

Abstract

Today, on the most competitive markets, those Muslim entrepreneurs lead the ways that most successfully use the knowledge for connecting existing and new technologies. Successful Muslim entrepreneurs continuously develop their skills, competences, techniques knowledge and acquire specific knowledge in order to maintain survive and innovate new entrepreneurial opportunities in their industries. The steps towards develop the characteristics as well as recommended model of entrepreneurship development in the view of Qur'an, Sunnah, and practices of Khalifas (the successors of Islam) in order to give little hand to the policy makers of Muslim countries so that they can design their overall national policies. To make this study valuable the researcher are using some theory that are related to successful Muslim entrepreneur as reference. Those theory are McClelland's Trichotomy of Needs and Behavioral Decision. To collect and analyze data, this research are using quantitative data analysis. Questionnaire were distributed as a primary data collection to more than 300 respondent. Result for this research will be analyze using SPSS to test relationship with variable.

Methodology

The researcher use case study to methods to find evidence of the proposed theoretical groundwork. The objective of the search to gain deeper understanding and knowledge in identifying the characteristic of successful Muslim entrepreneur under Islamic financial institution in Melaka. Phone interviews, email, In-person were conducted on Muslim entrepreneur, and the questionnaire distributed to 200 Muslim entrepreneur in Melaka. To access secondary data, the researcher refer to online journal or case study that have been study before and researcher analyzed the secondary data that are refer to and compare to researcher primary data.

Findings

Unexpectedly, only entrepreneur orientation variables that contribute highest variation of the dependent variable (successful Muslim Entrepreneur) because Beta value for entrepreneur orientation is 0.097, even though the number of Beta is low but is still high among other variables. Then, from the above tables, only one variables that are significant as it is $p < 0.05$. The other three variables, market orientation, product/service innovation and internet of things are deem to be insignificant. For this research, the outcome perceived to be insignificance might be because different respondent looks from different point of view. The successful Muslim entrepreneur perceived that the more spirit on entrepreneurial orientation in operated the business, they do not apply market orientation analysis to their business due not enough capability and suitable manpower. They may consider other strong factor such as cost of that product/service innovation. Internet of Things is defined as implementing the Internet technology into the business activity nowadays, technology and people could not be separated. A web indicates that generation nowadays especially generation Z have grown up in a world that surrounded by technology that develop at a faster rate parallel with time. Hence, Internet of Things are not common to them. Thus, what researcher can conclude from the result of the regression, market orientation, product/service innovation and internet of things does not contribute to variation because people nowadays does not really think that technology are too complex for them to adopt.

Value

The research is one of earlier studies that to attempts to understand the characteristic of successful Muslim entrepreneur under Islamic financial institution in Melaka. The researcher claim that Islamic financial institution can play a more proactive role in develop more successful Muslim entrepreneur. The researcher believe that entrepreneurial orientation related to The McClelland's Trichotomy of Needs and The Behavioral Decision Theory.

Recommendation

A few recommendation that can be suggested by researcher for future research conduct is to narrow down the area of research but ensure that number of respondent is higher than 300 to obtain a solid and accurate result. This is because by widen up the area but the number of respondent is only some from this area and some from another area would only make the research to be imbalance not accurate. Another suggestion is that, future research needs to know how attract respondent in answering their questionnaire by maybe provide interesting ways of survey such as using technologies or such entertainment. Moreover, for transportation problems, the researcher suggest that the research conduct together with others who have the same type of respondents. On top of that, publics needs to be expose to this kind of environment. Which is there is probably lots of students come to them for survey or distributes questionnaires and the public should never think of this as a hindrance and be cooperative in any way they can.

CHAPTER 1

INTRODUCTION

This chapter will introduce the analyzing of the characteristics of successful Muslim entrepreneurs under Islamic financial institutions in Melaka. Apart of that, this chapter will provide the problem statement arise, research questions and research objectives for this research too.

