

## Islamic Concept of Dignity of Labour and Its Effect on the Nascent Entrepreneurship Model

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### Abstract:

#### Purpose:

Islam is a vital force that influences economic development and business performance, and it does not impede business development, entrepreneurship, and skill acquisition. Its economic system view of entrepreneurship is an integral part of wealth creation for Muslims. The objective of this paper is to see how the concept of Islamic dignity of labor could assist Muslim participants in the area of entrepreneurship.

#### Methodology:

The methodology of this research is theoretical; hence, it applied a qualitative approach. The data collection was conducted through the personal views of experts in Islamic worldview, Islamic entrepreneurship, ethics, and understanding of al-Qur'an Sunnah, and other Islamic sources.

#### Findings:

Undoubtedly, if the Islamic concept of dignity of labor is adhered to, it would assist the Muslims to identify the lawful and the unlawful aspects of participation in entrepreneurship. Findings showed the effect of the Islamic ethical model on the Islamic entrepreneurship design.

#### Implication:

It is therefore recommended that whatever role the Muslims want to play in entrepreneurship, the ethics inherent in the Islamic concept of dignity of labor should be applied.

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## INTRODUCTION

Entrepreneurship has become a defining business trend worldwide, especially in economies transitioning towards free market systems. Some of the developing countries in Africa, Nigeria inclusive, are growing lucrative marketplaces that have captured the world's interest for political and economic reasons. Federal and State governments have yet to leave any stone unturned in achieving a great end in this area. Educational institutions of higher learning are seriously involved by introducing entrepreneurship as one of the courses in their curriculum for the undergraduate levels.

Religion is a driving force that significantly influences economic development and business performance. Some uninformed Muslims still consider Islam an impediment to business development, entrepreneurship, and skill acquisition. However, the Islamic economic system views entrepreneurship and skill acquisition as an integral part of wealth creation for Muslims. Islam has indeed prescribed many ways to enhance the economic lives of Muslims as the world is moving fast in maximizing the economic life of every nation. This research explores the impact of the dignity of labor - in the Islamic perspective - on the entrepreneurship model as it affects the performance of Muslims in their involvement in this trend.

**Conceptual and Theoretical Framework Analysis.** Choudhury (1986) posited that the theory of consumer demand is steeped in the postulate of economic rationality, which states that of all the consumption alternatives available to an individual, he chooses the one that maximizes his gain. This same concept of economic rationality is extended to the case of the producer and the organization as decision-makers.

The proposed models of the Islamic perspective of entrepreneurship have added a new and significant dimension to entrepreneurship. Its roots are spread in the knowledge provided by the glorious religion of Islam.

"The term Islam itself is an Arabic word meaning 'submission to God–Allah,' with its roots in the Arabic word 'Salam,' which means peace. That may surprise many non-Muslims, whose perceptions of the belief have been distorted by terrorists, many from the Middle East, whose acts in the name of Islam have been condemned by Muslim leaders everywhere." Belt (2002).

In addition, there is also a perception that religiosity is a significant obstacle to development. Marzuki et al. (2016) Cite "Yeganeh (2013), who conducted a study on cultural and religiosity aspects on the determinants of national competitiveness and concludes that regardless of religious denomination, religiosity is a major hindrance to national competitiveness".

Scholars have suggested that Islamic business ethics is one of the main themes in Islamic Entrepreneurship. Muhammad et al. (2013) proposed in their study that when a business is clear of its core purpose and values and aligns its brand, it is more likely to attract and keep talented people, reduce inefficiency and stress caused by conflicting messages and also attract more clients, customers and also suppliers who deliver goods to the same high standards. The more apparent importance of business ethics will assist business leaders in implementing and practicing ethical business and management.

## METHODS

The methodology of this research is theoretical. Hence, it applies qualitative approaches. The data was collected through the personal views of experts in the Islamic worldview, Islam and entrepreneurship, Islamic ethics, and understanding of al-Qur'an, *Sunnah*, and other Islamic sources. Results and findings are used as the effect of the Islamic ethical model on the Islamic entrepreneurship design.

