 'Umar (may Allah be pleased with him) praised Allah that there were people in the ummah who would correct him if he went astray.

4.1.10 ACCOUNTABILITY

Islam teaches responsibility as a vital component of management. An entrepreneur bears financial risk and, therefore, is responsible for all the activities to run his or her business and succeed. The managers are accountable for their duties and responsibilities to the Board of Directors. The Board in turn is answerable to the beneficiaries/ stakeholders. As per the Islamic teachings, each and every human being will be made responsible for good or bad deeds and will be rewarded or punished accordingly. 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." (*Qur'ān*, 99:7-8).

4.1.11 CARE FOR SOCIETY AND ENVIRONMENT

As per the teachings of Islam, we must care for the environment and animals. Allah says: "But seek, with the (wealth) which Allah has bestowed on thee, the home of the Hereafter, nor forget thy portion in this world: but do thou good, as Allah has been good to thee, and seek not (occasions for) mischief in the land: for Allah loves not those who do mischief." (*Qur'ān*, 28:77).

In addition, Prophet Muhammad (peace be upon him) cared for the health of society and encouraged women to care for the wounded, thus enhancing the role of women in society. He also urged his followers to care for their aged parents and other elderly people in society. He played with children and interacted with them, which gave them self-confidence and influenced their future in a positive way.

Prophet Muhammad (peace be upon him) educated his followers to be kind to all living beings and to protect the environment. Narrated by Sahl ibn al-Hanzaliyyah (may Allah be pleased with him), the Prophet (peace be upon him) came upon an emaciated camel and said: "Fear Allah regarding these dumb animals. Ride them when they are in good condition and feed them when they are in good condition." (Abū Dāwud, 1983).

Narrated by Abū Hurairah (may Allah be pleased with him), the Prophet (peace be upon him) said: "While a man was walking on a road, he became very thirsty. Then he came across a well, got down into it, drank (of its water) and then came out. Meanwhile, he saw a dog panting and licking mud because of excessive thirst. The man said to himself, "This dog is suffering from the same state of thirst as I did." So he went down the well (again) and filled his shoe (with water) and held it in his mouth and watered the dog. Allah thanked him for that deed and forgave him. The people asked, "O Allah's Apostle! Is there a reward for us in serving the animals?" He said, (Yes). There is a reward for serving any animate (living being)." (Al-Bukhārī, 1980).

4.1.12 *AL-SHŪRĀ* (CONSULTATION BEFORE A DECISION)