1.1 Background of Study

A nation is undeveloped not because of the lack of resources but, it lacks sufficient number of talented and genius entrepreneurs, state by (Gupta and Srinivasan, 1992). Actually, entrepreneurs are forth factor of production for national (Glancey and McQuaid, 2000), engine of successful economic growth (Schumpeter, 1934; Azim, 2011) and catalytic element of change (Young, 1987), due; economic development of a country is increased by the activities of talented successful entrepreneurs (Schumpeter, 1934; Matlay, 2005). Entrepreneurs are refer to as good innovators (Schumpeter, 1934), organizers (Say, 1924), gap-fillers the market (Leibenstein, 1978) and decision makers (Knight, 1921) in the movement of industrialization sector. They are the only one active actor who harness the technology, organize the old and new resources and initiatives ventures in order to exploit more business opportunities, states by (Azim, 2011). Sadri (2010) states that successful entrepreneurship is both factor and consequence of economic growth, conceptual innovation and they are interconnected, interwoven and interknitted with each another, and technological advancement.

According to (Quran, 5:3) Islam as a comprehensive way of life and complete highly recommended the development of industry, commerce, agriculture, and trade, states by (Ubaid, 1975), because; expanded for fulfilling the needs and demand of people through doing business and resources are active (Ariff, 1991). (Quran, 2:275) states that Allah the almighty declares “Business is lawful for you”. (Chapra, 2008) says the “need fulfillment” of all in our society is of most importance in Islamic constitution and society. Prophet Mohammad (SAW) was himself involved in commerce and trade before he became a last prophet. He was a honest, integrity and successful entrepreneur. Islam has never recommended people not to work, and just depend only on the fate or wait for fortune come to you. Moderately, the spirit and values of Islam can be of much help in influence the qualities of dynamism in its followers in life (Solaiman and Hillaly, 1997).

Islam help human beings to acquire Allah's provision through their best exertion (Khamsiah, 2006). (Al-Mukhtar, 1898) indicate that even the development of manufacturing industries that help for the needs and demand of the people is treated as a religious responsibility. So, people can start and manage any type of business enterprise within the boundary setting of Islam, because; the Quran and Sunnah have put specific rules for finance, debts, commerce, interest, industry, wills, and contracts. Islam design the core principles of economic behavior as owners of wealth, producers and consumers.

From pre-Islamic era, the Holy City of Mecca has been the eyes of commercial activities globally. The early Muslims were not only involved in trade but they went to faraway regions in bring connection with business too. Islam in fact arrived to distinct corners of the world like East, West Africa, and East Asia through the business people. According to Sadri (2010) says that Islamic civilization was a guide light and an icon of technological advancement, scientific innovation and an improved successful entrepreneurship of that era for the rest of the world. Nowadays, in the Islamic world, elongating from Lebanon to West Africa, and Indonesia to Malaysia, Muslims have witnessed a "return" to the fundamentals of their faith as a way of affirming their identity, and Islamic traditions, a mean to fight the unfair political autocracy experienced and social in their societies, and an another ways to divert pressures of the twentieth century and materialism, state by (Tayeb, 1997). However, a lot of Muslim entrepreneur in this world are still facing various challenges such as stealing, nepotism, bribery, lying, fraud, cheating, discrimination, conflict of interest, falsification of information, environmental pollution, quality control issues, and abuse of public funds, state by (Abuznaid, 2009), strategic thinking, excellence, innovation, and good skills while operated the business. To beat these kind of problems some Islamic countries (such as Iran, Malaysia, Indonesia, Qatar and other Islamic countries.) have integrated Islamic spirits and values with modern disciplines of education relating to business, technology and science, (Alhabshi, 1994).

1.2 Problem Statement

Islam has anciently contributed some funds that can be directed toward social entrepreneur. Islam provides certain financial institution in producing social goods and services for overall Muslim social well-being. Zakat is compulsory for every Muslim who owns a certain amount of income exceeding normal, wealth, family consumption and accepted personal (Hassan and Khan, 2007), in another word an income redistribution from the rich to feed the poor. Qard-hasan and sadaqah are crucial incremental in producing social goods or services and helping the least unlucky too. These incremental can be a great source of establishing harmony social business for entrepreneur. Normally, they are mostly used as one-time, direct, person-to-person transfers or as if giving the fish to the poor rather than teaching them how to catch the fish.

Miserably, in spite of having sharp and clear directions in Islam regarding the establishment and management of business enterprises, many Muslims entrepreneur still give few attention to the Islamic guide lines while managing and developing business enterprises. Due, in one side, many Muslims entrepreneur lack of spirits of Islam and on the other side, inadequacy of clear guide lines in entrepreneurship development from Islamic point of view.

