

Religious Inclination And Entrepreneurial Intentions In North-Central, Nigeria

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Abstract

The study investigated the relationship between religious inclination and entrepreneurial intentions in North-Central, Nigeria. Descriptive survey design was adopted. The population of the study were church leaders who are members of the Pentecostal Fellowship in North Central Nigeria. Cochran's formula for infinite population was used to draw a sample size of 384. Primary data were collected through the administration of questionnaire. The questionnaire was structured in five-point Likert scale. The hypotheses was tested using partial least squares – structural equation modelling (PLS-SEM). The results showed religious inclination had significant relationship with social entrepreneurial intentions. Also, religious inclination had significant relationship with commercial entrepreneurial intentions amongst Pentecostal leaders in North-Central Nigeria. The study recommended that Pentecostal Churches should encourage the integration of entrepreneurial training and education within their congregations as well as provide religious leaders and members with the necessary skills and knowledge for successful entrepreneurship can help them realize their business aspirations while staying aligned with their faith.

Keywords: Religious Inclination, Entrepreneurial Intentions, North-Central Nigeria.

1. Introduction

Entrepreneurship is a vital aspect of economic growth and development (Anyachebelu, Igwe & Akpan, 2023), and many factors influence entrepreneurial intentions. One such factor is religiosity, which has been found to have a significant impact on entrepreneurial intentions (Alkire, 2006; Isa & Shitu, 2015; Wibowo, 2017). Nigeria is a country with a high level of religiosity, and it has been suggested that religious teachings can enhance moral values in business and entrepreneurial intentions (Isa & Shitu, 2015).

In the dynamic landscape of entrepreneurship, the interplay between socio-cultural factors and individual motivations has garnered significant attention from researchers and policymakers alike (Baron, 2007; Shane & Venkataraman, 2000). One such factor that has demonstrated its influential role is religion, which often operates as a profound determinant of people's values, beliefs, and behaviours (Aldrich & Cliff, 2003). In the context of North-Central Nigeria, a region known for its religiosity and vibrant entrepreneurial activities, the

relationship between religious inclination and entrepreneurial intentions becomes a subject of compelling exploration.

Nigeria, as a whole, boasts a rich tapestry of religious diversity with Islam and Christianity being the predominant faiths. North-Central Nigeria, in particular, stands as a microcosm of this diversity, as it encompasses a multitude of ethnic groups, each with its distinct religious identity (Peel, 2000; Olupona, 2003). This diversity is not only reflective of Nigeria's societal fabric but also intricately intertwined with its economic landscape. Entrepreneurship, as a driving force of economic growth and development, is heavily influenced by the prevailing cultural and religious norms of a society (Audretsch & Thurik, 2001; Kautonen, van Gelderen & Fink, 2015).

The intertwining of religion and entrepreneurship is not a novel concept; rather, it has been an integral part of various societies for centuries. Historical accounts suggest that religious values often shape individuals' ethical considerations, risk perceptions, and long-term goals, all of which have direct implications for entrepreneurial decision-making (Baumol, 1990; Weber, 1905). However, the nature of this relationship is complex, as religion can both encourage and discourage entrepreneurial endeavours. For instance, the emphasis on thrift, honesty, and hard work in many religious teachings might foster a conducive environment for entrepreneurship, while certain religious doctrines may also prioritize asceticism and discourage material pursuits (Hofstede, 2001; Stark, 1996). Against this backdrop, the present article embarks on a journey to examine the intricate connection between religious inclination and entrepreneurial intentions in North-Central Nigeria.

2. Literature Review

Religious Inclination

Religious inclination refers to an individual's level of religiosity or the extent to which they are devoted to religious beliefs and practices (Wibowo, 2017; Lawal, 2021). It is an important individual characteristic that has a significant influence on shaping daily life decisions, including entrepreneurial intentions (Lawal, 2018). Scholars of religion argue that religion is a pervasive and vital force at both individual and community levels, and it has a significant impact on people's lives (Lawal, 2018). However, characterizing religion as primarily about beliefs is a Western bias, and a functional definition of religion focuses on the practices and rituals that people engage in (Lawal, 2021).