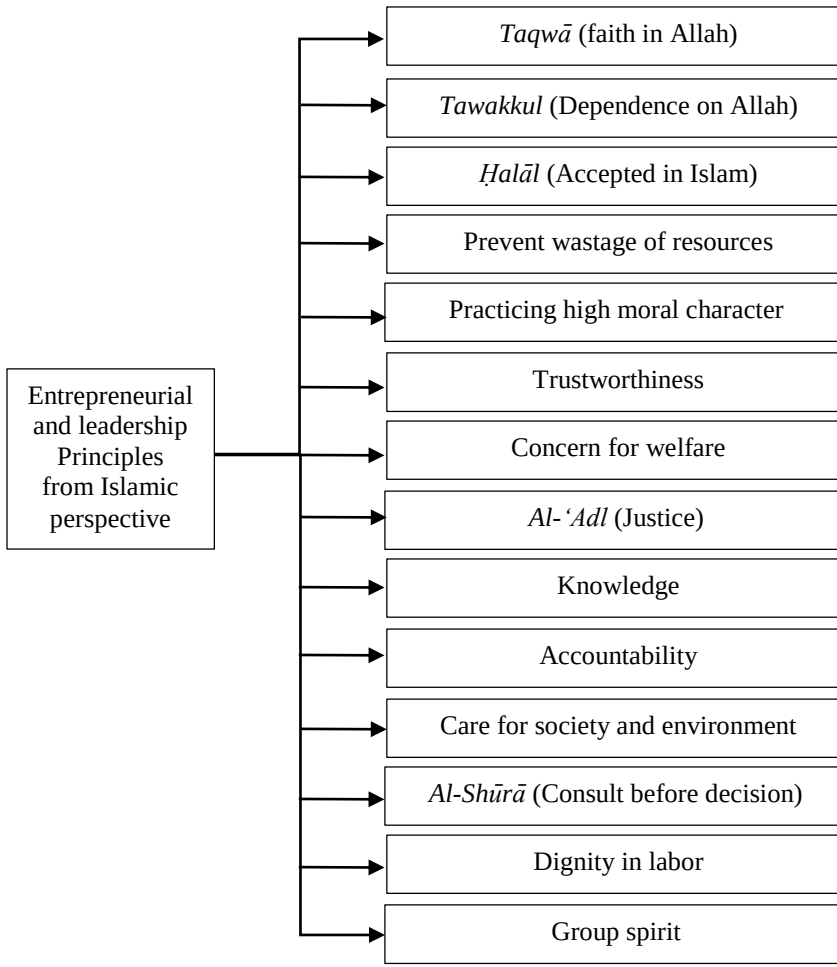
Under the principle of consultation managerial leaders in Islam must consult with their people before making any decision. Managers must consult with their subordinates in formulating any strategy or policy. This is similar to the modern day participative management. Allah directed his Prophet (peace be upon him) to consult with his companions. For Ibn Al-'Arabī (1957), *al-shūrā* in Islam is the discussion of an issue so as to allow each member to participate and consult each other and come up with a decision on the general ideas on the issue. Albadawi (1994) considered it as the introduction of a particular matter to specialists and members and keeping an open mind on the matter until the correct decision is elaborated and made clear. Allah says:

> "And those who have answered the call of their Lord and establish prayer and who conduct their affairs by consultation

and spend out what we bestow on them for sustenance." (*Qur'ān*, 42:38).

"And by the Mercy of Allah, you dealt with them gently. And had you been severe or harsh-hearted, they would have broken away from about you; so pass over (their faults), and ask for (Allah's) forgiveness for them; and consult with them in affairs. Then when you have made a decision, put your trust in Allah." (*Qur'ān*, 3:159).

Figure 3: Depiction of Principles for practicing entrepreneurship and leadership from the Islamic perspective



The principle of consultation (*al-shūrā*), honesty (*al-ṣidq*) trust (*al-amānah*) and justice (*al-'adl*) are the main elements of an excellent leadership role in an organization. With the help and influence of these qualities within an organization, the goals and objectives will be attained in terms of employee performance and commitment.

4.1.13 DIGNITY OF LABOR

Islamic leaders must recognize the dignity of labor. Prophet Muhammad (peace be upon him) said: "Pay the wages to the laborer before his sweat dries up." (Al-Tirmidhī, 1983). Islam pointed out that earning by the toil of labor is the best. Hence, practicing managers should duly recognize the dignity of all categories of efforts especially physical labor of the workers and employees.

4.1.14 GROUP SPIRIT

The leaders must try to achieve organizational goals and objectives with teams rather than through individual endeavors. Extreme unity should be practiced by the executives, staff and workers for motivating and energizing team work. Islam preaches *esprit de corps* (i.e., team efforts). Prophet Muhammad (peace be upon him) said "The Hand of Allah is with the *jamā'ah* (team)." (Al-Tirmidhī, 1983).

4.2 COMBINATION OF QURANIC AND *AḤĀDĪTH* ANALYSIS

This part will combine Quranic verses and sayings of the Prophet Muhammad (peace be upon him) extremely relevant from the entrepreneurial and leadership perspective. From the saying of Prophet Muhammad (peace be upon him):

> "No Arab has superiority over any non-Arab and no non- Arab has any superiority over an Arab; no dark person has superiority over a white person and no white person has any superiority over a dark person. The criterion of honor in the sight of Allah is righteousness and honest living." Farewell Sermon of Prophet Muhammad (peace be upon him) (Sallam and Hanafy, 1988).

