

**Entrepreneurial Motivation, Performance and Commitment to Social Responsibility: A  
Conceptual Analysis on the Influence of Islamic Religiosity**

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# **Entrepreneurial Motivation, Performance and Commitment to Social Responsibility: A Conceptual Analysis on the Influence of Islamic Religiosity**

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## **Abstract**

*Although the study of religion and its effects on social phenomena had received attention lately, most research in this area is from various religious perspectives excluding Islam. To date there is dearth of precious information regarding Islamic religiosity and its effects on entrepreneurial outcomes. In this exploratory study, a conceptual analysis of the effects of Islamic religiosity on entrepreneurial motivation, performance and commitment to social responsibility is considered. We suggested that Islamic rituals have the potential benefit of fostering the entrepreneurial outcomes considered. We recommend that religious practices be encouraged in the workplace.*

**Keywords: Entrepreneur, Motivation, Social Responsibility, Islamic Religiosity**

## **Introduction**

The study of the relationship between religion and other social phenomena has received a great deal of attention from social scientists (Al-Khalifa, 1994) and as observed by Guiso, Sapienza and Zingales (2003) the society is permeated by religion considering the fact that there is hardly an aspect of its life that is not affected by religion. The significant role that religion plays in social change has long been identified by Weber (1905) who attributed the advent of modern capitalism to Protestant Reformation. Similarly, religion is considered by the functional theorists to be the basis and source of social values and norms by which people are united and their behavior and activities are regulated (Durkheim 1951).

There is evidence from the literature buttressing the contention that religion has significant impact on personal attitudes and behaviours (Emmons, 1999), because it gives meaning to human existence through establishing goals and value systems covering all aspects of our lives. Thus, people's lives and personality are fully integrated with motivation to meet spiritual or religious goals, beliefs and practices. In strengthening this position, Emmons (2003 p. 21) states that "religion can provide connection at three levels; (a) internally- providing a set of beliefs, intentions and actions, (b) horizontally- between people through a shared identity within a faith and community, and (c) vertically- to creation and the Creator".

In line with the above contention, Gotsis and Korkezi (2009) drawing from literature observed that religion and its associated terms such as, religious experience, religious attitudes and intrinsic religiosity, and religious orientation were very critical factors in post-modern and post-industrial societies. This is because they proved to be positively associated with societal dynamics, higher level of economic activity and economic performance and growth. In addition, these variables also tend to have positive effects on entrepreneurial culture, attitudes and behaviour (Salimath and Cullen, 2010). In much the same way, religions are depositories of wisdom and values. Small firm's orientation is grounded on the values of its entrepreneur (Dana, 1995; Lumpin and Dess, 1996) and that religious beliefs are intertwined with cultural values and together influence the social desirability of entrepreneurship and the nature of entrepreneurial activity (Dana, 2009).

Although there is a complex and interdependent relationship between religion and enterprise, the fact remains that religion operate as a favourable environmental factor to enterprises (Dodd and Seaman 1998). Similarly, the authors also argued that individual religion

have positive effect on believers' entrepreneurial activity in three respects; influencing the decision to become entrepreneur, enterprise management and entrepreneur's contact networks.

Again, Dana (2009) contends that studies of entrepreneurial phenomena based on psychological traits of the entrepreneur risk ignoring important environmental variables such as religious milieu. The failure for too long to recognise that enterprise and entrepreneurs are the product of their society, their culture and their religion has resulted in characterising an entrepreneur as a lonely, isolated and economically driven individual (Anderson, 2010).

From the foregoing and as noted by Hamza, Turiman, Sidek et al. (2007) the significance of religion to human beings in so many dimensions of daily living has made it an important area of inquiry to researchers. As a result, there has been a tremendous increase in empirical research in the West on the role of religion on different aspects of human life such as counselling, psychological adjustment. However, the importance of religion as an area of focus has not been a universal effort. This is because previous attempts to study religion as a social scientific phenomenon have been primarily a Western Judeo-Christian undertaking (Hamza et al. 2007). As observed by Ghorbani, Watson, Gramaleki et al. (2000) and Wilde and Joseph (1997), the literature on religiosity is dominated by studies of English-speaking population and that the flow has been almost exclusively on Christianity.

Again, despite the fact that other societies have received greater recent attention, yet the Judeo-Christian commitments still remain the most common object of investigation (Hood et al. 1996) as cited in Ghorbani et al 2000. Thus Hamza et al. (2007 p. 2) notes that the lopsidedness nature of research efforts in favour of Western Judeo-Christian perspective and worldview raises important questions pertaining to how religiosity has been conceptualised in the current

literature. This is succinctly captured by Kuciikan (2000 p 62) when he wrote “ one should bear in mind that almost all the theoretical frameworks as discussed in this article were developed after studying Christian believers and manifestation of Christian religious experience. Therefore, it is questionable whether those methodological approaches can explain non-Christian religious experiences in general and manifestation of Islamic orientation in particular.