**The Quranic Perspective of Entrepreneurship.** Islam stresses the necessity and dignity of hard work and the dignity of taking on a profession. The law is laid down in the scripture in an evident and unambiguous way to the extent that if someone does not work, he would not deserve any wage or reward, Allah says in Quran: 53. V. 39 - 41

وَأَنْ لَّيْسَ لِلْإِنْسَانِ إِلَّا مَا سَعَىٰ ٣٩

39. And that man shall have nothing but what he strives for

وَأَنَّ سَعْيَهُ سَوْفَ يُرَىٰ ٤٠

40. And that his striving shall soon be seen-

ثُمَّ يُجْزَلُهُ الْجَزَاءُ الْأَوْفَىٰ ٤١

41. Then shall he be rewarded for it with the entire reward-

فَمَنْ يَعْمَلْ مِنَ الصَّالِحَاتِ وَهُوَ مُؤْمِنٌ فَلَا كُفْرَانَ لِسَعْيِهِ وَإِنَّا لَهُ كَاتِبُونَ ٩٤

94. Therefore whoever shall do of good deeds and he is a believer, there shall be no denying of his exertion, and indeed We will write (It) down for him.

According to Sabuni, 260, citing Ibn Kathir, 404, and Khazin, 223, man has no reward except what he strives for. Man will only reap the fruit of his deeds; if good, the reward will be good, and if it is otherwise, the reward will be so. He also believes these verses are good tidings for the believers and bad news for the unbelievers.

That is the translation of this verse according to Muhammad Ali, and Yusuf Ali translated it as the words *sāʿ* and *saʿy*, translated as exertion and striving used in the translations of some translators of the Quran, also have the connotation of labor.

The expression "those who believe and do good" is repeated constantly in the Quran to describe the faithful. According to Tabari in *Surat raʿd*.29, "those who believe and do good, blessed are they and a good return." It could apply to man's supplications, and it could also apply to the mundane affairs of which entrepreneurship is part.

**Entrepreneurship in Islam.** The Prophet himself was a hard-working person who used to establish *salat* two-thirds of the night or half of it as a supplication to seek the pleasure of Allah; he would also do many activities

during the day. He would not count any work too low for him as a Prophet of Allah. He would milk his goats, patch his clothes, and mend his shoes. He would dust the house and assist his wife in the house duties. He would go to market for his household, neighbors, and friends. He helped laborers and worked like them in the construction of the Mosque; when there was a need to dig a ditch around the city of Madinah for security purposes, he was also active in executing it.

Despite his position as a Prophet of Allah and head of State, he never despised any work, no matter how humble. He was a mentor for every kind of work dignified person. It was reported that he said: "No one eats better food than that which he eats out of the work of his hand" al-Shami, p.65

In another tradition, he made it clear to his companions that every work is honorable, contrasting with begging for charity. His companions followed his example as most took on specific professions to sustain themselves and their dependents.

The relationship between the laborer and the employee was also formalized and was in the form of a contract between two or more parties with rules and regulations that must respected by either party based on equality and equity: "The conditions shall bind Muslims wish they made" Bukhari: *al-Ijarah*, 14. Even the master and the servant are considered as two contracting parties in which the master is bound as much to the terms of the contract as the servant based on the tradition reported by al-Bukhari where the Prophet was reported to have said: " Allah says there are three persons whose adversary in dispute I shall be on the day of resurrection: a person who makes a promise in my name and then acts unfaithfully, a person who sells a free person then devours his price and a person who employs a servant and receives the labor due from him fully, then does not pay his remuneration" Bukhari: *a-Ijarah*, 10.

The employees of the State, its collectors, executives, officers, and judges were counted among the category of servants as they are all called nowadays civil servants. We are entitled to correct remuneration, and they must not accept gifts from the public.

The Qur'an and any other knowledge must also be remunerated: "The most worthy of things for which you take remuneration is the book of Allah" Bukhari: *al-Ijarah*, 16. Umar was appointed once a collector by the Prophet, and when he was offered remuneration, he said he did not need it. The Prophet then told him to accept it and give it away as charity for those who need it if he likes to do so. Bukhari: *al-Tamanni*, 17.

So, it has become a principle and rule that each employee, servant, and laborer is entitled to a salary.

Trading is an honorable profession, so the Prophet had some praising statements for truthful and honest traders. Companions were told to be honest in their transactions with one another, in the execution of their dealings, and to be generous in their gives and takes Bukhari: *al-Tijarah*, 16. Honesty was the principle in their dealings. " If they both speak the truth and make manifest defect/s defect if any, in their dealings in transactions, their transaction would be blessed, and if they conceal the defect and tell lies in it, the blessing of their transaction would be removed, Bukhari: *al-Tijarah*, 19.

