The Relationship between Islamic Management and Social Entrepreneurship with the Role of Islamic Work Ethic Mediation

Mohammad Bagher Babaei Talatapeh[1*], Hamid Nikzad[2]

[1]*Department of Management, Emam Hosein University, Tehran, Iran*
[2]*Department of Entrepreneurship, Ghazvin Branch, Islamic Azad University, Ghazvin, Iran*

[*]Corresponding Author Email: mbabaee@ihu.ac.ir

Abstract: The aim of the present research was to study the relationship between Islamic management and social entrepreneurship with the role of Islamic work ethic mediation in university students. The research method was descriptive and correlational. The population consisted of all PhD students of the University of Aliabad entrepreneurship in 2015-2016. They were 100 people that according to Morgan Table, 80 people randomly participated in the research. A questionnaire was used to collect data. Data were analyzed using structural equation modeling. The results showed that there was a significant relationship between Islamic management and social entrepreneurship with the role of Islamic work ethic mediation. Other findings showed that there was a significant relationship between Islamic management and social entrepreneurship. Also, there is a significant relationship between Islamic management and work ethic. Other results showed that there was a significant relationship between work ethic and social entrepreneurship.

Keywords: Social Entrepreneurship, Work Ethic, Productivity.

Introduction

Islamic approach in management studies has provided an important area of study for researchers of management (Abbasi et al., 2010). Islamic management is a behavior that managers perform based on intellectual principles and values derived from the Qur'an and the tradition of the Holy Prophet and his family so that they agree to guide organizations using corporate resources and environmental changes efficiently, effectively and synergistically (Babaee Talatappeh, 2016). Islam as a divine religion has the most comprehensive guidelines on governance and organization and the Holy Prophet (pbuh) is also a paragon for this issue. In fact, the behavior of the Holy Prophet is so deeply that from the most part of his works, some cases can be extracted and they are applied in all periods and some principles are found from specific style and kind of the behavior of the Holy Prophet (pbuh) that they can be very good guide for all managers (Mohammadi Reyshahri, 2006). Management of Human Sciences is closely related to culture so that they can clearly be seen everywhere with a little reflection on the role of culture. For this reason, different cultures for themselves demand different managements (Pirouz et al., 2009). They consider the culture as a lifestyle so that they determine the framework of the behaviors of individuals and since it remains an air which is necessary for life of human and any change in it will have a great impact on their lives (Babaee

Talatappeh, 2016). One of the variables related to Islamic management is Islamic work ethic. Evolution or fall of nations is closely associated with moral values because traversing path of perfection is not possible without moral values and future making and the emergence of social and political dramatic developments will not be possible without future makers are transformed and they have not moral developments in internal restructuring (Dashti, 2007).

Moral is to observe spiritual principle and values that govern the behavior of the person or group on that what is right and wrong is wrong (Baharifard et al., 2011). On the other hand, they have defined moral as a set of man's inner and spiritual qualities which arise for actions and behavior of man's inner moods and they are found in apparent cause. Ethics is the most important religious issues and in a sense, they constitute the main objective of the divine Prophets, because without morality, neither religion has a sense for people nor their world will organize it (Dashti, 2007). Islamic work ethic views originating from the Koran and sayings and deeds of Prophet Muhammad (pbuh), have granted the virtue and dignity to work and work is considered as worship and in which the cooperation and consultation has been emphasized for obstacles and avoid errors.

Also, in ethics, Islamic work has been emphasized that fairness in the workplace is requirements of social welfare and no one should be deprived of their full rights (Yousef …). Schumpeter believes that entrepreneurship is a way of doing business proactive approach to customer focus and accepting calculated risks and an entrepreneur is someone who makes good use of the opportunities presented well and he is able to create new work by creating some changes. Hence, entrepreneurship is not new and innovative activity but it is rare. In today's rapidly changing conditions, we need entrepreneurial behavior in all sectors, but everyone does not deserve to become entrepreneurs. Entrepreneurship is a long-term process that requires planning in educational system of the country especially universities and higher education centers (Zahiri & Tourani, 2005). Entrepreneurship can be regarded as the behaviors consisting of values, beliefs and common knowledge and accepted from an individual or a working group focused on activities to explore and exploit from opportunities in production and creation of new and continuous business value (Babaee Talatappeh, 2016).Entrepreneurs in the entrepreneurial process should have features so that they are successful in their work including sense of responsibility and a determination to use the opportunity, tolerance risk, ambiguity and uncertainty, creativity, self-reliance and strength compromise and supremacy motivation (Paydar et al., 2007).