The *ḥadīth* can be interpreted as discrimination in all forms is considered unjust and opposed in private business and public domain. In addition, entrepreneurship promotes equal opportunities for all. Indeed, it allows for the practice of meritocracy in the organization.

In another situation, Prophet Muhammad (peace be upon him) said: "The seeking of knowledge is obligatory for every Muslim." (Al-Tirmidhī, 1983).

This situation implies the requirement for believers to acquire and enhance knowledge. The acquisition assumes risk and uncertainty taking, which is the essence of entrepreneurial spirit. It also suggests lifelong learning since knowledge is ever increasing over time.

Many more Quranic verses and sayings of Prophet Muhammad (peace be upon him) suggest that entrepreneurial and leadership traits, attributes, and qualities are imbued in the teachings of Islam. Table 2 summarizes the Quranic and *aḥādīth* principles related to entrepreneurship and leadership.

Table 2: Interpretation of some of the Quranic Verses and *Aḥādīth* on entrepreneurship and leadership perspectives

Qur'ān/*Ḥadīth*	Interpretation for Entrepreneurs/Leaders
"No Arab has superiority over any non-Arab and no non- Arab has any superiority over an Arab; no dark person has superiority over a white person and no white person has any superiority over a dark person. The criterion of honor in the sight of Allah is righteousness and honest living." Saying of Muhammad (peace be upon him) (Sallam and Hanafy, 1988).	Discrimination in all forms is considered unjust and opposed in private business and public domain. Promote equal opportunities for all. Practice meritocracy in the organization.
"O mankind! We created you from a single (pair) of a male and a female, and made you into nations and tribes that you may know each other." (*Qur'ān*, 49:13).	The importance of honoring rights of individuals and groups. Sense of brotherhood within the organization. Respect for cultural diversity, equal opportunity employment and unbiased appraisals. Teamwork.

Qur'ān/*Ḥadīth*	Interpretation for Entrepreneurs/Leaders
"… man can have nothing but what he strives for." (*Qur'ān*, 53:39).	Focused efforts aimed at achieving objectives. The importance of having objectives in entrepreneurial endeavors. Rewards should be expected only after expending efforts.
"Allah likes that when someone does anything, it must be done perfectly well." Saying of Muhammad (peace be upon him) (Sallam and Hanafy, 1988).	Work efficiency and effectiveness, Total Quality Management, Appreciation of good performance.
". . . Say, 'O my Lord! Increase me in knowledge." (*Qur'ān*, 20:114). "The acquisition of knowledge is a duty incumbent on every Muslim, male and female." Saying of Muhammad (peace be upon him) (Sallam and Hanafy, 1988).	Knowledge Management, Technology Transfer, Research and Development, Professional development efforts by each and every participant in an organization, conduct executive training programs, lifelong learning.
"Allah does command you to render back your trusts to those to whom they are due." (*Qur'ān*, 4:58)	Best performance effort, fulfilling obligations and trust in business relationships and the workplace. Maintain ethics and confidentiality in transactions, Employee's responsibility to do work to justify his salary, Employer's responsibility towards for fair compensation to employees, respecting non-disclosure and non-compete agreements, Focus on reasonable shareholder returns.
"… wear your beautiful apparel at every time and place of prayer: eat and drink: but waste not by excess . . ." (*Qur'ān*, 7:31)	It is acceptable to have wealth and to consume but not to waste natural resources. Corporate Social Responsibility. Financial prudence and financial planning. Being presentable at the work-place.

