

Religious Capital and Entrepreneurial Behavior in Small Businesses: The Importance of Entrepreneurial Creativity

Authors : Waleed Omri

Abstract : With the growth of the small business sector in emerging markets, developing a better understanding of what drives 'day-to-day' entrepreneurial activities has become an important issue for academicians and practitioners. Innovation, as an entrepreneurial behavior, revolves around individuals who creatively engage in new organizational efforts. In a similar vein, the innovation behaviors and processes at the organizational member level are central to any corporate entrepreneurship strategy. Despite the broadly acknowledged importance of entrepreneurship and innovation at the individual level in the establishment of successful ventures, the literature lacks evidence on how entrepreneurs can effectively harness their skills and knowledge in the workplace. The existing literature illustrates that religion can impact the day-to-day work behavior of entrepreneurs, managers, and employees. Religious beliefs and practices could affect daily entrepreneurial activities by fostering mental abilities and traits such as creativity, intelligence, and self-efficacy. In the present study, we define religious capital as a set of personal and intangible resources, skills, and competencies that emanate from an individual's religious values, beliefs, practices, and experiences and may be used to increase the quality of economic activities. Religious beliefs and practices give individuals a religious satisfaction, which can lead them to perform better in the workplace. In addition, religious ethics and practices have been linked to various positive employee outcomes in terms of organizational change, job satisfaction, and entrepreneurial intensity. As investigations of their consequences beyond direct task performance are still scarce, we explore if religious capital plays a role in entrepreneurs' innovative behavior. In sum, this study explores the determinants of individual entrepreneurial behavior by investigating the relationship between religious capital and entrepreneurs' innovative behavior in the context of small businesses. To further explain and clarify the religious capital-innovative behavior link, the present study proposes a model to examine the mediating role of entrepreneurial creativity. We use both Islamic work ethics (IWE) and Islamic religious practices (IRP) to measure Islamic religious capital. We use structural equation modeling with a robust maximum likelihood estimation to analyze data gathered from 289 Tunisian small businesses and to explore the relationships among the above-described variables. In line with the theory of planned behavior, only religious work ethics are found to increase the innovative behavior of small businesses' owner-managers. Our findings also clearly demonstrate that the connection between religious capital-related variables and innovative behavior is better understood if the influence of entrepreneurial creativity, as a mediating variable of the aforementioned relationship, is taken into account. By incorporating both religious capital and entrepreneurial creativity into the innovative behavior analysis, this study provides several important practical implications for promoting innovation process in small businesses.

Keywords : entrepreneurial behavior, small business, religion, creativity

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