Entrepreneurial Intentions

Entrepreneurial intentions are a fundamental aspect of the entrepreneurial process, representing an individual's cognitive readiness and commitment to engage in entrepreneurial activities. It serves as a critical precursor to actual entrepreneurial behaviours and actions. This concept has been widely studied and is central to entrepreneurship research (Caniëls & Motylska-Kuźma, 2023; Bağış, Altınay, Kryeziu, Kurutkan & Karaca, 2023).

Entrepreneurial intentions refer to an individual's conscious plans, thoughts, and motivations to initiate, develop, and operate a new business venture or engage in entrepreneurial activities (Krueger, Reilly, & Carsrud, 2000). These intentions are a reflection of a person's willingness and commitment to become an entrepreneur. Importantly, they are a pivotal step between identifying opportunities and taking concrete actions to exploit them. In addition, Bağış, et al., (2023) see entrepreneurial intentions as an individual's inclination or desire to engage in entrepreneurial activities and start their own business.

Hypotheses Development

Religiosity is an important factor that influences entrepreneurial performance. Studies have shown that religious teachings can enhance moral values in business, which can lead to ethical business practices and better performance (Bağış, et al., 2023). Additionally, social cues provided by religiosity can influence attitudes, values, motivations, and behaviours, which can lead to better entrepreneurial performance (Wibowo, 2017). Similarly, Lawal (2021) found that religiosity has a positive impact on entrepreneurial intentions. Similarly, a study conducted among students in four countries found that individual religious affiliation and religiosity have a positive effect on entrepreneurial intentions (Wibowo, 2017). The findings of these studies suggest that religious inclination can enhance moral values in business and contribute to economic growth and development.

Understanding the impact of religiosity on entrepreneurial intentions can help in designing effective strategies to foster entrepreneurship within religious communities. By leveraging the values, support systems, and inspiration provided by religiosity, individuals can develop stronger intentions to engage in entrepreneurial activities and contribute to economic growth and development. Hence, this study proposed that:

H₁: Religious inclination has a significant effect on social entrepreneurial intentions amongst Pentecostal leaders in North-Central Nigeria.

H₂: Religious inclination has a significant effect on commercial entrepreneurial intentions amongst Pentecostal leaders in North-Central Nigeria.

The research model in figure 1 was developed to guide the study. The model shows the relationships between religious inclination and social and commercial entrepreneurship intentions of the religious leaders.

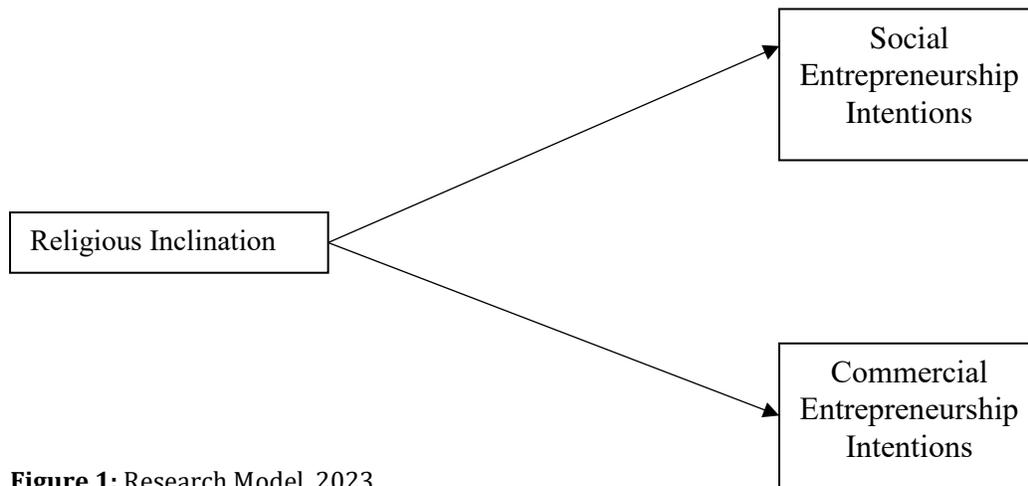


Figure 1: Research Model, 2023.