Qur'ān/*Ḥadīth*	Interpretation for Entrepreneurs/Leaders
"No bearer of burdens shall bear the load of another." (*Qur'ān*, 6:164)	Self-Motivation and Personal Accountability.
"… to Allah belongs all that is in the heavens and on earth." (*Qur'ān*, 3:129).	Corporate social responsibility. Investing in organizational growth and employee welfare.
". . . Allah loves not the arrogant, the vainglorious (Nor) those who are niggardly, enjoin niggardliness on others." (*Qur'ān*, 4:36–7).	Encourage economic activity. Discourage lobbying and formation of cartels, prohibit hoarding, Encourage spending, circulation of wealth, Employee welfare and healthy human resource practices, Professional and respectful treatment of employees, suppliers, and clients.
". . . and spend of your substance in the cause of Allah and make not your hands contribute to your destruction, but do good." (*Qur'ān*, 2:195).	Condemnation of ostentatious consumption. Corporate social responsibility.
"… wealth and children are allurements of the life of this world. " (*Qur'ān*, 18:46).	Acquisition of wealth and worldly means are given reduced consideration in the scale of human values. Balanced organizational objectives encompassing the well-being of the organization, employees, and community instead of focusing only on wealth accumulation.
"… He has raised you in ranks, some above others: that He may try you in the gifts that He has given you" (*Qur'ān*, 6:165).	Inequality of income is permitted. Pay and privileges according to the organizational hierarchy, accountability, and higher responsibility comes with better privileges.

Qur'ān/*Ḥadīth*	Interpretation for Entrepreneurs/Leaders
"…It is We (Allah) who portion out between them their, livelihood in the life of this world: and We raise some of them in ranks so that some may command work of others. But the Mercy of your Lord is better than the (wealth) which they amass." (*Qur'ān*, 43:32).	Organizational hierarchy, Corporate Governance. Professional objectives for individuals should be balanced and not focused only on wealth accumulation.
"… of their wealth take alms, so that you might purify and sanctify …" (*Qur'ān*, 9:103).	Income redistribution, i.e. wealth to be shared with those less fortunate. Corporate social responsibility. Fair financial practices.
"Allah permits trade but forbids usurious gain." (*Qur'ān*, 2:275).	Interest-free loan and economic system. Fair partnership in profit and loss.
"… give just measure and weight, nor withhold from the people the things that are their due." (*Qur'an* 11:85). "He who cheats is not one of us." Saying of Muhammad (peace be upon him) (Muslim, 1993).	Honesty, transparency in informing any fault in the product with the customer, fairness in dealings. Timely payment of employee and supplier dues. Well defined and transparent contracts.
"… don't outbid one another in order to raise the price, Don't enter into a transaction when others have already entered into that transaction and be as brothers one to another." Saying of Muhammad (peace be upon him) (Muslim, 1993).	Fair in contract negotiation. Fair in sales and marketing practices. Avoid excessive profiteering.
"… make your utterance straightforward." (*Qur'ān*, 33:70). "On the day of judgment, the honest Muslim merchant will stand side by side with the martyrs." (Al-Tirmidhī, 1983).	Truthfulness and directness in business transactions. Fair feedback as part of HR practices. Honesty and trustworthiness. Appreciating honesty and ethics in the organization.

Qur'ān/*Ḥadīth*	Interpretation for Entrepreneurs/Leaders
". . . nor shall I (Allah) deprive them (of the fruit) of aught of their works: (yet) is each in pledge for his deeds." (*Qur'ān*, 52:21).	Importance of individual responsibility and accountability. Self-Appraisal.

Source: Format adapted from Rice (1999).

The list in Table 2 is indicative in nature. There are many other Quranic verses and *aḥādīth*, which give guidance for entrepreneurs and leaders.

5. CONCLUSION

The basic concepts underlying Islamic leadership and entrepreneurship were stated in the *Qur'ān* more than 1400 years ago. Quranic verses established in broad terms the characteristics of an effective entrepreneur/leader from the viewpoint of Islam. The Prophet Muhammad (peace be upon him) acted as a role model for Muslims and showed them how to apply these basic concepts in real life. Entrepreneurship falls under the economic systems as mandated by Islam. Entrepreneurship from Islamic Perspective (EIP) is different from ethical, social or cultural entrepreneurship, as it encompasses specific practices, scriptural sources as well as a meta-physical objective and relationship to Allah. An entrepreneur practicing Islam in his or her enterprise should demonstrate specific characteristics in all business functions, vis-à-vis production, marketing, finance and human resource.