In this study, the researchers took focus to identify the variety characteristics of entrepreneurs from Islamic perspective. The hypothesis of the study lies in the fact that no comprehensive research regarding characteristics of entrepreneurs from Islamic perspective has been attempted. There are some studies concentrate on this issue, though, were not analytically and fully throw lighted from the Islamic point of view. So, researcher will like to take focus on the characteristics to become successful Muslim entrepreneurs

1.3 The purpose of study

This study is a pursuit to develop the characteristics as well as recommended model of entrepreneurship development in the view of Qur'an, Sunnah, and practices of Khalifas (the successors of Islam) in order to give little hand to the policy makers of Muslim countries so that they can design their overall national policies (industrial policy, education policy, entrepreneurial loan policy and other policy.) to make a lot numbers of quality entrepreneurs from Islamic perspective and contribute in greater and better way in developing domestic and international reputed as a successful business enterprises which will finally ensure economic independence and overall welfare for all the stakeholders involve. (Quran, 4:135) states that Islam as a life system, directs and encourages their followers to be honest and just absolutely to all regardless of sex, color, religion, and caste. Furthermore, it is expected that the study will inspire and help the Muslim entrepreneurs to obtain characteristics of Islamic entrepreneurs to be successful in life both here and hereafter.

1.4 Research questions

To pursue the research related to the characteristics of successful Muslim entrepreneurs under Islamic financial institutions in Melaka, this study needs to answer the following questions:

- I. What are the characteristics of successful Muslim entrepreneurs under Islamic financial institution in Melaka?
- II. What is the key characteristic of successful Muslim entrepreneurs under Islamic financial institution in Melaka?
- III. What is the relationship between characteristic and successful Muslim entrepreneur under Islamic financial institution in Melaka?

1.5 Research Objectives

The research objective for this study is:

- I. To determine the characteristics of successful Muslim entrepreneurs under Islamic financial institution in Melaka.
- II. To examine the key characteristic of successful Muslim entrepreneurs under Islamic financial institution in Melaka.
- III. To analyze the relationship between characteristics and successful Muslim entrepreneur under Islamic financial institution in Melaka.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The objective of this chapter is to study the idea that related to this research. Some of these studies examined the connection between successful entrepreneurs and development and trusted that there are development is one of the indicators of success in non-financial and financial concepts (Levander and Raccuia, 2001). Every reviewer must decide which specific studies exclude or include from a review and why. And every decision alters the character of the set as a whole and could also therefore alter the net conclusions drawn from set. By the analytical review of the literature was necessary to help the researcher to develop a thorough understanding of insight into recent work related to the research question and research objectives.

The research obtains literature review from several sources likes journals, books, websites and articles. In this chapter, the researcher explains the theoretical framework and previous researchers said the characteristics of successful Muslim entrepreneur under Islamic financial institutions in Melaka with consideration of four variables included are entrepreneur orientation, products and services innovation, business knowledge and marketing strategy.

2.2 Islamic Financial Institution

Islamic financial institutions are part of the new evolution world economy and subject to the same economic laws as traditional (non-Islamic) financial market participants. In system, the role of Islamic finance is shows rising in every year. There are increase countries there has been a fast growth of the Muslim population. The Muslim society in Europe is becoming more to be taken into account by economists as well as politicians. On top of that, there is currently a rising demanding in Halal (allowed) financial products is observed among non-Muslims also. The Investments of European banks in sukuk (Islamic securities) catching eyes among private investors who would like to take into account ethical and religious aspects in their investment decisions.

The instruments were formulated on grounds of sharia^h laws which guideline its use. The cash flows under few of the Islamic Financial Instruments described below mostly became similar as they would have been for the standard western practice paying of interest (Riba) on loan finance. While, Islamic finance the intention is to avoid moral hazard, asymmetric risk, and injustice, and unfair enrichment at the expense of another party.

Further of Islamic finance allegation that it prevented many of the recent financial turmoil because of its prohibitions on uncertainty and speculation, and its emphasis on justice and risk sharing. That does not mean, that the system is zero from all uncertainty.

Murabah is a non-participatory concept of Islamic financing where the bank sells the asset required by its client to the client on cost-plus basis. On this financing arrangement, bank purchases an asset on behalf of an entrepreneur and resells the asset to the entrepreneur at a premeditated price that consists the original cost and added cost, negotiated profit margin (Aggarwal and Yousaf 2000). Murabaha is one of the most usual method of finance employed by Islamic Banks worldwide.