More importantly, research carried out using Judeo-Christian instruments on Muslim population portrayed Islam to be negatively disposed to entrepreneurship (see Guiso et al. 2003; Zingales, 2006; Rafiq, 1992; Metcalf, Modood and Virde 1996; Weber, 1958). This is despite the prevalence of many Qur’anic verses and prophetic traditions (*hadiths*) that enjoin Muslims to be entrepreneurs. Thus, it becomes therefore incumbent on Muslim researchers to conduct a comprehensive empirical study in this area.

Long before the commencement of this millennium, there are numerous theoretical explanation on religion and religiosity in Islam (Hassan and Khaliq, 1981; Khairul, 2000). Nevertheless, there are dearth of empirical studies establishing the relationship between religiosity and behavioural correlates (Hamza et al., 2007). One of the reasons attributed to this development, posited Hamza et al. (2007) was probably the lack of valid instrument required to measure Islamic religiosity adherence, attitudes and orientation.

Thus, from the foregoing it clearly be seen that not much attention had been given to religiosity from the Islamic perspective and its role in modern management. Considering the fact that Islam is the second largest religion in the world with over 1.6 billion adherents (Kettani, 2010), such disproportionate attention given to Islamic religion adherent may result in incomplete understanding of religiosity in the workplace.

Consequently, based on the admission that current literature on religiosity is limited by its over dominance with Judeo-Christian perspective, and based on the future research agenda posited by those who examine the theoretical explanation linking religiosity in Islam and behavioural correlates, the need to fill in the gap by conducting empirical study on Islamic religiosity and its impact on entrepreneurial outcomes become necessary. Thus based on the above background, this study will attempt to add cultural pluralism to the field by selecting non-Western and non-Christian research setting. This is being achieved through examination of the application of Islamic religiosity in entrepreneurship by exploring the relationship between Islamic religiosity, entrepreneurial motivation, performance and commitment to social responsibility through extensive literature review. By so doing, this study will significantly promote the understanding of entrepreneurship phenomena from the perspective of Islamic religiosity thereby contributing to filling the exiting research gap in the literature.

The present study aims to gather primary data from practicing Muslim entrepreneurs engaged in managing small and medium scale enterprise (SMEs) across various sectors in Malaysia and to present the empirical findings about the effects of religiosity on entrepreneurial motivation, performance and commitment to social responsibility. This paper presents a conceptual analysis of the relevant variables, and proposes a conceptual framework and a few research propositions that might guide future empirical research. The paper is divided as follows: The paper begins with a brief introduction as a background to the role of religion in modern organizations which was followed by a comprehensive literature review that explores how religiosity can influence entrepreneurial motivation, performance and commitment to social responsibility. The third section describes the conceptual framework that guides the study. The fourth section is the conclusion and implications for theory, practice and policy.

## **2.0 Literature Review**

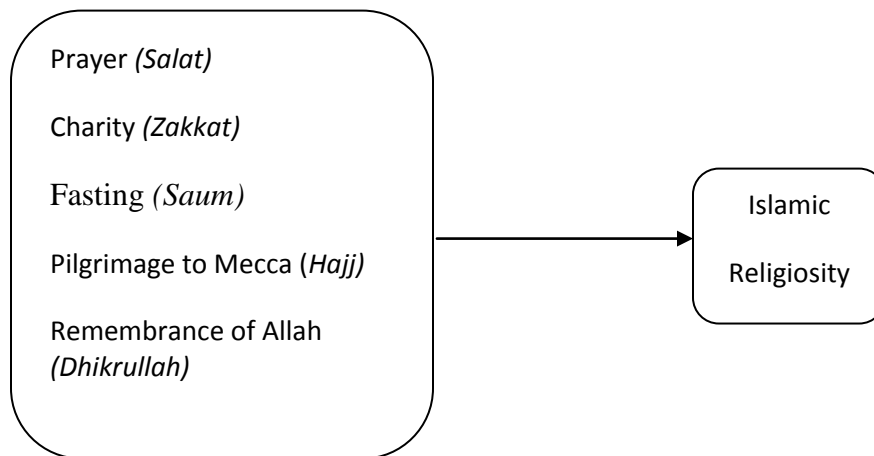
### **2.1 *Religion and Religiosity***

Geertz (1973), cited in Williamson, Mueller and Deusen, (2007) anthropologically defined religion as: a system of symbols which act to (2) establish powerful pervasive, and long-lasting moods and motivators in men by (3) formulating conceptions of a general order of existence and (4) clothing these conceptions with such an aura of factuality that (5) the moods and motivations seem uniquely realistic (Asad, 1983: 239). Similarly to Koenig et al. (2000, p. 18), “Religion is an organized system of beliefs, practices, rituals and symbols designed (a) to facilitate closeness to the sacred or transcendent (God, higher power, or ultimate truth/reality), and (b) to foster an understanding of one’s relation and responsibility to others in living together in a community. Thus as noted by Williamson et al. (2007), the influence of religious beliefs is not restricted to the realm of sacred but has the capability to motivate other aspects of human behavior. This, the authors maintain, can be observed from the fact that all major world religions have gone beyond their initial core intentions to adopt political and social realities.

