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THE INFLUENCE OF RELIGION ON ENTREPRENEURIAL PARTICIPATION AMONG STUDENTS

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Abstract

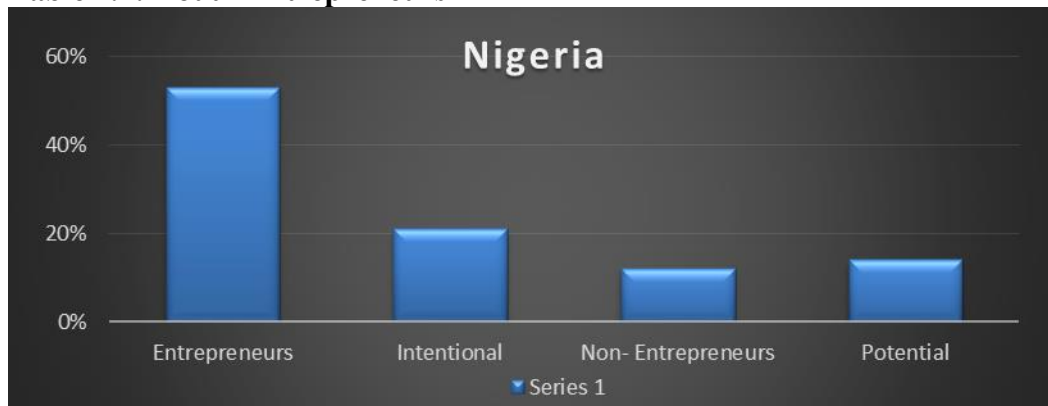
Is religion a driver of entrepreneurship? This is the motivation of embarking on this research, to examine whether there is any influence between religion and entrepreneurship participation. With the high number of entrepreneurial activities currently in Nigeria, the main question is, does religion has any impact on such activities? The theory which underpin the study is Max Weber's protestant ethic and the spirit of capitalism theory. The study adopted a survey method, using one hundred and fifty (150) questionnaire which were administered to Post Graduate students of Ahmadu Bello University Zaria from the Department of Business Administration, from which one hundred and eighteen (118) were duly filled and returned. The study employed the use of multiple regression using STATA software. The findings of the study revealed a positive relationship between IR and EP, however there was no influence between IR and EP because the P value is higher than 10%, but the results also shows that there is strong influence of extrinsic religion on entrepreneurial participation. Thus, the study recommended that religious leaders should be involved in training youths or entrepreneurs and in their sermons they should be centered on educating the populace on the importance of entrepreneurship in order to enable the country prosper.

Keywords: Intrinsic religion(IR), extrinsic religion (ER), Entrepreneurial participation (EP).

1.1 Introduction.

The Nigeria government interest is in aligning to promote entrepreneurship as a means of promoting economic growth and curbing unemployment. This is evident by the high index of total entrepreneurial activities in the country, additionally establishing a number of policies since the 1980's clearly shows evidently the importance of entrepreneurship to the government (GEM, 2013). Due to this reasons Nigeria has a very high proportion of youth engaged in entrepreneurial activities. However the status given to entrepreneurship as good career choice and status given to entrepreneurship is barely 20% and the media allocation on entrepreneurship is also very poor in the country (GEM 2014). This is quite disturbing despite the number of policies the Government has established, this point out an important question; is there a cultural factor (religion) that is hindering the choice of entrepreneurship as a career choice in Nigeria?

Table 1.1: Youth Entrepreneurs



Source: GEM 2015

Table 1.1 shows the number of youth entrepreneurs in the country. From the table it is evident that more than half of the population of youth are involved in some form of entrepreneurial activity, and quite a number started the business intentionally not accidentally and a few percentage are still hoping to be potential entrepreneurs while there a few number of non- entrepreneurs among the youth population (GEM, 2015).

Religion has been argued as catalyst of entrepreneurship participation by some scholars notably Max Weber who expressed his opinion that culture has an impact

on entrepreneurship participation although he reiterated that religion as a factor of culture is more important than any other factor. Hofstede differ in his argument, He argued that religion is not an important factor as having any strong influence on entrepreneurship participation. (Naude 2013)

Morrison (2000) in his argument about culture insists that what one culture regard as essential or important may not be so important to others. Religion could then be not as important as found in other cultures, this necessitate the need for this study, importantly to the best of the knowledge of the authors, no similar study has been carried out in the Nigerian context.

This study is aimed at determining whether there exists a relationship between religion and entrepreneurship participation, taking Post Graduate students of Ahmadu Bello University Zaria from the Department of Business Administration as the sample of the study.