Ijarah is simply said as Islamic leasing. Means, a contract in which bank first owns an asset which it leases to its customer or the bank gets a palpable asset on lease from a third party and charter it to the customer (Salman Syed Ali 2005). Ijarah is usually used for medium and long term fixed asset financing, for retail products such as homes and automobiles and project financing. This approach of financing is based on the bank allowing the customer to use palpable assets, such as machinery, property, and other, on lease for an agreed certain period of time. The concept is same to leasing. Although there are more specific prohibitions which render conventional leasing to be forbidden under Sharia`h.

Ribah (the surplus) is no matter unjustified increase amount of capital in the loan. Any transaction, which depends only on the term and amount of the deposit and not depends on the success of investments is not allowed because of ribah. Hence, ribah covers not only exploitation, but any interest in the usual traditional sense. Islam inspires profits only as a result of activities, dominant to the formation of any final product, approving the use of percent in profit.

2.3 Adoption Theory

To make this study valuable the researcher are using some theory that are related to successful Muslim entrepreneur as reference. Those theory are McClelland's Trichotomy of Needs and Behavioral Decision Theory. Both of this theory will be analyzed to develop the model of characteristics of successful Muslim entrepreneur and the researcher want to determine the key factor that influence successful Muslim entrepreneur.

2.3.1 McClelland's Trichotomy of needs

One of the most popular theories of human motivation is McClelland's trichotomy of needs, it need for achievement, need for power and need for affiliation (McClelland, 1961, 1975, 1979; McClelland, Atkinson, Clark, & Lowell, 1976; McClelland & Burnham, 1976; McClelland & Winter, 1969). McClelland's theory became popular in the early 1960s, possibly because of his pioneering work correlating achievement with the levels of achievement or progress in several cultures. He also found that achievement behavior could be accomplished and noted that an increase in the entrepreneurial behavior of small businessmen in India occurred after they received achievement training (McClelland & Winter, 1969).

Originally, McClelland give priority to the behavior and characteristics of individuals with high achievement needs. More lately, he has focused his attention on n Power and its correlates, and he has dichotomized n Power into "Two Faces of Power" (McClelland, 1970) socialized power and personal power. Socialized power (i.e., influencing others for the sake of social, organizational goals or group) has been found to be a characteristic of effective managers; the personal or negative face of power has been related to behavior that indicates personal dominance or aggression (e.g., fighting, sexual conquest, and excessive drinking; McClelland, 1970, 1975).

The measurement approach that is frequently associated with identifying n Power, n Achievement, n Affiliation levels in an individual is the Thematic Apperception Test (TAT). This is a projective measure that associates asking the subject to write a series of stories about several pictures that are presented to him or her consequently content analyzed to identify the relative strength of the three needs. This measurement approach is somewhat burdensome and was characterized as unreliable by Entwisle (1972), who calculated the TAT's low internal consistency and argued against its further use.

2.3.2 Behavioral Decision Theory

Mostly 20 years ago, Hoffman (1960, p. 130) states that "hypotheses concerning personality correlates" could be tested by examining mathematical models of the behavior exhibited by decision makers. More currently, Zedeck (1977) and Mitchell and Beach (1977) have states that the behavioral decision theory modeling approach should be used to investigate human motivation. This research approach is based on the Brunswik lens model (Brunswik, 1952) and has been broadly used to study human decision making. Inclusive reviews of the literature have currently been published by Slovic and Lichtenstein (1971), Kaplan and Schwartz (1975), Slovic, Fischhoff, and Lichtenstein (1977), and Hammond, Rohrbaugh, Mumpower, and Adelman (1977). A major advantage of this approach for the investigation of human motivation is that it allows hypotheses to be examined based on the actual decision-making behavior exhibited by subjects rather than on subjects' self-reports of their behavior.

