Chapter 3
Is Islam Associated With Business Success?

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ABSTRACT

Does religion have an impact on the decision making of the business owner? Is religion a driver of successful business owners? Does a relationship exist between the practice of moral virtues and the sake of maximizing profits? These research questions constitute the author’s motivation of embarking on this investigation. The aim of this study is to determine whether there exists a correlation between religious values and entrepreneurship, which is measured in term of business ownership. More particularly, this chapter develops a greater understanding of how religion leads to productive entrepreneurial activity and business success. The analysis is based on a qualitative study. A life story interview method was used to collect data from a successful business owner (M. L.) who believes in Islam and worships it. Semi-structured interviews were conducted to collect data from 14 faithful Muslims subordinates who work for M. L. Data shows interesting information about the definition of key business success factors from Islamic beliefs, values, and practices.

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INTRODUCTION

Religion determines a person’s basic values and beliefs, it argues to shape attitudes, behaviors, decision making (Lehrer, 2004) and entrepreneurship (Dodd and Gotsis, 2004; Dana 2009, 2010). Whether people decide to become entrepreneurs/businessmen or not is thus affected by whether or not they are adhering to a religion. During the past several decades, there has been a dramatic increase in topic related to the link between religion and economic development, religion and entrepreneurial activity (Dodd and Seaman, 1998; Woodrum, 1985, Carswell and Rolland, 2004; Nair and Pandey, 2006), religion and business performance (Baharum and Kamarudin, 2001; Cheung and King, 2004; Ibrahim and al, 1991). Although, the results of these studies are inconclusive, since researchers have documented both positive¹ and negative² link. It was first emphasized by Max Weber at the beginning of twenty century with the appearance of this theory titled “the protestant ethic and the spirit of capitalism”. Weber argues that religion is the foremost driving force of entrepreneurship, he supposes that the traits of a religious individual is an incentive that would bring about entrepreneurial activities. In particular, the religion of Islam covers all aspects of life, including business activities. In the holy book of Muslims “Quran” and in the Hadith which refers to the words and teachings of the Prophet Muhammad, there are guidelines on how to be successful in this world as well as the hereafter. However, empirical studies and conclusive evidence aligned with the Islamic teachings to explain business success are still very little studied. Therefore, a better understanding of the relationship between religious values and practices and organizational success serve as a crucial direction in this study. The main research question driving this chapter is as follow: Does a relationship exist between Muslim’ religious beliefs and practices and the success of his business ? In order to better apprehend this relationship, the researcher conducted an intensive study about a highly successful business owner who dropped out of school and by his faith in Islam, he succeeded to found and grow four companies based on Islamic principles, and he succeeded to keep them sustainable even 8 years after of the Tunisian Revolution³, period during which several sectors have been and are still deeply affected by negative impacts of this political transitional movement (Tamzini and al, 2016). This historical change was considered as a threat by some business owners and as a great opportunity by others who have quickly adapted to the new socio-economic and geopolitical contexts by positioning themselves in new niches, segments and markets. The sustainability and success of companies has often been explained by factors other than religion. It would then be relevant to explain the success of the companies by conducting a scientific study according to
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