According to Fry, Some dimensions of barriers to entrepreneurship include 1- the nature of large organizations; 2- the lack of entrepreneurial talents and 3- bonus improper practices (Ahmadpour, 2001). Development of new products and services, innovation in products and services, as well as creating new units and departments are all the results of an entrepreneurial organization (Moqimi, 2005). It seems that by reducing the entrepreneurial spirit in employees and the organization of employment, encouraging investment has fallen in the organization. Also, creating and developing new markets and encouraging a sense of competition to organizing resources are reduced to effective use to fix the gaps and bottlenecks of the organization.

In societies where entrepreneurship is reduced, problems such as unemployment, lack of creative and dynamic workforce, a significant decline in productivity, decrease of quality products and services and economic stagnation are created. Therefore, the aim of the present research was to study the relationship between Islamic management and social entrepreneurship with the role of Islamic work ethic mediation in university students.

Materials and Methods

The research method was descriptive and correlational. The population consisted of all PhD students of the University of Qazvin entrepreneurship in 2015-2016. They were 100 people that according to Morgan Table, 80 people randomly participated in the research. In the stage of the study, after the presentation of preliminary explanation about measuring tool and the purpose of the test, how to answer test for participants was described in detail. On ethical considerations, after obtaining the consent of the people and the necessary awareness, they were assured that information received in this research will be used and will be protected from any abuse. To measure the research variables, the following questionnaires are used.

Islamic Management Questionnaire: this questionnaire is presented by Mesah et al (2010) with 621 questions. Among the questions, 34 questions were selected. This questionnaire is capable to measure emotional, analytical, spiritual and conceptual dimensions of Islamic management. The scale to respond is the whole five-point Likert.

Islamic Work Ethic Questionnaire: To collect data on Islamic work ethic, Islamic work ethic questionnaire of Ali (2001) was used. The questionnaire consisted of eighteen years which based on the Likert, (strongly agree, agree, no idea, disagree strongly disagree) are completed (quoted by Beheshtifar et al., 2010).

Social Entrepreneurial Questionnaire: this questionnaire is presented by Cormval and Perlman including 15 questions which responding to it helps the use of entrepreneurship in the organization. Yes and no are used to evaluate expressions. This questionnaire is able to measure the dimensions of innovation, risk-taking, reactiveness, competitive strategy and entrepreneurship independence (Fakhrian, 2014). Conceptual model of the research is based on Figure 1. The validity of the questionnaire was approved by professors and experts. Cronbach's alpha was used to determine the reliability of the method. The results showed alpha values of 0.82 for Islamic management, 0.85 for Islamic work ethic and 0.78 for social entrepreneurship indicating good reliability of measurement tools. Structural equation modeling was used to analyze the data.
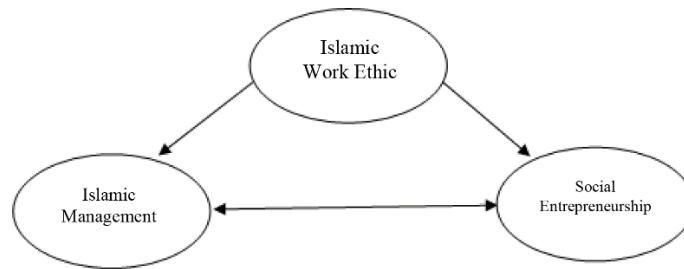

Figure1. The conceptual model.

Results

Table 1 shows descriptive statistics of the variables.

Table 1. Descriptive statistics.

