Discussion paper

Religiosity and entrepreneurship behaviours

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ABSTRACT

This study investigates the impacts of entrepreneurs' religiosity on their values and on the relationship between their values and entrepreneurial behaviours by examining the differences between practicing Muslim entrepreneurs and non-practicing Muslim entrepreneurs. Relationships between values and religiosity are examined within an integrative framework of Schwartz's value theory.

Findings suggest that religion plays a critical role in shaping individuals values and their entrepreneurial behaviours. Practicing Muslim entrepreneurs have more respect for, commitment to and acceptance of the religious and traditional customs and ideas compared with those non-practicing Muslim entrepreneurs. On the other hand, non-practicing Muslim entrepreneurs have more independent thoughts and actions when it comes to choosing, creating and exploring compared with those practicing Muslim entrepreneurs. Furthermore, non-practicing Muslim entrepreneurs are more likely to seek for worldly pleasures and sensuous gratification compared with those practicing Muslim entrepreneurs.
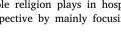
1. Introduction

Religion is a treasury of the most sacred and precious values of society. Religion, being an integral and inseparable part of individual's life, significantly influences the society through shaping human behaviours (Nwankwo and Gbadamosi, 2013). As a collection of cultural as well as spiritual systems of worldviews, believes, values and norms, religion is an essential component of most people's lifestyle (Podgornyi, 2012). Individuals, in particular believers, transform religious values to their various activities including consumption behaviours, business practices as well as working environment (Griebel et al., 2014; Miller and Timothy, 2010; Byrne et al., 2011).

While a small number of studies have examined the influence of values and religion in the field of hospitality and tourism, most of them were focused mainly on the influence of religion on consumers' behaviours and on host community-guest relationships. For example, Eid and El-Gohari (2015) investigated the moderating effect of Islamic religiosity on the relationship between Muslim customer perceived value (MCPV) and Muslim customer satisfaction. Their findings reinforced the importance of religiosity in understanding Muslim customer satisfaction and behaviours. Tavakoli and Mura (2015) also explored Iranian female tourists' patterns of behaviour travelling in *Second Life*. Their findings showed that in virtual tourist spaces, participants reject 'subordinated' gender-based stereotypes concerning Muslim women's bodily representations in Iran. In addition, investigating the influence of religion on guest and host community relationships, Kirillova et al., (2014) explored how religion is involved in constructing hosts' understanding of hospitality and hospitable behaviours in private, public, and commercial settings. Their findings revealed that interpretation of hospitality and hospitable behaviours in private and public domains vary according to religious values while commercial hospitality, somewhat influenced by religion, is mostly understood as a money-making venture. Henderson's (2003) study used Malaysia as a case study to illustrate the problems and opportunities that arise when international guests and the Islamic religion come into contact. Zamani-Farahani and Musa (2012) explored the influence of Islamic religiosity on the perceived socio-cultural impacts of tourism among residents in two tourist areas in Iran. The results showed that respondents who possessed a high level of Islamic Belief also perceived socio-cultural impacts of tourism positively.

These studies made important contribution to the literature by demonstrating the influence of values and religion on individuals' attitudes and behaviours and also how values and religion shape the relationship between guests and host communities. However, most of these studies investigated the role religion plays in hospitality and tourism utilizing a demand perspective by mainly focusing on how

religion can influence consumers' attitudes and behaviours with a few exceptions. Even though most hospitality and tourism offerings are viewed and consumed as experiences that are produced and delivered through a combination of a diverse array of product and service providers (Jiang et al., 2016; Middleton et al., 2009), previous literature has neglected to capture the interface between religious values and hospitality service and product providers; in particular hospitality entrepreneurs. This is surprising given that hospitality entrepreneurship stimulates innovation and creativity and thus contributes to the economic, social and environmental development of destinations (Altinay et al., 2016) and the extent values and religion influence entrepreneurs' behaviours could affect the experience of consumers (Altinay and Altinay, 2008). For example, in their study of Turkish entrepreneurs, Altinay and Altinay (2008) found that Turkish entrepreneurs who practice their religion do not sell pork and alcohol in their restaurants and therefore cannot respond to the needs to consumers who demand pork and alcohol.

Considering the fact that belief in God plays an important role in how guests are treated in Islam, it is surprising that Muslim entrepreneurs' values and how those values can impact their business practices have not received much attention. Therefore, this study aims to examine the influence of hospitality entrepreneurs' level of commitment to religion on their basic values and their entrepreneurial behaviours, and on the relationships between their basic values and entrepreneurial behaviours. More specifically, this study aims to answer the following four research questions:

1. Does Muslim entrepreneurs' level of religiosity influence their basic values?
2. Are there any differences between the values of Muslim entrepreneurs who are more committed to Islam and who are less committed to Islam?
3. Are there any differences in any of the four dimensions of entrepreneurial behaviors, namely innovation, risk taking, competitiveness and pro-activeness, between Muslim entrepreneurs who are more committed to Islam and those who are less committed to Islam?
4. Does entrepreneurs' level of religiosity influence the relationship between their basic values and their entrepreneurial behaviors, namely innovation, risk taking, competitiveness and pro-activeness?