Religiosity, from the Islamic perspective, according to Al-Khalifa (1994) refers to the conduct (or overt) dimension, which emphasise the degree to which the belief dimension (spirituality) is reflected throughout the believer’s daily behaviour and actions via full obedience and compliance to God’s commands and the avoidance of those acts and behaviours forbidden by God. Similarly, Al-Goaib (2003) maintains that religiosity is the commitment to the fundamentals of Islamic religion through practicing and in theoretical belief through the fulfilment of Allah’s rights, protection of others rights, following Allah’s orders, avoiding bad acts, and performing worships. As noted by Morgan & Lawton (1996) belief alone does not make a person religious, because Individuals characterized as religious are not only those who hold particular religious beliefs but also practice them in day-to-day life. Thus, religiosity has an

element of acting on one's belief system or religious tradition (de Noble et al. 2007). It is suggested that people who hold and follow certain religious dogmas will exhibit particular sets of behaviours that are reflected in their personal and social lives. In measuring religiosity, it is an individual's dedication, commitment and involvement in his/her religion that is used (de Noble et al. 2007).

From the Western perspective, Adeyemo and Adeleye, (2008) posit that religiosity includes having belief in and reverence for God or a deity, as well as participation in activities to that faith such as attending services/worship regularly and participating in other social activities with one's religious community. Again, Ferm's (1963) definition of religion is akin to the concept of religiosity when he contended that an acceptable definition of religion refers to "a set of behaviours or meanings which are connected to the action of a religious person" (p. 647). Based on the foregoing, the dimensions/attributes of religiosity from the Islamic perspective can be represented in figure I below.



**Figure I: Islamic Religiosity**



### 2.3 Religiosity and Entrepreneurial Motivation

The connection between work including entrepreneurship and religion have been addressed by all religious traditions (Deutschmann, 2001; Klay and Lunn, 2003; Garvey, 2003). For instance, Pearce II, Fritz and Davis (2009) observed that by stressing the need for people to work hard in order to get food to eat, religions can be said to promote the act of entrepreneurship. In strengthening this contention, Guiso et al. (2003) conducted a study to identify the relationship between intensity of religious beliefs and economic attitudes. The result showed that not only is religion averagely good for the development of attitudes that are conducive to economic growth but also religious beliefs are associated with “good” economic attitudes that are conducive to higher per capita income and growth. Since entrepreneurs are considered to be the engine of economic growth, one may conclude that religion and level of religiosity is positively related to entrepreneurship outcomes.

Specific studies linking entrepreneurship with particular religion include Galbraith and Galbraith (2007) study which reported for example, how the Christian religion had been in supportive of entrepreneurship by its emphasis on moral importance of work right from its earliest beginning. The authors showed that hard work as a standard for judging the spiritual intentions of Christians entering a community was clearly defined in the Church manual, written approximately 80 CE. They also noted that Augustine of Hippo (354-430) in his *Enarrationes in Psalmos, 70, sermon 1* also finds virtue in the entrepreneurial activities of traders, including accruing profits for their efforts. In view of this revelation, the authors conclude thus: “within the Christian tradition well before even the sixteenth century reformation period the conclusion from the theological literature was clear: first, there is a clear moral component of work; and, second, there is a clear moral component of entrepreneurial effort.

In a similar vein, Cheung and King (2004) explored the moral choices of contemporary Confucian entrepreneurs; their findings revealed that moral virtues are pursued not for the sake of generating more profits but as an end in itself. Thus profit is not pursued indiscriminately, but rather they operate within legal boundaries where they limit their profit making activities within the ambit of their religious beliefs.

Again, Valliere (2008) studied (through qualitative study) the influence of Buddhist religion on the decision to become an entrepreneur as well as in the creation and operation of new business ventures. Finding revealed that conception of Buddhist doctrine of Right Livelihood play a significant role in the evaluation and exploitation of entrepreneurial opportunities and in the day to today operations of the resultant new business. In addition, Gotsis and Kortezi (2009) argued that a Greek Orthodox entrepreneur (like religious entrepreneurs belonging to other convictions) with high level of religiosity will tend to employ religious criteria in his managerial decision making and practices even at the expense of short-term profit.

Similarly, according to Lucky (2011), Islam encourages entrepreneurial activities as the source of income. Beside he noted that apart from the fact that the Prophet of Islam was known to have engaged in entrepreneurial activities, he promotes entrepreneurship to a status of religious activity. Hence, being a religious activity, striving to succeed in entrepreneurship in this world, may amount to achieving success thereafter. As such, this conviction will motivate Muslims not only to entrepreneurial but also propel them to succeed in order to have double reward (in this world and hereafter).