Speculation in the transactions of seeds and the like goods was prohibited:" Whoever buys grains shall not sell it until he obtains its possession, Bukhari: *al-Muzaraah*, 54, Cultivation of lands and planting of trees was encouraged, Bukhari. *al-Muzaraah*, 1. Anybody who cultivates land that is not the property of somebody has a better title to it, Bukhari: *al-Muzaraah*, 15. Those who had large landed property and could not cultivate it were encouraged to give it to those who would cultivate it for free or, if he so liked, could give to his brother in faith for a share from the produce or for a fixed sum, Bukhari: *al-Muzaraah*, 8, 11, 19. Land ownership was recognized as the right to sell it or give it to those who would cultivate it for them. They were also advised not to give themselves totally to agriculture (Bukhari: *al-Muzaraah*, 2).

## RESULTS AND DISCUSSION

**Islamic Entrepreneurship Model.** Islamic entrepreneurship is a system, process, and practice of conducting business in an Islamic way. Islam is a way of life, and it encompasses the entire activities of Muslims to lead their life in this world by the dictate of the Quran and *Sunnah*. So, in theory, Islam, through al-Quran and *Sunnah*, provides a complete and concrete guide for Muslims in their activities and practices related to businesses and entrepreneurship.

Following the Quran and *Sunnah* in entrepreneurship and business guarantees reward in this world and the hereafter. These practices ensure competitive capabilities in almost every aspect of life, including business. It is as expounded in many verses of the Quran:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا إِن تَنْصُرُوا اللَّهَ يَنْصُرْكُمْ وَيُثَبِّتْ أَقْدَامَكُمْ ٧

7. O you who believe! If you help (the cause of) Allah, He will help you and make firm your feet.

According to al-Sabuni, commenting on this verse, Allah has assured the believers that if they assist the religion of Allah, He would surely assist them in overcoming the challenges of this world, which includes overcoming their enemies at war and other problems of this world, including poverty which the major challenge of man in this world.

إِن يَنْصُرْكُمْ اللَّهُ فَلَا غَالِبَ لَكُمْ وَإِن يَخْذَلْكُمْ فَمَنْ ذَا الَّذِي يَنْصُرُكُمْ مِنْ بَعْدِهِ ۗ وَعَلَى اللَّهِ فَلْيَتَوَكَّلِ الْمُؤْمِنُونَ ١٦٠

160. If Allah assists you, then none can overcome you, and if He forsakes you, who can assist you after Him? Moreover, on Allah should the believers rely.

On interpreting this verse, al-Sabuni posited that if Allah assists you, no man harms or overwhelms you, and if He forsakes you, no power can harm you. Everything is in the hand of Allah. So, believers should rely on Allah in all of their affairs, including their business, as their success and otherwise are in the hands of Allah.

فَإِذَا بَلَغَ الْإِنْسَانُ أَمْلَهُنَّ فَأَمْسِكُوهُنَّ بِمَعْرُوفٍ أَوْ فَارُقُوهُنَّ بِمَعْرُوفٍ وَأَشْهِدُوا ذَوَى عَدْلٍ مِّنكُمْ وَأَقِيمُوا الشَّهَادَةَ لِلَّهِ ذَلِكُمْ يُوعِظُ بِهِ مَن كَانَ يُؤْمِنُ بِاللَّهِ وَالْيَوْمِ الْآخِرِ ۚ وَمَن يَتَّقِ اللَّهَ يَجْعَلْ لَهُ مَخْرَجًا ٢ وَيَرْزُقْهُ مِنْ حَيْثُ لَا يَحْتَسِبُ ۚ وَمَن يَتَوَكَّلْ عَلَى اللَّهِ فَهُوَ حَسْبُهُ ۚ إِنَّ اللَّهَ بَلِغُ أَمْرِهِ ۖ قَدْ جَعَلَ اللَّهُ لِكُلِّ شَيْءٍ قَدْرًا ٣

So, when they have reached their prescribed time, retain or separate them with kindness, call to witness two men of justice from among you and give upright testimony for Allah. With that is admonished he who believes in Allah and the latter day; and whoever is careful of (his duty to) Allah, He will make for him an outlet, and give him sustenance from whence he thinks not; and whoever trusts in Allah, He is sufficient for him; indeed Allah attains His purpose and has appointed a measure for everything.

The point of evidence in the two verses is at the end of verse two and the beginning of verse three, where it is stated that for those who fear Allah, He would surely make their safe landing in their affairs and provide for them from where they do not expect. The story of Auf Ibn Malik was cited here by al-Sabuni when the enemy of Islam captured Auf's son; then, he made a complaint to the Prophet about the issue and the poor condition of his family. He was advised by the Prophet to fear Allah and to supplicate to Allah always by repeating: " *Laa hawla wa laa quwwata Illa billah*" he and his wife. His son was later freed, and Allah also enriched the family.