Since this is one of the first studies that examine impact of Islam on entrepreneurial behavior, findings of this study are likely to advance our knowledge on the impact of Islamic values on entrepreneurial behaviors by making two distinct contributions. Firstly, the study offers insights into the interface between religion, Islam, and entrepreneurial behaviours by demonstrating the influence of Muslim entrepreneurs' basic values on their entrepreneurial behaviours, an area neglected by the previous literature. Secondly, the study offers insights into how Muslim entrepreneurs' level of commitment to their religion can influence the relationships between their basic values and their entrepreneurial behaviours.

1.1. Religion & entrepreneurship

Religion is a treasury of the most sacred and precious values of society. Being an integral and inseparable part of an individual's life, religion also holds collective influence over society through its shaping of human behaviour. As a collection of cultural as well as spiritual systems of worldviews, beliefs, values and norms, religion is an essential component of people's lifestyles. As a rule, individuals, in particular believers, transfer religious values to their various activities; this includes business practices as well as the working environment (Griebel et al., 2014; Miller and Timothy, 2010; Byrne et al., 2011). Such behaviour is common among religious entrepreneurs who are guided by ethical norms defined by religion during the decision making process

(Bornstein and Miller, 2009; Fernando, 2005). This applies to both managing a business and establishing leadership styles (Payne, 2010; Lui and Wilson, 2011; Weaver and Agle, 2002). Religion can serve as an ideal ethical system that promotes spirituality along with benefaction, thereby leading to positive moral behavior based on clemency, trustworthiness and honesty. Nwankwo and Gbadamosi (2013, p. 625) emphasize that believers adhere to these moral principles and act according to these religious values, which are defined as "a synthesizer of entrepreneurial relations" during risk taking, market research, rationalization and positioning.

Since religion shapes and coordinates entrepreneurial behavior, it affects intrinsic motivational goals described by Schwartz (1992) as a system of values integrating 10 dimensions which are categorized as *self-focused orientations* representing power, achievement, hedonism, stimulation, and self-direction, as well as *other-focused intentions* including universalism, benevolence, tradition, conformity, and security. Based on the "Five Factor Model" analysis, Roccas et al. (2002) have investigated the correlations of both values and personality traits with religiosity, and emphasized expressive interconnections between values and religion. Further research (e.g., Schwartz and Huismans, 1995), through the prism of theological, sociological and psychological approaches, has revealed explicit correlations between religious orientation and values where *"conformity/tradition"* is argued to be mainly correlated with the religious faith of individuals, while less positive associations related to *"security"* and *"benevolence"* (Saroglou et al., 2004). Inclination to *"conformity/tradition"* values expresses the importance of customs defined by a religion as well as the acceptance of a certain level of conservatism in actions or during the decision making process. *"Security"* values relate to uncertainty avoidance and imply social order protection, while benevolence refers to possessing good intention towards others. Findings additionally indicate that religiosity reduces the importance of *hedonistic* values which is evidenced by the most negative correlation coefficient (Fontaine et al., 2000). Moreover, *"stimulation"* and *"self-direction"* values are less expressively, and yet negatively correlated with religion (Saroglou et al., 2004). Additionally, religiosity is not associated by a significant meaning attributed to *"power"* connected to prestige, or *"achievement"* indicating respectable status in society, and *"universalism"* representing humans' welfare (Schwartz et al., 2001; Saroglou et al., 2004).

Schwartz, (2012) has conceptualized the model of value relations expanding on conformity as well as contradiction between 10 value dimensions. According to Schwartz's conceptual model, values are clustered as two bipolar measurements, contrasting *"openness to change"* versus *"conservation"* on the one hand, and *"self-enhancement"* versus *"self-transcendence"* on the other hand. The first category of bipolar dimensions represents the oppositions between motivational values associated with the challenge oriented, independent action and novelty seeking behavior and values that prioritize the importance of relationships, stability and conservatism. The second category of measurements covers the discrepancy between values that define motivational goals oriented towards competent performance, social predominance and controlling power and values indicating social welfare, tolerance and supportive relationships. As defined by Schwartz (2012), *"hedonism"* contains a dual characteristic; consequently it can be associated with both *"openness to change"* and *"self-enhancement"*. *"Conformity"* along with *"tradition"* shares the similar system of desirable goals, and is therefore located in a joint sector (See Fig. 1). Moreover, Schwartz (2012) has expanded the conceptual framework of value systems and described the relations of values to anxiety that is considered as individuals' perceptions regarding uncertainty (See Fig. 1). *"Self-enhancement"* and *"Conservation"* dimensions are categorized as anxiety-based values mainly oriented to self-protection, while *"openness to change"* and *"self-transcendence"* reflect anxiety-free motives generally focusing on growth and self-expansion.

Studies investigating the relationship between Islam and entrepreneurship has found that Islamic values affect the main aspects of