In the same vein, Vargas-Hernández et al. (2010) maintain that from the Islamic perspective, to indulge in business is to perform an obligatory duty (*fardhu kifayah*) and that Profits (though important) are merely incidental in the fulfillment of the *fardhu kifayah*. Thus,

Muslim entrepreneurs perform business not solely for profit, but above all, to fulfill the '*fardhu kifayah*'. What is more important is the search for God's blessings by Muslim entrepreneurs above all other considerations. The authors note that although entrepreneurs have to have objectives and targets but these are subservient to the ultimate objective of acquiring the blessing of God. However it should be noted that this contention does not in any way imply weakened profit motivating among practitioners. Profits are equally encouraged for the prosperity of the community through donations, taxes, *zakah*, *sadaqah*, tithes and the like.

Similarly, it is argued from the Islamic work ethic perspective that engagement in economic activities (entrepreneurship) is an obligation (Yousef, 2000). Work is therefore considered a source of independence and the means to achieve a fulfilled life. Again, Ludwig (2001) reports that the *Qur'an* speaks in favor of free trade and legitimate profit (so long as it is consistent with Islamic ethics and does not exploit others). As a matter of fact, Islam encourages prosperity through the appropriate use of the resources given by God (Vargas-Hernández, Noruzi and Sariolghalam, 2010). Such resources are considered important in providing for basic survival and physical needs as well as accumulation of wealth (Kriger and Seng, 2005).

In strengthening the above position, Mohsen (2007) observed that in actual sense individual's desire for profit seeking (entrepreneurship) and wealth accumulation is well recognised by Islam. One can be a good Muslim and at the same time a rich person. At a point some of the companions of the Prophet Muhammad (peace be upon him) were among the richest men of their time. In addition, Abdul-Wahid (1989) posit that in recognition of the importance of material well-being, Islam itemised three basic ways of earning a permissible livelihood; (1) profit from agriculture, industry and investment, (2) wages for work done, (3) rental income from leasing, letting and hiring. In the process of engaging the economic activities described

above, a person may either be a producer, a trader or a professional and all these constitute entrepreneurship activities (Baharun, 2000).

Similarly the extensive usage of business terminology by the Qur'an coupled with the encouragement given to Muslims to partake in it is a testimony of the degree of importance Islam attached to entrepreneurship (Abeng, 1997). To signify that Islam and the Qur'an promote entrepreneurship and view doing business positively, all faithful are encouraged to undertake long trips to conduct business with inhabitants of foreign lands in order to obtain all sources of power (including financial) (Mohsen, 2007 Abeng 1997). The holy Qur'an succinctly puts it this way:

*“And others travelling through the land, seeking for God’s bounty” (73.20)*

In addition, there are several traditions of the Prophet to buttress the need for Muslims to be entrepreneurial. For instance, he was reported to have said:

*Nobody ever eats better food than what he earned by his hand. Verily Daud the messenger of Allah used to eat from the labour of his hand. (Al-Bukhari 7: 1930)*

*“The upper hand is better than the lower hand” (Al-Bukhari 5:1338)*

*“It is better for one to take his rope to get wood for fuel than to ask for charity, whether they give him or not” (Al-Bukhari 7:1932)*

The importance of entrepreneurship in Islam can be viewed from the above Qur'anic verse and the *hadiths*. One of the emphases of the *hadiths* is that the giver is better than the receiver and by implication one has to be wealthy in order to give and therefore one has to earn a permissible livelihood (Mohsen, 2007). Thus, there is no excuse for being unproductive in Islam because the basis of our creation is to worship Allah and a great part of this worship is working hard in his way (Jabnoun, 2008).

In addition, Islam also recognises the fact that one can seek for *Jannah* (paradise) from the wealth obtained and from one's conduct in this world. As such according to Yousef (2001), Islamic teaching frowns at life of self denial, instead it encourages business motives and gives recognition to life fulfilment. The Qur'an is very specific about maintaining a balance life between the hereafter and this life

*“But seek, with the (wealth) which God has bestowed on thee the Home of the Hereafter nor forget thee portion in this world but do thou good as God has been good to thee, and seek not (occasion for) mischief in the land: For God loves not those who do mischief” (28:77)*

