The Role of Religion in the Development of Muslim Women's Entrepreneurial Leadership

Type of Paper: Refereed Research Paper

Objective: Women's rate of participation in business activities and the level of entrepreneurial activity may vary because of gender role expectations (Eagly et al., 2010), family dynamics (Al-Dajani and Marlow, 2010), religious values and cultural traditions (Roomi, 2013) and possession of entrepreneurial (including social, human, and institutional) capital (Brush et al., 2004; 2006, Roomi, 2013). 'Entrepreneurial leadership', defined as the "leadership role performed in entrepreneurial ventures" (Leitch et al., 2013: 348) is "viewed as a social process enacted through everyday active encounters as a practice of relational learning" (Leitch et al., 2013: 349). Not much has been explored about women entrepreneurs as leaders especially in Islamic countries. This study contributes to the literature by examining the role of religion, on the development of women's entrepreneurial leadership. The main objective is to explore how women entrepreneurs develop entrepreneurial leadership in the socio-cultural context of a Muslim country such as Pakistan.

Prior Work: In previous research, it has been asked that how leaders learn to be entrepreneurial, and how entrepreneurs learn leadership (Roomi & Harrison, 2011); and how entrepreneurs develop entrepreneurial leadership using their social, human and institutional capital (Leitch et al., 2013). We have learned in other work (Roomi & Harrison, 2010), many people and environments engaged in entrepreneurial leadership, and in need of entrepreneurial leadership development, operate in different contexts: women in Pakistan, for example, have very different considerations from white male students in the USA.

Certainly some scholars have worked on the idea that Muslim entrepreneurs learn how to be leaders in ways that will be instructive for others. For example, Zelecha et al. (2014) focus on the impact of religious institutions generally on entrepreneurship through a quantitative analysis, and find clear evidence that different religious institutions have a significantly different impact on the tendency to become an entrepreneur. They propose empirical evidence in which the country's main

religion significantly influences its level of entrepreneurship at the macro level, in addition to theorising about the mechanisms that characterize the effects of religion on entrepreneurship. But when they suggest that such large-scale effects of religion underpin a country's dominant culture and institutions, as well as the logics of the dominant cultural artefacts within it, they do not greatly enhance what thinkers of many sorts have known from time immemorial. It is not new to observe that religious institutions affect social behaviour, including economic and entrepreneurial activity. And neither is it sufficient to explain this through social science methods using statistical analysis. We have always known that religion affects economic behaviour; Zelekha et al. (2014) take us no closer to knowing why this is true.

Gümüşay (2014) offers a different conceptualisation and approach. Here, entrepreneurship from an Islamic perspective is framed in ways specifically different from other entrepreneurship, resting on three pillars: entrepreneurial, socio-economic/ethical, and religio-spiritual. Again, the idea is that Islam "shapes" entrepreneurship at all levels—although here no overly intricate attempt is made to prove this. Instead, Islam is said to be "an entrepreneurial religion" insofar as "it enables and encourages entrepreneurial activity" (2014, p. 5) How it does this, and why it works—in other words how it can be a model for learning how to become entrepreneurial by looking at Islamic examples, and learning how to be more self-aware as a leader by considering Islamic models—is an intriguing and fresh notion. Gümüşay concludes that entrepreneurship from an Islamic perspective is "a core activity within a global entrepreneurial landscape.… a multi-dynamic concept transforming as context changes" (2014, p. 8). Gümüşay's framework suggests that an approach less oriented around the individual entrepreneur, or on how s/he learns to be entrepreneurial (i.e. a social-cultural perspective) might be more valid. This is also suggested by the idea that context at its most broad is the dominant influence on shaping everything within it—so we should examine and understand that broad context first. Some attention has been paid in the anthropology literature to the influence of contemporary Muslim subjectivities on economic practice (Hefner, 1998; Osella & Osella, 2009; Rudnyckyj, 2009; Sloane, 1999; Soares, 2005). Osella and Osella (2009) particularly look at the intersection of Islam, entrepreneurship and leadership, and stress that current modes of enquiry into

this intersection are inadequate to explain how it works. While it is very interesting to note that "instrumentalist analyses" cannot explain why Muslim entrepreneurs do what they do, this more anthropological enquiry attempts to explain it as an "economic calculation" that will bring increased prosperity and power. We find this conceptualisation of entrepreneurial leadership somewhat cynical, highlighting as it does the accumulation of economic and social capital by harnessing religious custom and authority. Nonetheless, it points to the validity of taking a broad view of the topic, and of enquiring into what an Islamic social context might have to say about entrepreneurial leadership generally.

Also, it is important to stress that "Islam" is no one thing. It is an enormously multivalent, multi-vocal, counterpoint of forms, purposes, meanings, aspects, practices *et cetera*, widely varied around the world, practiced in different ways and to differing degrees by 2 billion Muslims in a hugely varying set of socio-cultural environments and influences. And of course Muslims everywhere are affected by these other contextual forces as well as by Islam, and also by numerous factors like education, physical environment, ethnicity, gender, etc. This paper in no way assumes a unitary conceptualisation of Islam—except to indicate that as a lens through which to conceptualise entrepreneurial leadership it has been inappropriately neglected especially in case of women, and that there is considerable relevance to exploring how Islamic perspectives can help to widen our insights.