All the teachings of these verses revolve around the Islamic ethics of entrepreneurship, which Muslim entrepreneurs should follow for success in their business. During the Islamic civilization, from the 10th to 15th century AD, Kaye and Hassan (2011) wrote that the Muslims were the most successful entrepreneurs and exemplary to their peers. This phenomenon is the manifestation of the religious spirituality in Islam. These predominantly spiritual elements characterize the Islamic entrepreneurship model, thus setting the characteristics, approaches, and practices to be different from those of the conventional ways. If these elements are recognized and constantly utilized by the Muslims in the process of entrepreneurship, along with all the other technical and intellectual competencies, they could be potent for competitiveness. Understanding the Quran and *Sunnah* and having the proper knowledge of what we want to do are conditions to determine the level of success for Muslim entrepreneurs and others.

Yahya and Othman (2015) insist that Muslim entrepreneurs must possess the technical knowledge of the business as well as religious knowledge in order to be successful. It is also evident that non-Muslims who firmly comprehend what they do and practice the teachings of the Quran perform better in their business than others, and those who recognize that and practice the Islamic ways improve their business performance. Understanding the al-Quran and *Sunnah* is essential to Islamic entrepreneurial values.

No universal and practical way could be claimed as the most existing among Muslim entrepreneurs anywhere to be called conventional entrepreneurship. The Muslims must properly develop their model through Islamic sources and consider all the contemporary environmental issues, challenges, and barriers to its development.

The model needs to be tightly aligned with the Muslim purpose of life and Islamic worldview and be designed or built on some principles, as proposed by Bhuiyan (1996), including the element of *iman* belief as a



whole, fear of Allah SWT, seeking guidance from the holy Qur'an, Sunnah, *Ijmā' & Qyās*, shariah guidelines, accountability and sense of responsibility, justice for all, the economy in usage not wastage, dignity of labor, division of labor and forgiveness for minor faults.

Faizal, Ridhwan, and Kalsom (2013) added that the principles also include *taqwa* as a framework, *halal* agenda as a top priority, worship to Allah as the top priority, practicing high moral values, trustworthiness and integrity, concern for the welfare of all, knowledgeable, caring for society and environment.

**The Islamic Business Ethics.** Scholars have suggested that Islamic business ethics is one of the main themes in Islamic Entrepreneurship. Muhammad et al. (2013) proposed in their study that when a business is clear of its core purpose and values and aligns its brand, it is more likely to attract and keep talented people, reduce inefficiency and stress caused by conflicting messages and also attract more clients, customers and also supplier who deliver goods to the same high standards. The more apparent importance of business ethics will assist business leaders in implementing and practicing ethical business and management.

They further stress that Islamic business ethics are necessary for the Small, Medium Enterprises (SME) industry. It is essential because it is a valuable business tool, critical for identifying and resolving questions of business conduct.

They propose that the Islamic business ethics for the SME industry are to be based on Trust (*Amanah*), Justice (*Adl*), Sincerity (*Ikhlās*), Truthfulness (*Sidq*), and Benevolence (*Ihsan*). Hashi (2011), on the other hand, defined the concept of Islamic business ethics as based on good characters (*akhlak*), the origin from the Qur'an and practices of the Prophet (Sunnah), and the scope and principles based on the concept of being vicegerent (*Khilafah*).

## CONCLUSION

The Muslims have their value system of life-based on Islam, and so do the Muslim entrepreneurs. Adopting an entrepreneurial system that alienates their value system may not augur well for their practices as they have to cope with several contradictions. This phenomenon may not help drive them to be as productive and competitive. They have to be clear about the purpose of their entrepreneurial venture, processes they are going through, and activities they undertake such that their efforts are to be rewarded not only in the form of economic gains but also the *barakah*, tranquility, the well-being of their *ummah* and continuous help from the God they worship that is Allah SWT. Transgressing the limits of what they can or cannot do prevents them from getting the best help from Allah SWT, whereas he is the Best of Helpers.

The proven success of the Prophet himself and some of his companions, as well as the Muslim entrepreneurs of the past, should be exemplary to the current and future eras. When the Prophet SAW visited the business locations of his time, his duty was to implement and enforce Shariah rules without compromise.

Thus, entrepreneurship is not just a business per se, but it is also a vehicle for *da'wah* and the propagation of Islam as a complete way of life.

It is recommended that whatever role the Muslims want to play in entrepreneurship, the ethics inherent in the Islamic concept of dignity of labor should be applied. The *Kitab* and *Sunnah* should adhere to and be careful in investing in the haram business, no matter how lucrative they may seem.

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