Given the articulation of value- and religious belief systems and their significance for societal goals and objectives, the individual and societal perceptions of entrepreneurial activities are affected by religious practices in different contexts (Gotsis and Kortezi, 2009). In addition, the decision to go into certain entrepreneurial pursuit may be stimulated by religious and ethnic diversity (Carswell and Rolland, 2007). Studies linking religiosity and entrepreneurship have suggested that individuals with strong intrinsic religious orientation have displayed personality characteristics and attitudes often associated with entrepreneurial behaviors; a greater sense of positive self-determination and esteem as well as tendency to start a business (Zita and Chamberlain, 1992; Frankel and Hewitt, 1994). Thus, as noted by De Noble et al (2007), internal religious orientation appears to encourage both anticipated and actual entrepreneurial activity since it is in most cases associated with individual self-determination and esteem. Based on this the authors opined that that higher levels of intrinsic religiosity will lead to higher levels of entrepreneurial behavior. Interestingly their study revealed that individuals that score high on intrinsic religious orientation may be more likely in self employment to have some measure of control on the market system in order to make it conform to their moral beliefs. Based

on the foregoing and by referring to the conceptual framework presented later, the proposition below is presented:

*H1: Islamic Religiosity is positively related to entrepreneurial motivation.*

## **2.4 Religiosity and Performance**

Religion is an important dimension of culture, and usually Culture is thought to influence economic outcomes by shaping personal traits such as honesty, thrift, willingness to work hard, and openness to strangers. In a recent study conducted by de Noble et al. (2007), it was revealed that religious orientation and value-based attitudes are found to be positively associated with higher levels of entrepreneurial activity. They further observed that this finding could be attributed to the importance of intrinsic religiosity for market behaviours and perceptions of market justice.

Islamic teachings also suggest a positive relationship between Islam and intrinsic work values - openness to change and the pursuit of initiative and creativity at work (Yousef 2000). Thus, as Islamic adherents approach work, they are likely to view the intrinsic aspects of work (i.e. having an interesting job or a job useful to society, etc.) positively, as ‘work is considered to be a source of independence and a means of fostering personal growth, self-respect, satisfaction, and self-fulfillment’ (Yousef, 2000: 515).

Similarly, the Protestant work ethics (as promoted by Weber) is another area where the impact of religion on entrepreneurship was properly captured (Gotsis and Korkezi, 2009; Ryman and Turner, 2007). In addition, Feldman (2007) found that Protestant religious values have

positive correlation with better labour market outcomes, most especially with higher labour force participation and employment rates.

In addition to this, Gotsis and Korkezi (2009) posit that by enhancing several components of strategic leadership such as vision, values and personal charisma, extant religiosity may enhance the strategic choice of entrepreneurs. To strengthen this contention, Ibrahim and Angelidis (2005), in their empirical study of “Christian based” companies in the USA revealed that Christian religious values and behaviours enshrined in organizational culture have a significant impact on profitability, competitiveness, and overall economic performance. Their finding further showed that when compared to their secular counterparts, Christian based companies seem to have experienced higher sales growth rate as well as level of productivity.

Again, based on the same line of argument, Fernando and Jackson (2006) in a multi-faith study pertaining to the influence of religion based workplace spirituality on business leaders decision making, contend that religion plays a significant role in influencing the judgment of leaders’ decision-making as well as enhancing its emotional and motivational qualities.

In much the same way, Woodrum (1985) study found that Japanese religion provided ethical motivations for entrepreneurship. He also found participation in religious activities to be predictor of success among Americans of Japanese origin. This finding suggests that economic behaviour can be linked to religion and ethics. In a similar vein, Galbraith and Galbraith (1997) examined the differences and similarities in attitudes and cultural norms between Catholic Hispanic entrepreneurs and non-Hispanic entrepreneurs. The result suggests that entrepreneurial success is linked to religious leadership because successful entrepreneurs doubled as community and religious leaders as well.

Another area in which religiosity enhances entrepreneurial performance is through religious networks. According to Dana (2009), the role of personal and professional networks in the practice of entrepreneurship is a well-established and much researched area. Here, the network reinforces the behavioral norms of the faith, and also provides a primary source of contacts for the individual. It is suggested that by identification or affiliation with a particular religious grouping, an entrepreneur can derive much benefit through religious network (Dana, 2009). In line with this contention, it is argued that religious houses, the adherence to certain dogmas, church attendance, and the specific community-based parameters of behavior may be an important source of economic and social capital for entrepreneurs through the networks and interactions fostered (de Noble et al, 2007; Sacerdote and Glaeser, 2001; Putnam, 2000). For instance, the transaction costs of intra-sect exchange can be reduced, social capital enhanced, and efficient economic “clubs” formed through social networks and religious affiliation (Galbraith, 2004). Thus, it may be said that a given religious beliefs and attendance to religious activities such as church would have a separate, positive effect on performance of the entrepreneurs (Barro & McCleary (2003).

Dana (2009) further noted that although this link may not be of much importance for members of a very dominant religious group, or for those living in religiously homogeneous societies, however, for minority religious groups, especially those who are to some extent excluded from mainstream society, religious networks that provides access to professional advice and services may be a matter of no small value.