The remainder of the paper is structured as follows: Section 2 comprises of the review of related literature and it addresses mainly the theoretical and empirical issues. Section 3 examines the methodology employed in the paper. The findings was reported in section 4. And finally, Section 5 provides a conclusion and recommendations.

2.1 Review of Related Literature

Religion has been notable for over centuries, it has been a determining factor for so many aspects of life as Williamson, Meuller, Van Deusen & Perryman (2007) argued it as a system in which it is usually institutionalized which inhibits the beliefs of people and also how it shapes their behavior and ultimate commitment to a supernatural Being. This is also supported by the works of Audretsch & Meyer (2009) that Religion has to do with beliefs of individuals with which it affects their behavior and actions, Although Carswell & Rolland (2007) perceived religion as a socially structured pattern of beliefs and customs which imbibes the feeling of ultimate meaning and existence of a Supernatural Being.

In the works of De-Noble, Galbraith, Singh & Stiles (2007), they argued differently from the above assertion. They feel that religiosity and spirituality are two (2) distinct terms. Religiosity as a situation where one acts on his belief or religious tradition and on the other hand, spirituality is more of a personality dimension which shapes the individual beliefs and values about life. Another similar view is the works of Galbraith & Galbraith (2007), which opines Religion as having two (2) dimensions; Intrinsic and Extrinsic dimensions. The Intrinsic

dimension is centered on the unification of the Supreme Being, following the laid down commandments and strive towards transcending all self-centered needs. However the extrinsic dimension looks at the importance individual usefulness in his social standing in gaining the acceptance of the society.

This paper therefore assumes Religion to be both Intrinsic and Extrinsic. It reflects having beliefs which shapes both personality and environment.

There has been a number of studies on the impact of religion and entrepreneurship, some of the studies centered mainly on other part of the world, while there has been few or no studies to the best of the authours knowledge in Africa and particularly Nigeria. Williamson *et al* (2007), study investigated the influence of National religious consciousness on entrepreneurial behavior. The study constructed a conceptual framework and deductive propositions which proposed and highlighted an asymmetric role between NRC, national culture, gender roles, and entrepreneurial behavior. This highlight the importance of religion in shaping entrepreneurial behavior. Kayed & Hassan (2010), investigated the impact of Islamic values and entrepreneurship activity in 2010 in Saudi Arabia, he found out that Muslim consider entrepreneurship as religious and economic duty. The findings also is against the notion that Islam is against modernization and development. Another study on Hinduism by Audretsch & Meyer (2009) aimed at examining the impact of religion on economic behavior of societies in India by 2007, the study found out that Hinduism and its caste system seems to engender a focus on casual labor for individuals under its religious influence, on the other hand the Muslim and Christian community have more desire to engage in self-employment. This is also supported by the works of Audretsh, Boente & Tamvada (2007) which examines whether religion has an impact of economic decision - decision to become an entrepreneur.

However in the works of Nair & Pandey (2006), which examines the impact of socio economic and attitudinal characteristics of entrepreneurship in Kerala. The economic status, technical education, age and work experience favor entrepreneurship. Religion on the other hand does not support entrepreneurship. This contradict other studies that has been carried out in this area.

Studies on religion are not only centered on the entrepreneurial behavior such as De Noble, Galbraith, Singh & Stiles (2007) who tested the proposition that religious orientation has a relationship with Market justice and self-employment. The study found out that religious orientation has a relationship between market justice and self-employment. Other works in the area such as that of Drakopoulou

& George (2007) investigated the inter relationship between religion and enterprise and found out that individuals would use their religious criteria in making informed decisions, this is also supported by the works of Anderson, Drakopoulou-Dodd & Scott (2000). Furthermore, Abdullahi and Suleiman also examined the impact of religion and entrepreneurial intention in two (2) universities at Kano Nigeria. The result shows that religion has an impact on entrepreneurial intention among student, the paper argued that religious leaders should be involved in developing framework for entrepreneurship programs. This study differs from other studies as it looks at participation rather than intention and also views religion from two (2) perspectives hence having a better depth with regards to understanding religion.