3. Methodology

Research Design/Participants

The study adopted the descriptive survey design. This is because it observes preferences, practices, characteristics, relationships, and differences between religious inclinations which predicted commercial and/or social entrepreneurial intention as an outcome variable. The population of the study are church leaders who are members of the Pentecostal Fellowship in North Central Nigeria. Given that the total number of Pentecostal leaders are not known, a sample size of 384 was determined from members of the Pentecostal Fellowship of Nigeria using the Cochran formula for determining sample size of an unknown population.

Research Instrument

For the purpose of this study, the researcher used self-administered questionnaire as the instrument for data collection. Self-administered questionnaire enabled the researcher collect information directly from respondents, and to clarify any difficulty a respondent may encounter while responding to the questionnaire. The independent variable, religious inclination was measured as unidimensional construct with 10 items adopted from Hoge, (1972). The items gathered responses on religious motivations of the respondents, and not necessarily their religious behaviour. A five point Likert scale of strongly disagree to strongly agree was used. The dependent variable – entrepreneurial intentions was decomposed into commercial and social entrepreneurship intentions. Commercial entrepreneurship was measured using the Linan and Chen (2009)'s entrepreneurial intension scale, although with some slight adjustments. The scale include 6 items that enquired about the perceptions of the respondents and their intensions to become entrepreneurs; their determination to create enterprises in the future; and how they have very seriously thought of starting up their own firms, etc. The measure of this scale used a five point Likert Scale of strongly disagree to strongly agree. Social entrepreneurship was measured using Hockerts' (2017) social entrepreneurship intension scale. The scale includes a total of 3 items that aim at accessing the respondents' perceptions towards their intentions to become social entrepreneurs. It includes items such as the expectations of the respondents to sometime in the future be involved in launching organizations that are aimed at solving social problems; the extent to which they have preliminary ideas for social problems on which they plan on acting on in the future.

4. Data Analyses and Discussion of Findings

The partial least square – structural equation modelling (PLS-SEM) was used to test the hypotheses. The PLS-SEM is well-suited for path modeling, which allows researchers to test hypotheses about the relationships between variables (Hair, Hult, Ringle & Sarstedt, 2016). It allows for the examination of direct and indirect effects in a structural model, making it useful for exploring complex relationships between multiple constructs simultaneously (Henseler, Ringle, & Sarstedt, 2015). In addition, PLS-SEM is a versatile and robust statistical technique for testing hypotheses in various research domains (Akpan, Igwe, Al-Faryan & Udoh, 2022). Its flexibility, ability to handle small sample sizes, and capability to model both formative and reflective constructs make it a valuable tool for researchers seeking to explore complex relationships among variables and test hypotheses in their studies (Gefen, Rigdon & Straub, 2011).