	Mean	SD	Min	Max
Islamic Work Ethic	25.12	5.2	12	21
Entrepreneurship	0.38	0.127	0.00	1.00
Islamic Management	118	118	87	121

The results of path analysis are presented in Table 2. The model fitted shows that the path coefficient for the relationship between work ethic and Islamic management is 0.41. T- Statistics for this factor is also 4.53 and its value obtained higher than the threshold 1.96. However, the path coefficient for the relationship between work ethic and social entrepreneurship is 0.38. T- Statistics for this factor is also 3.74. Therefore, it can be said that there is a significant relationship between organizational learning and job satisfaction. According to the Table, it can be said that the path coefficient for the relationship between job satisfaction and organizational learning is 0.33. T- Statistics for this factor is also 2.90 and its value obtained higher than the threshold 1.96. So, it can be said that there is a significant relationship between job satisfaction and organizational learning. The model fitted shows that the path coefficient for the relationship between work ethic and organizational learning is 0.32. Since t- statistics for this factor is also 2.25, it can be said that the coefficient obtained is significant. So it can be said that there is a significant relationship between Islamic management and social entrepreneurship with the role of Islamic work ethic mediation. According to the Table, it can be said that the path coefficient for the relationship between Islamic management and social entrepreneurship is 0.32. T- Statistics for this factor is also 4.22 and its value obtained higher than the threshold 1.96. So, it can be said that there is a significant relationship between Islamic management and social entrepreneurship. The model fitted shows that the path coefficient for the relationship between Islamic management and work ethic is 0.41. Since t- statistics for this factor is also 4.53, it can be said that the coefficient obtained is significant. So it can be said that there is a significant relationship between Islamic management and work ethic. According to the Table, the path coefficient for the relationship between work ethic and social entrepreneurship is 0.38. T- Statistics for this factor is also 3.74 and its value obtained higher than the threshold 1.96. So, it can be said that there is a significant relationship between work ethic and social entrepreneurship.

Table 2. The results of direct relationship and significant coefficients.

Path	Path Coefficient	Sig.	Result of Test
Islamic Management --- Social Entrepreneurship	0.32	4.22	Confirmed
Organizational Culture - Work Ethic	0.41	4.53	Confirmed
Work Ethic - Social Entrepreneurship	0.38	3.74	Confirmed

Discussion and Conclusion

The aim of the present research was to study the relationship between Islamic management and social entrepreneurship with the role of Islamic work ethic mediation in university students. There results showed that there was a significant relationship between Islamic management and social entrepreneurship with the role of Islamic work ethic mediation. Other findings showed that there was a significant relationship between Islamic management and social entrepreneurship. Also, there is a significant relationship between Islamic management and work ethic. Other results showed that there was a significant relationship between work ethic and social entrepreneurship. The results of this research are consistent with the results of Kumar and Che Rose (2010), Beikzad et al (2011), Nasr Esfahani et al (2012).

For example, Kumar and Che Rose (2010) showed that there was a significant relationship between Islamic work ethics and innovation among employees. Beikzad et al (2011) performed in research entitled to study the impact of workplace spirituality on organizational citizenship behavior of education employees in five areas of Tabriz. They concluded that workplace spirituality had an effect in workplace spirituality both at the individual level and at the group level and in organizational level on organizational citizenship behavior of education employees in five areas of Tabriz. The results showed that Islamic management could play a significant role both on social entrepreneurship and Islamic work ethic.

The reason for Islamic management influence can be stated such that in this model, the conceptual dimension is like understanding and managing forests in which trees are growing, this dimension refers to understanding and managing the complexity facing leaders and at the same time, fostering creativity in this aspect is concerned, while managing complexities separately observes analytic dimension, just like that the manager pays attention to each individual. The emotional dimension refers to the following: understanding and managing emotions in people, using emotions as energy source and an influential source on the behavior of followers. The spiritual dimension also refers to paying attention to moral values (Quattro et al, 2007; quoted by Mesah et al., 2010). These factors have widely impacted on Islamic management (Mesah et al., 2010).