A review of the Islamic literature on leadership shows that leadership is considered a central construct of an Islamic society. It is a collective duty of the members of the society and a responsibility entrusted to the individuals who are chosen to undertake it. Nowadays, leadership is being considered as a key factor for organizational success. For the purposes of informed debate, analysts need to be better able to distinguish between the founding Islamic principles of leadership, and cases of bad or toxic leadership including religious leadership. Leadership and entrepreneurship in Islam deserve further study because Islam is a *dīn* (religion), it is a way of life involving holistic interaction between political, social, educational, economic and cultural systems based on obedience to Allah.

The practice of entrepreneurship and leadership from the Islamic perspective is characterized by efficient and proper use of

resources, the use of permissible sources of production and the production of a permissible product, sincerity in efforts, trustworthiness in all dealings, concern for societal and individual welfare and the environment at large, fairness and transparency in all activities, pursuit of knowledge, taking pride in work/labor, and consultation with stakeholders before decision making. A strong sense of faith benefits entrepreneurs and leaders in complete efforts to meet the objectives, since they have faith that their efforts will definitely bear fruits. People with *taqwā* will never apply any prohibited means or sources to meet a prohibited end. All the time they will be governed by the law of the *Qur'ān* and the *ḥadīth*. They will be a source of trust for their teams as well as society as a whole since the input and the output of their efforts and their means are all *ḥalāl*. Not just this, they ensure that their practices do not harm the environment. Leaders and entrepreneurs having qualities as laid down in Islam are expected to combat any managerial challenges and complexities in administering their organizations. Islam shows the path of not just possessing the Islamic values but practising them as well.

It is anticipated that this article provides a foundation for further work on leadership and entrepreneurship in the Islamic world. While a conceptual understanding has been stated as part of this article, we need to explore the application of this concept within existing laws in countries governed by *Sharī'ah* and other countries governed by different laws. Also, future studies can be done by comparing the Western/Eastern/Asian style of entrepreneurship and leadership vis-à-vis the style recommended in Islam.

REFERENCES

Aabed, A. *A Study of Islamic Leadership Theory and Practice in K-12 Islamic School in Michigan.* A published doctoral dissertation AAT 3206991, Brigham Young University, 2006.

Abdul-Hadi, H.A. Al-Fikr Al-Idārī Al-Islāmī wa Al-Muqāran, Comparative and Islamic Administrative Thought. Cairo: Dār Al-Ḥamāmī li Al-Ṭibā'ah, 1970.

Abū Dāwud Sulaimān ibn Al-Ash'ath Al-Sijistānī. *Sunan Abū Dāwud*. Karachi: International Islamic Publisher, 1983.

Ahmad, Khaliq. "Leadership and Work Motivation from the Cross Cultural Perspective." Int*ernational Journal of Commerce and Management* 19, no. 1 (2009): 72-84.

_____. "Management Model from Islamic Perspectives: Some Reflections." *Ulum Islamiyyah*, no. 1 (2003): 43-60.

_____. "Leadership and work motivation from Islamic perspective." Paper presented at the *International Conference on Management from Islamic Perspective*, Hilton Kuala Lumpur, 15-16 May, 2007.

_____, and R. Fontaine. "Islamic Leadership at the International Islamic University Malaysia." *International Journal of Economics, Management and Accounting* 19, no.2 (2011): 121-35.

Albadawi, I. *Ma'ālim Al-Shūrā fī Al-Islām*. Cairo: Dār Al-Nahḍah Al-'Arabīyah, 1994.

Alhabshi, S.O., and A.H. Ghazali. *Islamic Values and Management.* Kuala Lumpur: Institute of Islamic Understanding Malaysia (IKIM), 1994.