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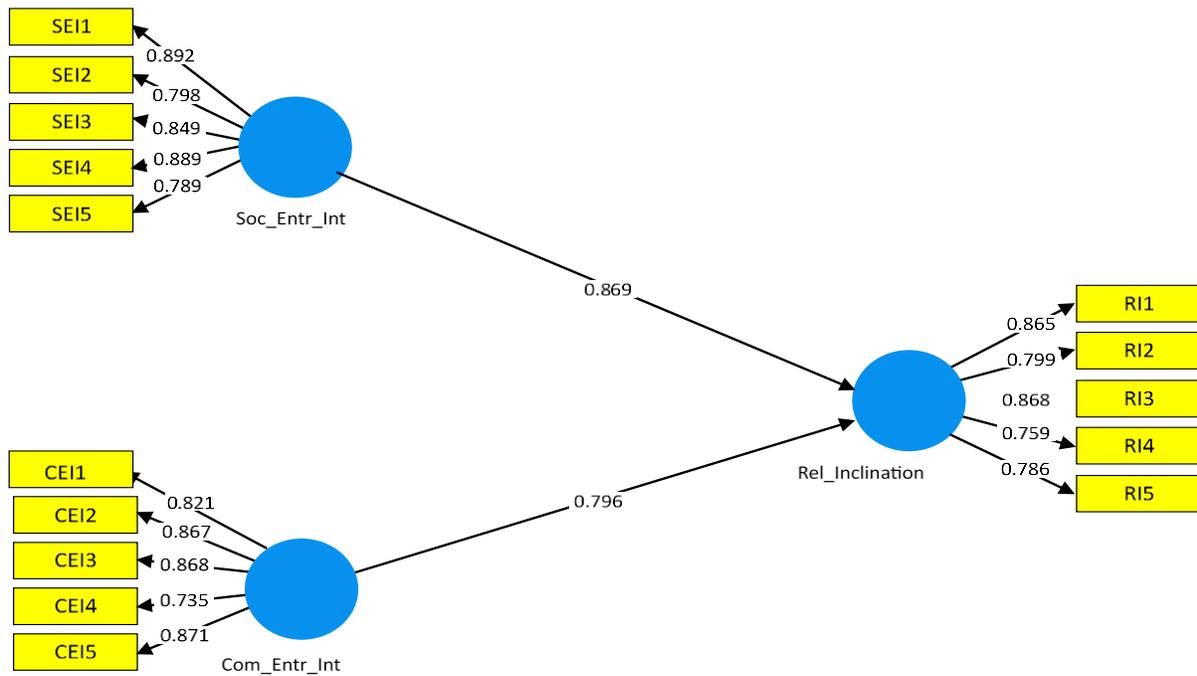


Figure 2: Test of Hypotheses One and Two

Table 1: Results of Hypotheses One and Two

Hypotheses	Path coefficient (β)	Standard error	T. value	P. value	Decision
SE1 -> RI	0.869	0.019	19.722	0.000	Supported
CEI -> RI	0.796	0.006	27.078	0.000	Supported

Note: SEI = Social Entrepreneurial Intentions, CEI = Commercial Entrepreneurial Intentions, RI = Religious Inclination. T-Statistics greater than 1.96 at 0.05 levels of significance.

Source: SmartPLS 3.2.9 Output on Research Data, 2023.

Figure 2 and table 1 indicate significant paths between social entrepreneurial intentions and religious inclination ($\beta = 0.869$; $t = 19.722$; $p < 0.05$), and commercial entrepreneurial intentions and religious inclination ($\beta = 0.796$; $t = 27.078$; $p < 0.05$). Hence, both hypotheses one and two were accepted. Further, table 2 depicts the effect sizes of social entrepreneurial intentions and commercial entrepreneurial intentions on religious inclination with f^2 values of 0.02, 0.15, and 0.35. These values represent small, medium, and large effects respectively (Hair, Hult, Ringle & Sarstedt, 2022; Cohen, 1988). It also shows the r^2 (predictive accuracy) and q^2 (predictive relevance) results.

Table 2: Predictive Accuracy, Predictive Relevance and Effect sizes (f^2)

Paths	Correlation coefficient (r)	Predictive Accuracy r^2	Adjusted r^2	Effect Size f^2	Predictive Relevance Q^2
CD -> ES	0.869	0.755	0.752	0.24	0.570
ST -> ES	0.796	0.634	0.630	0.36	0.402

Note: SEI = Social Entrepreneurial Intentions, CEI = Commercial Entrepreneurial Intentions, RI = Religious Inclination. r^2 , 0.19 = weak; r^2 , 0.33 = moderate; r^2 , 0.67 = substantial, Chin (1988). Effect size (f^2) of 0.02 = small; 0.15 = medium, while 0.35 = large effect. $Q^2 > 0$ = satisfactory predictive relevance, Chin (1998); and Hair, Hult, Ringle and Sarstedt (2022).

Source: SmartPLS 3.2.9 Output on Research Data, 2023.