Similarly, in his study of 227 Muslims entrepreneurs in London to see the relationship between cultural attributes and entrepreneurial behaviour, Altinay (2008) found a strong relationship between religion and advice-seeking practices; Muslims who practice their religion



rely more on advice from co-ethnics. Dana (2006) also observed that co-religionists facilitated the dissemination of knowledge and availability of finance among themselves as was the case with the Jewish cattle dealers who relied heavily on other Jews for financing. He noted too that an individual was given assistance by other merchants when in a state of financial stress or in the event of bankruptcy.

The effect of prayer in the workplace (especially as it had affect decision making) had been recognised in the literature. For instance, there is evidence to indicate that managers are grasping that prayer can be a source of accuracy or a lesser margin of error in their corporate decision making (Vasconcelos, 2009). Similarly, McGee and Delbecq (2003) asserted that executives regard prayer as being beneficial to them because it helps them to keep their mental and emotional capacities at an optimal level. Furthermore, they feel somehow inspired to make right decisions. Based on the foregoing and regardless of the paucity of empirical evidence regarding the effects of prayer in work settings, the anecdotal evidence showed that it had been positively associated with the spirituality in business movement (Benefiel, 2005; Biberman & Tischler, 2008).

Prayer (*salat*) is the second pillar of Islam and as held by Al-Gazali (2004), the core and real benefits of prayers is avoiding wrong doing consequently which lead to righteousness. It should be noted that righteousness enhances the chance of accepting one's supplication (*doa*) by Allah. Since prayer includes "*doa*" which brings "*barakah*" and reduces stress (Al-Helali, 2000), we expect that prayer can enhance entrepreneurial performance.

Spending in Allah's ways (*Zakat*, as the third pillar of Islam) has implication for entrepreneurial performance. A penny, when spent in Allah's course, make the giver feels more satisfied, which motivates him to work harder and give more (Kamil, Al-Kahtani and Sulaiman,

2011). In addition, helping and showing concerns for others drive out fear, anger, jealousy and guilt and provide joy, peace and serenity that in turn lead to loyalty, high organizational commitment, reduces stress and improve productivity (Fry, 2003).

The Qur'an enjoins all capable Muslims to perform Fasting during the month of *Ramadhan* as the fourth pillar of Islam (Qur'an, 2:183). Muslims are also encouraged to observe other optional fastings apart from the obligatory fasting of the month of *Ramadhan*. Fasting has several salient benefits of which increased physical fitness (a characteristic of effective people) is one (Kamil, et al. 2011). As noted by Athar (2001), fasting also has several health benefits including lowering blood sugar, cholesterol and blood pressure according to the medical experts. In addition to the health benefits, it also has some psychological effects including peace and tranquillity, with personal hostility at the minimum which may lead to quality job at the workplace (Kamil, et al. 2011). All these benefits lead to better stability in the blood glucose (Athar, 2001).

Performing *haj* is the fifth pillar in Islam which is mandatory for all capable Muslims to observe it once in their lifetime (Qur'an, 2:196-200). Such act may strengthen ones bond with Allah, and leads to enjoying the guidance and *barakah* of Allah, which will lead to positive guidance in ones dealings in organizations (Kamil, et al. 2011).

Remembrance of Allah (*Dhikrullah*) is considered as an act of worship (*ibadat*) in Islam. The frequent remembrance of Allah with the heart and the tongue is one of the main characteristics of the people who possess *Taqwa* (Kamil, et al. 2011). Due to its importance in the lives of Muslims, *Dhikrullah* has been mentioned in several places of the Qur'an. The frequent remembrance of Allah (by for instance entrepreneur) whilst at the workplace in order to

strengthen the bond with Allah may lead to receiving a divine intervention from Allah in the decisions one make in the workplace (Kamil, et al. 2011).

Based on the literature review the following propositions are made:

*H2: Religiosity has direct positive relationship with entrepreneurial performance.*

*H3: Entrepreneurial motivation moderates the relationship between Islamic religiosity and entrepreneurial performance.*

## **2.5 Religiosity and Social Responsibility**

In addition to the generally positive influence of religion on well-being (Emmons, 1999), it also appears to have a powerful influence for encouraging socially responsible behaviour. In line with this contention, Weaver and Agle (2002) indicated that religious role expectations, internalized as religious self identity, can influence ethical behavior or values of individual. In the same line of argument, Gotsis and Kortezi (2009) posit that religious convictions, individual religiosity as well as the salient religious beliefs have an effect on ethical decision making of managers. As such, they enhance and facilitate ethical awareness as well as drastically reduce unethical behaviour in business settings.

In addition, apart from fostering work ethics, the worldview of Greek Orthodoxy also fosters leadership style that may facilitate successful entrepreneurship (Dana, 2009). This outcome may indirectly influence the social responsibility stance of the managers. Several studies cutting across variety of religious context seems to corroborate this position. For instance in an empirical study, Brammer, Williams and Zinkin (2006), explored the relationship between religious denomination and individual attitudes toward corporate social responsibility. The result

suggests that religious individuals tend to hold broader conceptions pertaining to social responsibilities of businesses compared to non-religious individuals.