Maybe this is a reason on Islamic management influence. Other findings showed that there was a significant relationship between Islamic management and social entrepreneurship. These findings are not consistent with the results of Hater and Bass (2000), Warnerramey (2005), Casida (2011), Javdani (2002) and Aslankhani (1996). These researchers showed that humanism management style is an increase in entrepreneurship while the results of this showed that there was a significant relationship between Islamic management and entrepreneurship. According to acknowledge the role of mediation of Islamic work ethic on the relationship between Islamic management and social entrepreneurship, it is recommended that managers create the value higher than Islamic work ethic and they attempt to perform Islamic principles and codes of ethics among employees so that the employees practically observe it.

Conflict of interest
The authors declare no conflict of interest

References

Abbasi AS, Rehman KU, Bibi A, 2010. Islamic Management Model. African Journal of Business Management. 4(9): 1873-1882.
Ahmadpour M, 2001. Entrepreneurship, definitions, theories and models. Tehran. Iran.
Aslankhani MA, 1996. Description of the management style of corporate existence and its relationship with job satisfaction from the perspective of Sports Lecturers of University of the country. PhD thesis. Faculty of physical education.sport science at Tehran University. Iran.

Baharifard A, Javaheri Kamael M, Ahmadi AA, 2011. Ethical behavior and citizenship behavior: the impact of moral values of justice and organizational commitment. management of human resources. 1: 23-42.

Beheshtifar M, Nekouee Moqaddam M, 2010. The relationship managers 'ethical behavior and employees' job satisfaction, Journal of Ethics in Science and Technology. 1- 2: 67-73.

Beikzad J, Hamdollahi M, Hamdollahi K, 2011. To study the impact of workplace spirituality on organizational citizenship behavior of education employees in five areas of Tabriz. Journal of Leadership and Educational Management of Islamic Azad University of Garmsar. 4: 23-44.

Casida JM, 2011. The Relationship of Nurse managers leadership styles and nursing unite organization culture in Acute Care Hospitals in NewJercy. Unpublished doctoral dissertation Seton Hall University.

Dashti M, 2007. Imam Ali (pbuh) and Islamic ethics. Tehran. Mirasmandegar Press.

Fakhrian S, 2014. The relationship between entrepreneurship and job security experts with organizational factors. Supervisor: Dr. Ali Divandari. MA Thesis. Tehran University. Tehran. Iran.

Hater JJ, Bass MB, 2000. Superiors evaluations & subordinates perceptions of transformational & transactional leadership. Journal of applied psychology. 73(4): 695-702.

Javdani Z, 2002. To investigate the relationship between transformational leadership and organizational commitment of teachers. Master's thesis. Faculty of Educational Sciences. Islamic Azad University of Tehran. Iran.

Kumar N, Che Rose R, 2010. Examining the Link between Islamic Work Ethic and Innovation Capability. Journal of Management Development. 29(1): 79-93.

Mesah H, Arizi HR, Nouri A, Golparvar, 2010. Construction and Psychometrics of Islamic management scale. Journal of Islam and Psychology. 9: 105-130.

Mohammadi Reyshahri M, 2006. Mizan al Hekmah. 7. translated by Hamid Reza Sheikh. Qom. Dar al-Hadith. Iran.

Moqimi Seyyed M, 2005. Entrepreneurship in government agencies. Tehran. Tehran University Entrepreneurship Center Press: 29-35.

Nasr Esfahani A, Farrokhi M, Amiri Z, 2012. The impact of good personality of managers on employee happiness based on Islamic teachings. Islamic Management Journal. 1: 61-79.

Paydar R, Aqamoahmmadkhani M, Rostamnejad B, 2007. Entrepreneurship. first volume. Tehran. Publication of Basic Sciences. Iran.

Pirouz A, Khedmati A, Shafee A, Beheshtinejad Seyyed M, 2009. Management in Islamic. Institute of Seminary and University.

Warnerramey J, 2005. The relationship between leadership & style of nurse managers & staff nurse job satisfaction in hospital setting. Dissertation submitted to the graduate college of Marshall university. Huntington west Virginia: Marshall University College of Nursing & Health profession.

Zahiri M, Tourani S, 2005. The model of entrepreneurship centers in medical sciences universities. Journal of Research and Planning in Higher Education. 48.