Ali, J.S. "Leadership: An Islamic Perspective." Paper presented at the *International Conference on Management from Islamic Perspective* at Hilton Kuala Lumpur, Malaysia, 15-16 May, 2007.

Ali, A. "Islamic Perspectives on Leadership: A Model." *International Journal of Islamic and Middle Eastern Finance and Management* 2, no. 2 (2009): 160–80.

Al-Bukhārī, Muḥammad ibn Ismā'īl. *Ṣaḥīḥ Al-Bukhārī*. Beirut: Dar Al-Arabia, 1980.

Al-Ghazālī, Abū Ḥāmid Muḥammad. *Revival of Religion Sciences*. Translated by Fazlul Karim. Karachi: Darul-Ishaat, 1993.

Al-Nawawī, Muḥy Al-Dīn Yaḥyā ibn Sharaf. "Chapter 12 Book of Knowledge Book of Knowledge, hadith no. 1383." Www.IslamicLine.Com, 2013. http://www.islamicline.com/.

Al-Talib, H. *Training Guide for Islamic Workers*. Virginia: International Institute of Islamic Thought, 1991.

Al-Tirmidhī, Abū 'Īsā Muḥammad ibn 'Īsā. *Sunan Al-Tirmidhī*. Karachi: International Islamic Publisher, 1983.

Bass, Barnard. *Leadership and Performance Beyond Expectation*. New York: The Free Press, 1985.

_____. "Ethics, Character, and Authentic Transformational Leadership Behavior." *Leadership Quarterly* 10, 2 (1999): 181-271.

Bateman, T.S., and M.J. Crant. "The Proactive Component of Organizational Behavior: A Measure and Correlates." *Journal of Organizational Behavior* 14, no. 2 (1993): 103-18.

Baumol, William J. *Entrepreneurship, Management, and the Structure of Payoffs*. Cambridge, Mass: MIT Press, 1993.

Beekun, R.I. *Strategic Planning and Implementation for Islamic Organizations*. Virginia: The International Institute of Islamic Thought, 2006.

Beekun, R.I., and J. Badawi. *Leadership: An Islamic Perspective*. Beltsville: Amana Publications, 1999.

Beg, T. "Promotion of Muslim Entrepreneurship under State Support." *Journal of Objective Studies* 2 (1979): 95-106.

Begley, Thomas M., and P. Boyd David. "Psychological Characteristics Associated with Performance in Entrepreneurial Firms and Smaller Businesses." *Journal of Business Venturing* 2, no. 1 (1987): 79-93.

Battilana, J., B. Leca, and E. Boxenbaum. "How Actors Change Institutions: Towards a Theory of Institutional Entrepreneurship." *The Academy of Management Annals* 3, no. 1 (2009): 65-107.

Casson, Mark. *The Entrepreneur: An Economic Theory*. Cheltenham, U.K.: Edward Elgar, 2003.

Colquitt, J.A., D.E. Conlon, M.J. Wesson, C.O. Porter, and K.Y. Ng. "Justice at the Millennium: A Meta-Analytic Review of 25 Years of Organizational Justice Research." *Journal of Applied Psychology* 86, (2001): 425–45.

Conger, Jay A., and Rabindra N. Kanungo. 1987. "Toward a Behavioral Theory of Charismatic Leadership in Organizational Settings." *The Academy of Management Review* 12, no. 4 (1987): 637–47.

_____. "Behavioral Dimensions of Charismatic Leadership." In *Charismatic Leadership: The Elusive Factor in Organizational Effectiveness*, edited by J.A. Conger and R.N. Kanungo, 78–97. San Francisco: Jossey-Bass, 1988.

_____. *Charismatic Leadership in Organizations*. Thousand Oaks, California: Sage, 1998.

Crant, J.M. "Proactive Behavior in Organizations." *Journal of Management* 26, no. 3 (2000): 435-62.

Dana, L.P. *Entrepreneurship and Religion*. Cheltenham, UK: Edward Elgar, 2010.