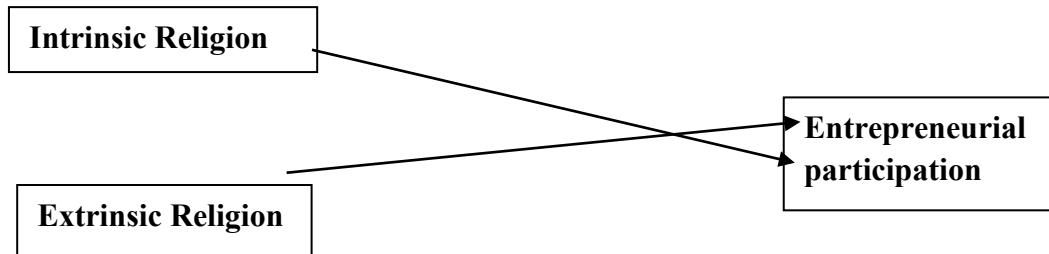
Galbraith and Galbraith (2007) viewed it from a different dimension, examining the relationship between intrinsic religion on entrepreneurial activity and economic growth using twenty three (23) countries. The study concluded that intrinsic religion is positively related to entrepreneurial activity and economic growth.

The theory underpinning this study is the Max Weber's theory titled "the protestant ethic and the spirit of capitalism". Weber argues that religion is the main driving force of entrepreneurship, he believes the traits of a religious individual is a catalyst that would bring about entrepreneurial activities. He argues that the most common component of any societies is religion, thereby stating that this historically has shown that religion has been a force for entrepreneurship because it has always argued for it in most scriptures. Although his work is mainly on the Christianity, it can be argued for other religions (Weber, 2002).

3. Methodology

The study adopted a cross sectional research design and quantitative method approach, the data was collected using questionnaire method that was adopted from previous studies. For religion the study adopted the questionnaire developed by Hoge 1972, the questionnaire is more elaborate because it took into cognizance both intrinsic and extrinsic religion having a cronbach's alpha of 0.84 which is adequate, for entrepreneurial participation, the study adapted the works of De-Noble *et. al*, (2007) which also had a reliability of 0.86 cronbach's alpha. The data collection method adopted was the face to face survey method, the questionnaire was distributed out of one hundred and fifty (150) copies distributed only one hundred and eighteen (118) were duly filled. The data analysis technique used for the analysis purpose is the multiple regression analysis using STATA 14.

3.1 Conceptual framework



4.1 Findings and Discussion

Although one hundred and eighteen (118) copies of questionnaire were returned out of the one hundred and fifty copies administered (150) administered, one hundred and seventeen copies (117) of the questionnaire were used for analysis purpose because one (1) copy was discarded as it was not filled properly. About 60% of the population that filled the questionnaire were male while 40% were female. The age bracket of 31-40 had the highest population of about 47% with other age bracket having 27% 21-30 and 22% 41-50 and 51- and above 3%. 37% of the population had a master's degree while 63% have first degree. The Muslims in the population were about 40% while the Christians 49% while other religion constitute the other percentage, while in relation to their tribe the Hausa constitutes 32% while Igbo 15% and Yoruba 23% while other constitute 30%.

Table 1

EP	Coef.	Std. Err.	t	P> T	[95% Conf. interval]	
IR	0.921867	0.1146988	0.8	0.423	-.1350307	.3194041
ER	0.16975	0.0685999	2.47	0.015**	.0338546	.3056461
_cons	1.659296	0.4277086	3.88	0	.8120083	2.506583

Source Field work, Authors Computation STATA 14. **5%

The output in table 1 is the regression analysis of the data. The findings shows a clear positive relationship between intrinsic religion and entrepreneurial participation, it also shows a positive relationship between extrinsic religion and entrepreneurial participation. Although the results shows a positive relationship between IR and EP there no influence between IR and EP because of the P value which is higher than 10%, but the results also shows that there is strong influence of extrinsic religion on entrepreneurial participation.

5. Conclusion and Recommendation

The argument put forward for the importance of entrepreneurship cannot be overemphasized, it is fundamental for all government to understand the importance of the concept. Moreover the ripple effect it has on the economy by not only be creating business but by reducing unemployment, as well as having its populace financially included. This will do well in reducing crimes, insurgency and political thugery. Religion is well respected, most especially in Nigeria, its importance is tremendous to the achievement of government laid down policies. Religion has two (2) dimension, as earlier discussed, the Intrinsic and Extrinsic dimension. The Intrinsic dimension is more of personality of individual being shaped by religion, the way and manner he conducts himself. However the extrinsic dimension looks at the importance an individual usefulness in his social standing in gaining the acceptance of the society. The Extrinsic dimension is purely external to an individual.

Despite the abundant resources the country possess, it has little or no export in other areas with the exception of petroleum products. It is important to have policies that can help in improving the entrepreneurial activities in the country which can also help boost its exports. Thus, the results clearly shows that religion is very important aspect to be considered with regards to entrepreneurship, no nation can do away with its importance, as such it should be well integrated in the policies of the government. Religious leaders should be involved in training youth or entrepreneurs and in their sermons they should be centered on educating the populace on the importance of entrepreneurship and how to grow the country.

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