Drawing from the evidence put forward by the Brammer et al. (2006) study (among others), Gotsis and Kerkezi (2009) argued that the Greek Orthodox entrepreneurs are also bound to be socially responsible owing to the fact that showing deep concern for social issues involving diverse stake holders and being environmentally sensitive (responsible business behaviour) is considered a valuable application of specific (Orthodox) religious tenet. Similarly, from the perspective of Orthodoxy, business responsibility encompasses both spiritual and ethical dimensions that are expected to be binding on all adherents. Thus, based on the same line of argument, the authors posit that since the Greek Orthodoxy gives justification for engaging in corporate beneficence and promotion of environmentally friendly technologies, a religiously motivated Greek Orthodox entrepreneur may exhibit a higher degree of corporate social responsibility and a higher demonstration of environmental responsibility.

In a similar vein, Conrey and Emerson (2004) examine the relationship between religiosity and ethical attitudes of students; their study revealed that religiosity significantly correlate with ethical perceptions, and thus a significant predictor of students' ethics. Again, in a study concerning the relationship between religious commitment and business ethics of Evangelical Christians, Longenecker, Mckinney and Moore (2004) suggested that respondents who indicated that religious interests were of high or moderate importance to them demonstrated a higher level of ethical judgement and fewer acceptance of un-ethical decisions than others in their evaluation. They further noted that such ethical elements have implications at the organisational level; they tend to enrich as well as give justification for a certain kind of organisational or enterprise culture.

From the Islamic perspective, Al-Khalifa (1994) notes that performance of religious worship in public as directed by the religion helps to develop an environment of communal piety. For instance the performance of five daily prayers in public and in congregation has more than a purely religious function; it's a mechanism to bring people together and enhance their social bonds. When prayer is performed in congregation, it promotes a bond of brotherhood and unity among worshippers (Kamil et al., 2011). Consequently, such behaviour is expected to have positive impact on orientation towards social responsibility.

Spending in Allah's ways (*Zakat*, as the third pillar of Islam) purifies the soul and corrects behaviour (Al-Helali, 2000). Spending in Allah's ways strengthens the brotherhood and establishes social cohesion because the person who spends in Allah's ways is close to the hearts of the people (Mohsen, 2007). In addition to this, giving alms (*zakat*) to the needy ease economic hardship and also shrinks the gap between the "haves" and the "have nots" thereby minimising conflict between the two groups and helps to preserve a sense of community Al-Khalifa (1994).

The following propositions are presented for future studies:

*H4: Islamic religiosity has direct positive relationship with entrepreneur's commitment to social responsibility.*

*H5: Entrepreneurial motivation moderates the relationship between Islamic religiosity and commitment of entrepreneurs toward social responsibility.*

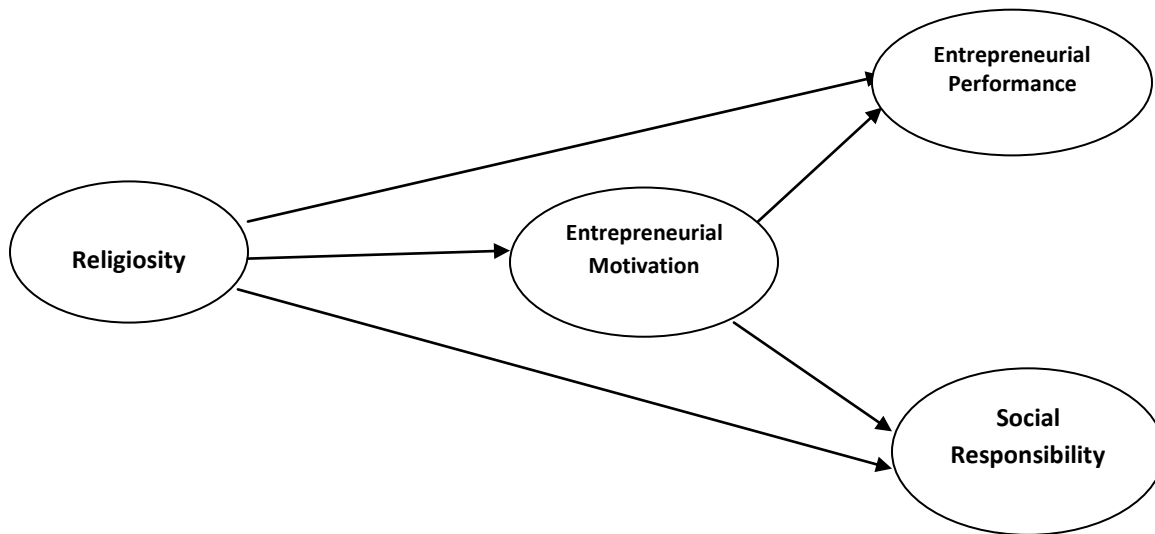
### **3.1 Conceptual Framework**

Based on the literature review; this study proposes a conceptual framework of studying entrepreneurial motivation, performance and commitment to social responsibility from the perspectives of Islamic religiosity. The selection of Islamic religiosity as the antecedent of the

entrepreneurial outcomes under study is based on the belief that such relationship had not been extensively researched in the past.