Following the rule of thumb that Q^2 values of an endogenous construct are larger than zero (>0), indicates that the exogenous (explanatory) construct has predictive relevance for the endogenous construct (Hair, et al., 2020). Table 2 shows the values of Q^2 for both social entrepreneurial intentions and commercial entrepreneurial intentions are 0.570 and 0.402. Since the Q^2 values for the endogenous constructs are greater than zero, it means the structural model is capable of predicting the endogenous latent variables indicators. Also, the r^2 (predictive accuracy) shows that moderate predictive accuracy of social entrepreneurial intentions on religious inclination. Same result was obtained for and commercial entrepreneurial intentions and religious inclination. However, of social entrepreneurial intentions has a higher r^2 values which implies that of social entrepreneurial intentions leads to higher variation in religious inclination. Lastly, the f^2 (effect sizes) results show that, strategic thinking has the largest effect on religious inclination of the religious leaders with an f^2 value of 0.24. This indicates a substantial and meaningful impact of strategic thinking on the religious inclination of religious leaders, making it an important factor to consider when studying or addressing issues related to religious leadership and practices.

Discussion of Findings

The study examined the complex interplay between religious inclination and entrepreneurial intentions conducted among Pentecostal leaders in North-Central Nigeria. The study revealed that Pentecostal leaders who exhibited strong social entrepreneurial intentions also tended to possess a higher degree of religious inclination (Wibowo, 2017). This phenomenon could be attributed to the intrinsic values embedded within Pentecostalism, emphasizing community welfare and active engagement in addressing social issues (Bağış, et al., 2023). It was found that Pentecostal leaders often viewed their religious beliefs as a driving force behind their desire to effect positive change in society (Lawal, 2021; Ajekwe & Ibiame, 2019). This alignment between social entrepreneurship and religious inclination was a distinctive feature of Pentecostal leadership in North-Central Nigeria.

In addition, the study showed a positive relationship between commercial entrepreneurial intentions and religious inclination among Pentecostal leaders. These leaders demonstrated a unique capacity to integrate their faith into their entrepreneurial endeavours. Their religious values translated into ethical business practices, and they viewed their entrepreneurial success as a means of fulfilling their religious duty (Asare-Kyire, Owusu & Junaid, 2016). This connection between commercial entrepreneurship and religious inclination was evident in the stories and experiences of Pentecostal leaders who saw their business ventures as a form of stewardship, utilizing resources in accordance with their religious principles (David & Lawal, 2018).

5. Conclusion

The study concluded that religious inclination has a significant relationship with entrepreneurial intentions in North-Central Nigeria. The alignment of faith with both social and commercial entrepreneurship underscores the significant role of religion in shaping individuals' aspirations and actions. The findings of this study provided valuable insights into the significant role that religious inclination plays in shaping entrepreneurial intentions in North-Central Nigeria. The study observed a complex interplay between religious beliefs and the pursuit of entrepreneurship, both of social and commercial natures. The finding implies that individuals who exhibited strong social entrepreneurial intentions often saw their religious faith as a driving force behind their desire to address social issues and contribute positively to their communities. This alignment of values between social entrepreneurship and religious inclination underscored the profound influence of faith on social engagement and community development in the region.

Similarly, the study found a positive relationship between commercial entrepreneurial intentions and religious inclination. Entrepreneurs in North-Central Nigeria frequently integrated their religious values into their business practices, emphasizing ethical conduct and viewing their entrepreneurial success as a means of fulfilling their religious duty. This connection highlighted the potential for the coexistence of business ventures and faith-based principles, fostering a unique approach to entrepreneurship in this region.

Recommendations

Based on the findings of the study on religious inclination and entrepreneurial intentions in North-Central Nigeria. The following recommendations were made:

- i. Pentecostal churches should encourage the integration of entrepreneurial training and education within their congregations. Providing religious leaders and members with the necessary skills and knowledge for successful entrepreneurship can help them realize their business aspirations while staying aligned with their faith.
- ii. Religious leaders and entrepreneurs should be encourage to uphold ethical business practices inspired by their faith. Religious organizations and leaders can play a role in promoting honesty, transparency, and social responsibility in business ventures, which can positively impact both society and the entrepreneurial ecosystem.

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