Many of the behavioral decision theory research has focused on the construction of models that analyze the decision processes utilized by miscellaneous categories of experts (e.g., Ashton, 1974; Goldberg, 1968; Libby, 1975; Slovic, 1969). For example, these models have been based on data that reflect actual decisions reached by decision makers in the course of their work. In other case, exercises have been constructed that represent key decision situations that individuals encounter, and models have been constructed of the decision-making behavior individual exposition in completing the exercise. The modern approach was used in the research described here. The compatibility of using a simplified decision-making exercise to examine real-world decision situations has been acknowledged by Brown (1972). By using specialists at the Los Angeles Suicide Prevention Center as subjects, he wrap up that the models he constructed of subjects' decision- making behavior using data from an exercise did not distinct considerably from the models he constructed using data from similar and actual situations.

2.4 The Characteristics of Successful Entrepreneurs.

Geoffrey and Meredith (1982) state that, successful entrepreneurs have high level of confidence and they are more willing to try something that others viewed as a risk. Especially, those proud of their business, who have a high value of self-confidence, and passionate with their job have the ability to be successful. Other scholars such as Zimererand and Scarborough (1996) in their studies found that characteristics of the underlying values likes efficient, quality priority, pro-active, monitoring, performance-oriented, initiative, high commitment is the main success factors of a business. This study focuses to determine the characteristics influencing Muslim entrepreneurs' success. Based on that, a conceptual framework is proposed that success of entrepreneurs among Muslim entrepreneurs is causally related to four factors, namely entrepreneurial orientation and innovation, market orientation and innovation, Internet of Thing (IoT) and indirect effect of strategic orientation and innovation.

Entrepreneurship is the foundation of new business (Low and Macmillan, 1988). It is the creation and management of a new organization designed to seek a unique, achieve rapid, profitable growth and innovative opportunity, state by (Drucker, 1985). It is the aggressive process of creating value by taking the risk (Ronstadt, 1984). Entrepreneurship is the innovative activities to accomplish the business opportunities (Schumpeter, 1934). Entrepreneurship is the innovativeness and skills by which people enthusiasm to become involved in dynamic hunts for achieving their goals (Chowdhury, 2008). Entrepreneurship is the process of conducting a business enterprise for producing products and selling at a chancy price for highest commercial harvests. The entrepreneur is someone who founding his or her own career. Entrepreneur is that person who has mentally and capability to start an enterprise either for rendering services or producing goods and thereby making profit.

Muslim entrepreneurship is the process of conducting a business for rendering services or producing goods which are halal for making conservative profits. Muslim entrepreneurship does not commit in those activities which abort to ensure consumer rights, ethical values, social responsibility, and healthy business practices, state by (Chowdhury, 2008). Muslim entrepreneur is a person who founds and conducts business enterprise following the rule of Islam. They carefully prevents bad treatment to employee offensive hoarding and immoral dealing with their customers. Profit is not the only objective of Muslim entrepreneurship. Moderately, social welfare, acquire of divide satisfaction and assurance of national interest are the motivating forces of such entrepreneurship (Chowdhury, 2008).

Today, on the most competitive markets, those Muslim entrepreneurs lead the ways that most successfully use the knowledge for connecting existing and new technologies. Successful Muslim entrepreneurs continuously develop their skills, competences, techniques knowledge and acquire specific knowledge in order to maintain survive and innovate new entrepreneurial opportunities in their industries. According to a number of research, entrepreneurs in their early developmental stage lack specific knowledge and skills, but despite this they can succeed in their field. Business growth is guaranteed during this stage because of their problem solving ability, positive attitude towards their entrepreneurial idea, networking, persistence and vision. Entrepreneurs do not get such skills during their formal theory education but during their work, entrepreneurs develop various practical skills, introducing the factors for the promotion of company culture, shaping and structuring the organization of the enterprise, developing their vision, understanding the market, and aimed at understanding of business situations and problems. Their focus to succeed is the most crucial motive, which determines how the entrepreneur will achieve knowledge. The basic knowledge, which has not yet been acquired, can be quickly made up for, but under the condition that the knowledge is related to the area, in which the entrepreneur's best results are achieved. A successful entrepreneur continuously supplements the system of acquiring knowledge with his or her vision. Therefore, entrepreneurs collaborate their broaden it, knowledge and create new innovative opportunity ideas (Berginc in Mozina and Kovac,