Deluga, R.J. "American Presidential Proactivity, Charismatic Leadership, and Rated Performance." *Leadership Quarterly* 9, no. 3 (1998): 265-91.

Eyal, O., and R. Kark. "How Do Transformational Leaders Transform Organisations? A Study of the Relationship between Leadership and Entrepreneurship." *Leadership and Policy in Schools* 3, no. 3 (2004): 211-35.

Fiedler, Fred Edward. A Theory of Leadership Effectiveness. New York: McGraw-Hill, 1967.

Farouk, Mustafa M. "Advances in the Industrial Production of Halal and Kosher Red Meat." *Meat Science* 95, no. 4 (2013): 805-20.

Gümüsay, Ali Aslan. "Entrepreneurship from an Islamic Perspective." *Journal of Business Ethics* 130, no. 1 (2014): 199-208.

Salarzehi, H., H. Armesh, and N. Davoud. "Waqf as a Social Entrepreneurship Model in Islam." *International Journal of Business Management* 5, no. 7 (2010): 179-86.

Hébert, Robert F., and Albert N. Link. *The Entrepreneur: Mainstream Views and Radical Critiques*. New York: Praeger, 1982.

Howell, J.M., and B.J. Avolio. "Transformational Leadership, Transactional Leadership, Locus of Control, and Support for Innovation: Key Predictors of Consolidated-Business-Unit Performance." *Journal of Applied Psychology* 78, no. 6 (1993): 891-902.

_____, and C.A. Higgins. "Champions of Technological Innovation." *Administrative Science Quarterly* 35, no. 2 (1990): 317.

House, Robert J. "A 1976 Theory of Charismatic Leadership." In *Leadership: The Cutting Edge*, edited by James G. Hunt and Lars L. Larson, 189-207. Carbondale, IL: Southern Illinois University Press, 1977.

Ismail, Y. "A Proposed Approach to the Development of Islamic Management as a Discipline." Paper presented at the *International Conference on Management from Islamic Perspective*, Hilton Kuala Lumpur, Malaysia, 15-16 May, 2007.

James, C.S., and C.S. Joseph. "The Transformational-Transactional Leadership Model in Practice." *Leadership & Organization Development Journal* 22, no. 8 (2001): 383-93.

Kazmi, A. "A Preliminary Enquiry into the Paradigmatic Differences between the Conventional and Islamic Approaches to Management Studies." Unpublished paper, International Islamic University Malaysia, 2004.

Kirzner, Israel M. *Competition and Entrepreneurship*. Chicago: University of Chicago Press, 1973.

_____. *Perception, Opportunity, and Profit: Studies in the Theory of Entrepreneurship*. Chicago: University of Chicago Press, 1979.

Khan, Bilal, Ayesha Farooq, and Zareen Hussain. "Human Resource Management: An Islamic Perspective." *Asia-Pacific Journal of Business Administration* 2, no. 1 (2010): 17-34.

Knight, Frank H. *Risk, Uncertainty and Profit*. Boston: Houghton Mifflin Co, 1921.

Weihrich, Heinz, and Harold Koontz. *Management: A Global Perspective*. Singapore: McGraw-Hill, 2005.

Lazear, Edward P. "Leaders and Entrepreneurs: Where They Produce the Most Value." Paper presented at the *Allied Social Science Associations Annual General Meeting*, Philadelphia, 2005.

Loi, Raymond, Ngo Hang-Yue, and Sharon Foley. "Linking Employees' Justice Perceptions to Organizational Commitment and Intention to Leave: The Mediating Role of Perceived Organizational Support." *Journal of Occupational and Organizational Psychology* 79, no. 1 (2006): 101-20.

Merriam-Webster. "Merriam-Webster Dictionary and Thesaurus." http://www.merriam-webster.com/dictionary/entrepreneur.