Design/Methodology/Approach: To determine the impact of religion on the development of women's entrepreneurial leadership, this qualitative study relies on subjective accounts 36 successful women entrepreneurial leaders in Pakistan. It was not easy for a male researcher to contact and interact with women entrepreneurs to conduct the interviews, especially in isolation, as women usually hesitate to communicate with men in Muslim countries. However, a number of factors created a favourable environment. First, many of the women entrepreneurs participating in the study have been interacting with men independently for the purpose of running and managing their businesses. Second, one of the researchers has been involved in the capacity-building activities of women entrepreneurs in Pakistan for the last two decades and s well known among women

entrepreneurs. His credibility helped in creating an environment of ease and comfort, as well as providing respondents with the necessary assurance of expressing their views in a free and open manner. And last but not least, the team of researchers conducting this study was comprised of one female academic as well, who has experience and understanding of the local culture, values and traditions.

Results/Findings: Our review of theory and empirical findings suggest that diffuse cultural forces are highly determinant of the sustainability of any systematic attempt to encourage entrepreneurship and to develop entrepreneurial leadership. Essentially, one of the main challenges faced by women is to have an enabling and appropriate environment for entrepreneurial leadership, and for those interacting with or in those socio-cultural contexts the challenge is to understand how they adapt dominant models of entrepreneurial leadership.

Muslim women entrepreneurs do raise capital (often from family and tribal networks, at times on a large scale), and their rewards are secure (defined differently and balance risk in ways different from non-Islamic ones, according to the notions of *musharaka* and *mudarabah* and *rizk*)—see, for example, Rodinson (1978, orig. 1966). Capital and security happen, if not in the same manner as in Silicon Valley, then in ways and through channels that look perhaps less specifically "institutional" and more "cultural". Inside the swirl of institutional complexity, Muslim woman as an entrepreneurial leader, with a generally high tolerance for uncertainty, sits perhaps more comfortably than another sort of actor. And within Islamic institutions, deriving as they do from a context denoted by the very name "submission", is the Islamic entrepreneurial leader essentially empowered where others might be confounded.

Value and Implications: Currently, there are about 2 billion Muslims on the planet, out of a total of about 7.125 billion people, (World Bank, 2014); thus Muslims represent more than a quarter of the world's population, and are more numerous than the populations of China and Brazil combined. Also, this number is growing at 2.5% per annum. 43% of Muslims are currently under 25; by 2050,

53% will be under 18—so the growth and the rate will continue to accelerate. Even earlier, by 2025, the UK will be one third Muslim. For other demographic indicators about the global Muslim population, see (Pew Research Center, 2009; Pew Research Centre, 2011; Pew Research Center, 2012). Globally, Muslim industry comprises over $800 billion, comparable to the $900 billion global automotive industry; this is bigger than either India or China (Temporal, 2011). It comprises a "vertical segment" in which there are no dominant corporate models, no easy means or points of entry for Western corporations, and no clear understanding of how the numerous, disaggregated entities that constitute the economies in most Muslim regions, nations, and societies even operate, much less get started as entrepreneurial ventures. The implications of this ignorance are considerable. Imagine not sufficiently understanding how Japanese businesses or socio-economic patterns work; had scholars and practitioners missed the opportunity to learn from them in the 1960s and 1970s, and to improve operations, manufacturing, supply chain management, *et cetera*, the world would be very different today. Moreover, in contrast to the comparatively coherent example of Japan, "Islam" is a vastly complex set of categories that must also be understood in the context of other concurrent cultural patterns—the warp to many wefts.

Generally we need better insights, theoretical and methodological, to pursue our understanding of the enabling environment for entrepreneurship in Islamic regions which are themselves widely diverse. The basic foundations of management and entrepreneurship theory seem ill-equipped for this task, and will require contributions from other disciplines like history, sociology, anthropology, and political science to proceed (Goody, 1996). The tenets of the religion, moreover, are less at issue than the many varieties of cultural context represented by the full spectrum of Islamic social values and traditions (Carswell & Rolland, 2004; Goody, 1996; Greenblatt, 2010), and by those with which it interacts. Thus, when we speak about Islamic entrepreneurship, we are speaking not only about a religious or spiritually determined view of entrepreneurship, but also about a dynamic network of social contexts for the understanding of entrepreneurial activity. Islam comprises major set of social forces—even if only for reasons of sheer demographic quantity—and we need to consider how this

will alter our understanding of other, major intersecting social forces such as entrepreneurship and leadership. Being one of the first studies in the field, this paper contributes to the literature by providing us better insights into the role of religion (specifically Islam) on the development of women's entrepreneurial leadership.

Key Words: Women's Entrepreneurship, Entrepreneurial Leadership, Islam, Pakistan,

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