2006; Lassen, 2007). A lot of business make considerable efforts to build systems for disseminating and acquiring knowledge. An organization that is a knowledge entrepreneur recognizes the multifaceted nature of knowledge and the implication that this have for organization learning. But the ability to create value by means of available knowledge always depend on the knowledge of individual entrepreneurs and the scope of utilized knowledge. There are no specific ways of measuring entrepreneur knowledge in companies. The existing literature is splinted regarding the indicators of knowledge. Some authors focus on the role of knowledge of managers or owners (Lynskey, 2004). Especially in the early stage of a firm's life cycle managers or owners play as a critical role. They are the critical role in believing the company's strategy and managing important resources and in culling to appliance the coveted strategy (Bergmann Lichtenstein and Brush, 2001, Baird and Meshoulam, 1988). Smith et al. (2007) and Schalenkamp and Smith (2008) presented an exploratory study regarding the usefulness and importance of skills to individuals hunting entrepreneurial actions. It is well settled that research on SMEs have to include an analysis of the manager or owner. Actually, in many methods the manager or owner is the organization (Chuang et al., 2007). The relationship between firm performance and the entrepreneur experience as a crucial element of knowledge was stated by Piercy et al. (1998) who proved the positive influence of the experience on the sales growth and return on investment.

2.5 Hypotheses Development

2.5.1 Strategic focus and innovation elements: entrepreneurship and market orientations

In the approach literature, market orientation is treated an important construct to improve innovation performance. To enhance the possibility of innovation, entrepreneur must amass market-based information and publish it throughout the organization (Matsuno, Mentzer, and Özsomer, 2002; Atuahene-Gima, 1996). Under the market orientation outlook, firms have to acknowledge competitor, customer, and technology connected incentive in order to improve innovation (Spanjol, Muhlmeier, and Tomczak, 2012). According to (Gatignon and Xuereb, 1997) a customer orientation represents to the ability to understand, analyze, identify, and answer customers' needs; a competitor orientation is refers as the ability to analyze, identify, and respond to competitors' deals (Gatignon and Xuereb, 1997), and; technology orientation defined as the firm's ability to access a massive knowledge base and technological background (Gatignon and Xuereb, 1997; Yadav, Prabhu, and Chandy, 2007). The market orientation associate to hearing and processing incentive connected to these three market factors with all three orientations considered as important to develop innovation (Zhou, Yim, and Tse, 2005; Srinivasan, 2008; Spanjol et al., 2012). The article is comprehensive on the relationship between innovation and market orientation, and mediated effects on process innovation and product innovation and suggests both direct. Scholars note that product innovation consequences are determined by the type of market incentive that firms attend to and select, as well as the understanding frame of the firm, which driven how the incentive are processed (Spanjol et al. 2012).

Orderly, these induce the product innovation responses (Spanjol et al. 2012). As the field of crucial management developed, many scholars have indicated a switch towards entrepreneurial processes, that is, the decision-making, practices, and methods styles that managers approach to act entrepreneurially. As noted by Lumpkin and Dess (1996) these processes consist experimenting with having a disposition to undertake risky ventures, being willing to seize new product-market opportunities and promising new technologies. They remark five elements of entrepreneurial orientation, namely, independence, proactive, competitive aggressiveness, risk taking and innovativeness. (Lumpkin and Dess,1996) states that these are valuable for distinguishing and characterizing key entrepreneurial processes, that is a firm's entrepreneurial orientation. In the following section, we develop our hypotheses connected to market orientation and entrepreneurship with successful Muslim entrepreneur framework, examining the proof for the direct influences model first, followed by the indirect influences model.

2.5.2 Entrepreneurial Orientation

Entrepreneurial orientation is highly effected by the strategy-making process literature (Miller, 1983; Covin and Slevin, 1989, 1991) and represents to the decision making activities, practices, and processes that bring to new entrance. Expressly, it has developed from a strategic-choice perspective, state by (Child, 1972), affirming that new-entrance opportunities can be profitable undertaken by purposeful performance (Van de Ven and Poole, 1995). This deliberate performance involves the actions in a dynamic process aimed at new-venture creation and key elements' purpose. Scholars note that the key aspects that define an entrepreneurial orientation include an ability to act freely, proactive relative to marketplace opportunities, a tendency to be aggressive toward competitors, take risks and a willingness to innovate (Lumpkin and Dess, 1996). All of these aspects may be expose when the entrepreneur joins in new entrance, although successful new entrance also may be accomplish with only a few of these aspects. That is, independence, proactive, risk taking, innovativeness, and competitive

aggressiveness. The extent to which each of these elements are valuable for success of a new undertaking and predicting the nature. They are determine on both internal aspects, such as the characteristics of top managers or founders and the organization structure and external factors, such as the business environment or the industry.