Moorman, R.H. "Relationship between Organizational Justice and Organizational Citizenship Behaviors: Do Fairness Perceptions Influence Employee Citizenship?" *Journal of Applied Psychology* 76, (1991): 845-55.

Naqvi, S.N.H. *Islam, Economics and Society*. London: Kegan Paul International, 1994.

Parolini, J., K. Patterson, and B. Winston. "Distinguishing between Transformational and Servant Leadership." *Leadership & Organization Development Journal* 30, no. 3 (2009): 274-91.

Patwary, Enayet Ullah. "Leadership in Islamic Perspective." *Executive Views* 2, (2003): 58.

Pew Forum on Religion & Public Life. *The Future of the Global Muslim Population: Projections for 2010-2030*. Washington, DC: Pew Research Center Forum on Religion & Public Life, 2011.

Ramadan, Tariq. *Radical Reform: Islamic Ethics and Liberation*. Oxford: Oxford University Press, 2009.

Rameli, Mohd. Faizal P., Muhammad Ridhwan Ab. Aziz, Kalsom Ab. Wahab, and Suhaida Mohd Amin. "The Characteristics of Muslimpreneurs from the View of Muslim Scholars and Academician." *International Journal of Teaching and Education* 2, no. 2 (2014): 47-59.

Rawls, J. *A Theory of Justice*. Cambridge, Massachusetts: Belknap Press of Harvard University Press, 1971.

Rice, R. "Islamic Ethics and the Implications for Business." *Journal of Business Ethics* 18, no. 4 (1999): 345-58.

Richard Cantillon. *Essai sur la Nature du Commerce en Général*, translated by H. Higgs. London: MacMillan, 1931.

Sallam, H., and A.A. Hanafy. "Employee and Employer: Islamic Perception." *Proceedings of the Seminar on Islamic Principles of Organizational Behavior*. Herndon, Virginia: International Institute of Islamic Thought (1988).

Schneider, Mark, and Paul Teske. "Toward A Theory of the Political Entrepreneur: Evidence from Local Government." *The American Political Science Review* 86, no. 3 (1992): 737-47.

Schumpeter, Joseph A. *The Theory of Economic Development; An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle*. Cambridge, Mass: Harvard University Press, 1934.

Shapero, A., and L. Sokol. "The Social Dimensions of Entrepreneurship." In *The Encyclopedia of Entrepreneurship*, edited by C. Kent, D. Sexton, and K.H. Vesper, 72-90. Englewood Cliffs, NJ: Prentice-Hall, 1982.

Stogdill, R.M. *Handbook of Leadership: A Survey of Theory and Research*. New York: Free Press, 1974.

Sullivan, P. "Islam, Economic Development in the Arab World." Paper presented at the *Centre for the Study of Islam and Democracy*, National Defence University, Washington DC, 17 November 2004.

Terry, R.W. *Authentic Leadership: Courage in Action*. San Francisco: Jossey-Bass, 1993.

Toor, S. "An Islamic Leadership Theory: Exploring the Extra Dimensions." Paper presented at the *International Conference on Management from Islamic Perspective*, Hilton Kuala Lumpur, Malaysia, 15-16 May 2007.

van der Spiegel, M., H.J. van der Fels-Klerx, P. Sterrenburg, S.M. van Ruth, I.M.J. Scholtens-Toma, and E.J. Kok. "Halal Assurance in Food Supply Chains: Verification of Halal Certificates Using Audits and Laboratory Analysis." *Trends in Food Science & Technology* 27 (2012): 109-19.

Wilson, R. "Islam and Business." *Thunderbird International Business Review* 48, no. 1 (2006): 109-23.

Yukl, G.A. *Leadership in Organizations*. Englewood Cliffs, NJ: Prentice-Hall, 1981.

Zaccaro, S.J., C. Kemp, and P. Bader. "Leader Traits and Attributes." In *The Nature of Leadership*, edited by J. Antonakis, A.T. Cianciolo, and R. J. Sternberg, 101–24. Thousand Oaks, CA: Sage, 2004.