In the proposed framework (depicted in figure 2 below), there is one independent variable (religiosity in Islam), two dependent variables; entrepreneurial performance and commitment to social responsibility and one mediating variable (entrepreneurial motivation).

The model suggests that Islamic religiosity directly influence entrepreneurial performance and commitment to social responsibility and indirectly through entrepreneurial motivation (as mediator).



**Figure 2: Conceptual Model**

Based on extensive literature reviews, this conceptual paper has outlined the impacts of employees’ religiosity, spirituality, personal values and commitments on employee work performance in organizations, particularly those operating in multicultural environments

### **Conclusion and Implications**

As stated earlier, works relating religiosity and entrepreneurial outcomes tended to focus almost exclusively on Judeo-Christian perspective, therefore this present study (based on extensive literature reviews) extends previous research by focusing on Islamic religiosity and its potential

impact on entrepreneurial behavior. It is argued that the four pillars of Islam (*salat* (prayer), *zakat* (mandatory spending in Allah's course), *Saum* (fasting) and *haj* (pilgrimage to *Mecca*)) together with *Doa* (supplication) not only reinforce loyalty, sensitivity, and identity among Muslims' groups but also leads positive entrepreneurial outcomes such as improved mental and physical fitness, enjoying the guidance and *barakah* of Allah in decision making (which will lead to positive guidance in ones dealings in organizations), strengthening brotherhood and establishing social cohesion resulting into positive impact on orientation toward social responsibility. Thus, it can be said that Islamic religiosity has the potential benefit of fostering entrepreneurial motivation, enhancing performance and commitment to social responsibility.

From the foregoing, this study's major findings will hopefully contribute to efforts to focus the attention of researchers, business practitioners, and policy makers on the potential benefits of applying Islamic religiosity on entrepreneurship. More specifically,

This finding provides a significant contribution to entrepreneurship research by presenting one of the earliest examinations of specific role Islamic religiosity plays in entrepreneurship, making it very important in view of the rapid increase in the population of Muslim in the world whose contribution to entrepreneurship is being questioned.

Similarly, practitioners can take a leaf from this study by focusing not only their own religious practices but also on the religious dimension of their employees in order to manage work stress and improve their productivity. Again, practitioners may cash on the outcome of this preliminary study by encouraging religious practices (such as prayers to seek help from the ultimate) in the workplace in order to improve decision making

For those concern with policies aimed at promoting entrepreneurial spirit, this study also suggest that religiosity may be important to the formation of entrepreneurial processes, or to the implementation of policies aiming at fostering entrepreneurial objectives. Agan, if the motivation

and behaviours of entrepreneurs are related to their religious practices, then it become desirable for policy makers to adapt policies directed toward promoting religious values and practices in order to meet the goal of increased entrepreneurship in the society.

Although the outcome of this study looks interesting and thought provoking, clearly, it can only be considered preliminary in view of its exploratory nature. In view of that, the findings and conclusions arrived at are therefore merely indicative of potentially fruitful avenues for additional research into the role specific roles played by Islamic religiosity in entrepreneurial decisions. What is still needed is the undertaking of empirical studies and field-work highlighting the actual benefits of Islamic religiosity on entrepreneurship

Since the present study only focused on religiosity from the entrepreneurs' perspective, future research could examine religiosity from the perspective of employees. Similarly, future research could compare and contrast the behaviour of entrepreneurs that are motivated by religiosity and those who are not so motivated. Again it will be an interesting avenue of future research to further explicate specific dimensions of performance and social responsibility that are affected by religiosity. Considering the effects of prayer to managerial decisions, it will be interesting for future research to find out the frequency of prayers performed by managers before making important decisions and how satisfied are they afterward with the accuracy of their decisions.

Equally interesting (as suggested by Vasconcelos) is for future research is to investigate the effect of prayer on workers stress and pressure emanating from their work environment. Future empirical research might also consider whether religion-based spirituality have a significant relationship with such qualities as honesty, integrity and ethical behaviours in organisations.

Another interesting future research agenda would be to explore the demographic aspect of entrepreneurship research by identifying a possible religious component in the motivational and



vocational patterns of female Muslim entrepreneurs. Future research may also look at the effects of Islamic religiosity on entrepreneurs' individual characteristics such as tolerance to risk, need for autonomy and independence, need for achievement, need for creativity, honesty and so on. Finally, it is hoped that the propositions presented in this paper and the conceptual framework developed from exhaustive conceptual analyses will trigger more research interests among scholars to conduct relevant empirical investigations to test and update the model in future.

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