Hence, argumentation recommended that entrepreneurial orientation generally edges to higher performance. Though, the extent of the relationship seems to assort across studies (Rauch et al., 2009). While other studies have found that businesses with a clear entrepreneurial orientation doing much better than other entrepreneur that do not adopt an entrepreneurial orientation (Covin and Slevin, 1986; Hult, Snow, and Kandemir, 2003; Lee, Lee and Pennings, 2001; Wiklund and Shepherd 2003), other articles noted lower correlations between performance and entrepreneurial orientation (Dimitratos, Lioukas, and Carter, 2004; Lumpkin and Dess, 2001; Zahra, 1991). Few were even unable to find a consequential relationship between performance and entrepreneurial orientation (George, Wood, and Khan, 2001; Covin, Slevin, and Schultz, 1994). Therefore, there is an essential deviation in the size of reported relationships between business performance and entrepreneurial orientation, state by (Rauch et al., 2009). Given the lack of differentiation in the innovation emanation measure, such the positive interaction influence above might be distinct in the opposing influences of entrepreneurial orientation on process versus product innovation. Possible that an entrepreneurial orientation improves process innovation more than product innovation since an important element of the entrepreneurial orientation is taking the risk, which is core to product innovation. Furthermore, at the similar period, these processes are linked to process innovation too. Based on the above discussion, we thus believe strongly the entrepreneurial orientation to improve both process and product innovation in the present context. Correspondingly, we hypothesize that:

H1: Entrepreneurial orientation positively influence the successful Muslim entrepreneur.

2.5.3 Market Orientation

According to (Narver and Slater 1990, 1998; Kohli and Jaworski 1990) market orientation is defined as cultural foundation for the way an organization attain and apply to market information. Kohli and Jaworski (1990) states that the market orientation concept as a process using a company's response to information, dissemination and market intelligence generation. Variable elements of market orientations occur, for instance, Narver and Slater (1990) propose three main elements of market orientation, namely, inter-functional coordination, customer and competitor orientation, at the same time Spanjol et al. (2012) focuses on technology orientations, competitor and customer. Although, study on innovation occurs and market orientation, there is still no accommodation about the connection (Lukas and Ferrell 2000). For instance, Deshpande et al. (1993) states that market orientation has a positive influence on product innovation. Other scholars such as Christensen and Bower (1996) in their studies show that affirming on market orientation restrain the development of original new products. (Christensen and Bower, 1996) suggest that with occasional innovation, a focus on market orientation boost the development of product modifications for existing customer groups. Atuahene-Gima (1995) states that market orientation's influence is greater on process rather than product innovations, nevertheless, concord on the issue does not proven. For instance, Hurley and Hult (1998) find a practical influence of market orientation on two types of innovations (process and product). Others clarify that adopting convince landscape heading to different results and clarification demonstrate different influences on innovation (Berchicci and Tucci 2006). Then, there is also the probability that a market orientation empower the organization to pick up information that encourage a focus on the processes leading to innovation. Correspondingly, we hypothesize that:

H2: Market orientation positively influence the successful Muslim entrepreneur

2.5.4 Product and Service Innovation

Gupta et al. (2007), state that innovation defines to the emergence or production of a new idea and while ahead work has identified different innovation types with specific trait by (Damanpour et al., 2009): process innovation, product innovation, service innovation, business model innovation and management innovation, (Crossan and Apaydin, 2010; Gupta et al., 2007). This list is not complete, but it compose a few of the most universally accepted innovation types (Damanpour et al., 2009). There are other critical characteristic, likes the technological focus of innovation or the novelty, which can be used to more define each of these types, for example regarding its profound nature based on a high degree of freshness (Henard and Szymanski, 2001). We assign to these innovation categories as first-order innovations because they consist innovation activities in terms of development of the production or new ideas. Dependable with the phrasing in related fields (Danneels, 2008), second-order innovations represent the innovation of innovation activities over time. (Atuahene-Gima and Ko, 2001) states that, product innovation invoke to the development of a new product, which is launched on the market.

Then, product innovation has an external target, is mainly market driven and refers to tangible stuff (Henderson and Clark, 1990). In a same tone, service innovation invokes to the establishment of new services to clients (Damanpour et al., 2009), and it is not limited to the service sector only. Rather, many product-based firms actively hound the development of services, state by (Thrane et al., 2010). Contradictory to process innovation has an internal focus and service or product innovation, (Thrane et al., 2010), and it is managed at expanding internal capability and readiness to facilitate the production and delivery of services or goods to the customers, state by (Damanpour et al., 2009). In diversity, business model innovation invokes to the aggressive transformation of a firm's business model over time (Chesbrough, 2006). Zott et al., (2011) state that, the business model represents the governance of a firm's business transactions, structure, and content to obtain value. Then, business model innovation surpass the development of a new service or product. Lastly, management innovation

represents the novelty and application of a new management structure, practice, technique or process (Birkinshaw et al., 2008). Accordingly, it consists a difference in the quality, states or form of a firm's management activities (Vaccaro et al., 2012).

H3: Product and service innovation positively influence the successful Muslim entrepreneur.

2.5.5 Internet of Things: IoT capability and IoT alliance

IoT capability assign to the entrepreneurs' ability to assimilate business skills and resources soaring from IoT to adjust with the business' strategic directions (Bierly and Chakrsbarti 1996; Li et al., 2014a; Li, Xu, and Zhao, 2014; Teece 2007; Teece et al. 1997). For business running with IoT, it is crucial to respond to these changes swiftly and identify environmental changes, so that they are capable to behaviors to new innovations and commit resources (Shimizu and Hitt, 2004; Shan et al., 2014).

IoT capability involve that entrepreneurs make critical decisions more fluently; in other words, by using IoT, these entrepreneurs are capable to know new business opportunities, threat possibilities, and maintain competitiveness. According to (Bierly and Chakrsbarti, 1996; Banker et al., 2006; Teece, 2007; Xu, 2014a, b), we like so refer to IoT capability as the ability to access, integrate, and apply knowledge arising from IoT to commit resources and behaviors to new innovations (e.g., Shimizu and Hitt, 2004) and in arrangement with its strategic directions and choice, then enabling the IoT capabilities to be a source of competitive advantage. As noted by Parkhe (1991, 1993) a strategic alliance refers to 'relatively enduring interfirm cooperative arrangements,' which accord business to serve their individual needs by utilizing mutual resources. Scholars note that alliance may be considered as a appropriate form of knowledge sharing joint venture, which may be configured in many different technique and associated with different kinds of behaviors (Alavi and Leidner, 2001), hence, involving

the appropriation of resources to cultivate relationships with partners (Tsang, 1998; Li and Atuahene-Gima, 2001).

Next, IoT alliance partners refer to customers, suppliers (vertical), intermediaries, government, and competitors (horizontal), all of which are substantial in IoT framework. Research shows that interfirm relations influence knowledge transfer and learning (Hansen, 2002; Dhanaraj et al., 2004). Jansen et al. (2006) states that connections break through to be essential antecedents of both product and process innovation. It is suggested that such relationships can appoint positive attitudes towards their business and social affairs. Li and Atuahene-Gima (2001) suggest that, in transition economies, these relationships with the government represent a particular type of managerial ties, which are essential to the business' success, as it commits effort and resources into building them. Therefore, great connections and alliance with the government, or those with such connections, provide the best of means to obtaining financial resources, approvals, licenses, information, and other resources that may be mechanism in ensuring the success of an innovation strategy (Xin and Pearce, 1996; Li and Atuahene-Gima, 2001). Based on the above, we therefore hypothesize the following:

H4: IoT capability and alliance positively influence the successful Muslim entrepreneur.

The framework suggests that the information processing characteristics associated with IoT capability and alliance operate on input or stimuli into the innovation processes, and that these stimuli are determined by a business's strategic target on both entrepreneurship and market orientations. The absolute collection of internal and external intelligence increases a Muslim entrepreneur ability to identify new opportunities and thus leads to greater IoT capability and alliance. When entrepreneur focus their attention on IoT capability, they are likely to develop an improved ability to anticipate market actions and reactions (Day and Nedungadi, 1994). Hence, gain IoT capability is likely to be positively associated with alliances. Then, we propose that: