**UNIVERSITY OF SOUTHAMPTON**


FACULTY OF BUSINESS, LAW AND ART


Southampton Business School


**Three essays on the relationship between Islamic institutions and entrepreneurship**


by


**Salim Al Rashdi**

**Thesis for the Degree of Doctor of Philosophy**


Under the Supervision of


Dr Stratos Ramoglou & Dr Vadim Grinevich


July 2019

UNIVERSITY OF SOUTHAMPTON

FACULTY OF BUSINESS, LAW AND ART

<u>Southampton Business School</u>

Report for transfer from MPhil to PhD

ABSTRACT

**Three essays on the relationship between Islamic institutions and entrepreneurship**

This thesis researches the influence of Islamic institutions on aspects of the entrepreneurial phenomenon. It draws from institutional theory and social psychology and contributes to the scholarly study of religion and entrepreneurship. It comprises three papers that examine different facets of the entrepreneurial phenomenon in an Islamic institutional context. The first paper affords a critical review of the cognate literature, to unpack the intricacies of the relationship between Islamic institutions and entrepreneurship – typically eclipsed under one-dimensional treatments of the relationship. Focusing on the cognitive pillar, the second paper discusses how Islamic institutions affect the phenomenon of overcoming doubt during the process of entrepreneurial opportunity belief formation. The third paper examines how Muslim entrepreneurs make sense of failure in light of Islamic cognitive institutions. The first paper is conceptual and analyses the literature from the standpoint of institutional theory. The second and third papers are informed from in-depth interviews with 35 Muslim entrepreneurs from Oman. Overall, the thesis demonstrates that religion is an important element of the community fabric that can materially influence entrepreneurial decision-making and sense-making by shedding light on the nuances of the process.

.

# Table of Contents

## List of Tables

# List of Figures

# Declaration of Authorship

| Print name: | Salim Al Rashdi |
|---|---|
| Title of thesis: | Three essays on Islamic institutions and entrepreneurship |

I declare that this thesis and the work presented in it are my own and has been generated by me as the result of my own original research.

I confirm that:

1. This work was done wholly or mainly while in candidature for a research degree at this University;

2. Where any part of this thesis has previously been submitted for a degree or any other qualification at this University or any other institution, this has been clearly stated;

3. Where I have consulted the published work of others, this is always clearly attributed;

4. Where I have quoted from the work of others, the source is always given. With the exception of such quotations, this thesis is entirely my own work;

5. I have acknowledged all main sources of help;

6. Where the thesis is based on work done by myself jointly with others, I have made clear exactly what was done by others and what I have contributed myself;

7. None of this work has been published before submission.

Signed: Salim Al Rashdi

Date: 1st August 2019

# Acknowledgements

Firstly, I would like to express my sincere gratitude to my advisors Dr Stratos Ramoglou and Dr Vadim Grinevich for their continuous support of my PhD study and related research. I sincerely thank them for their patience, motivation, and immense knowledge. Their guidance helped me throughout the research and writing of this thesis. I could not have imagined having better advisors and mentors for my PhD study.

I would also like to thank all my colleagues and friends who provided me with invaluable feedback that helped me to develop my thesis.

My thanks are also extended to my employer, Minister of Manpower, and my sponsor, Ministry of Higher Education, for sponsoring my PhD programme.

My special thanks are for my wife and children who have been the source of encouragement and support during my research journey and the days of hardship.

 I also owe deep gratitude to my mom, brothers and sisters who always keep in touch with me and support me with their beautiful messages. Thank you to all of you.

Finally, I should never forget to thank my second family here in Southampton, the Omani society, for making our life here more joyful and easy.

# List of Abbreviations

BTAE - Better Than the Average Effect

EIP - Entrepreneurship from an Islamic perspective

GDP - Gross Domestic Product

GSI - Global Standard Institutions

IBF - Islamic banks and finance

IDV - Individualism

MAS - Masculinity

MIF - Monetary International Fund

PDI - Power Distance

PWE - Protestant Work Ethic

SDR - Socially Desirable Respondings

SSB - Self-serving bias

UAI - Uncertainty Avoidance

WB - World Bank

WTO - World Trade Organization

# Chapter 1: Introduction

## 1.1 Research Background

The study of the religious influences on entrepreneurial behaviour is a relatively nascent field of scholarly research that is nevertheless receiving increased attention (Smith *et al.*, 2019). The relationship between religion and entrepreneurial behaviour is undeniable (Dana, 2009) since religion influences the societal belief system that legitimises people's behaviour, including business behaviour (Dodd and Gotsis, 2007). However, the pervasiveness of neoclassical economic perspective in economic studies has marginalised the social influences on entrepreneurship, particularly the role of religion (Arrow, 1990; Sen, 2017). Nevertheless, recent events, such global terrorist attacks, the revival of evangelicals in Latin America, the increase in the numbers of churchgoing people in the USA, and interfaith clashes in the Middle East, are acting as a strong reminder of the fact that religion is a powerful element of human behaviour. As such, it is increasingly clear that we cannot afford to ignore religion if we wish to develop a proper and holistic scholarly understanding of the entrepreneurial phenomenon (Stark, 1999; Norris and Inglehart, 2011; Audretsch *et al.*, 2013).

To this end, the broader conception concerning the relationship between religion and entrepreneurship must be reconsidered (Dodd and Seaman, 1998). The heavy reliance on the macro-level framework drawn from the Protestant Work Ethics (PWE) (Weber, 1905 [1930]) simplifies the relationship between religion and entrepreneurship. It succumbs to a deterministic view of the role of religion in economic development and encourages a conception of a one-directional flow of causality (religion-to-entrepreneurship) (Dodd and Seaman, 1998; Thornton, 1999; Carswell and Rolland, 2007). This one-dimensional treatment of the relationship between religion and entrepreneurship has nourished a fairly oversimplified, and largely negative, view of the role of Islam in entrepreneurship. Engaging with this theoretical problem, the first paper of this thesis (chapter 2) discusses the issues in the studies of religion and entrepreneurship with particular focus on Islam and entrepreneurship. Using the institutional theory perspective, the first paper categorises the Islamic institutions into regulative, normative and cultural-cognitive

institutions. The study discusses how these institutions are influencing entrepreneurial behaviour in different contexts.

Since most of the entrepreneurial processes are cognitive-based, they should be influenced by entrepreneurs′ cultural values and religious beliefs (Krueger, 2007). Yet, the studies that discuss entrepreneurial processes such as opportunity recognition, entrepreneurial action, and coping with failure strategies, rarely take the religious dimension seriously. As a result, the influences of religion on the key entrepreneurial processes of opportunity belief formation and coping with entrepreneurial failure have been largely overlooked. The second and third papers of this thesis (chapters 3 and 4) address these gaps. The second paper examines how Islamic religious beliefs contribute to the cognitive construction of opportunity confidence to help Muslim entrepreneurs overcome doubt. The third paper investigates how Muslim entrepreneurs use religious strategies to cope with entrepreneurial failure. Informed by the self-enhancement and self-protection framework (Alicke and Sedikides, 2009), the third paper identifies five different religious strategies used by Muslim entrepreneurs to cope with entrepreneurial failure.

### 1.1.1. Motivation for the study

This research is motivated by a number of studies related to religion and entrepreneurship (Carswell and Rolland, 2007; Dana, 2010; Audretsch et al., 2013), social institutions and entrepreneurial behaviour (Estrin and Mickiewicz, 2011; Levie et al., 2014; Zelekha et al., 2014; Garcia-Posada and Mora-Sanguinetti, 2015; Williams and Vorley, 2015), and cognitive beliefs and entrepreneurial behaviour (McMullen and Shepherd, 2006; Krueger, 2007a; Grégoire et al., 2010; Mueller and Shepherd, 2013; McMullen, 2015; Shepherd, 2015; Ramoglou and Tsang, 2016; Shepherd and Patzelt, 2018).

The influence of religion on entrepreneurial behaviour were mainly neglected or marginalised by studies influenced by neoclassical economic perspective. Nonetheless, recent entrepreneurship studies acknowledge the importance of considering the social institutions such as religion, to study entrepreneurial behaviour (Smelser and Swedberg, 2010; Wuthnow, 2010; Audretsch et al., 2013; Smith et al., 2019). Religion is believed to support certain economic behaviour and economic values and discredit others (Weber, 1905 [1930]; Dana, 2009). Through adopting

Weber's theory of religion and economic development, many studies conducted comparison studies between different religions to see how religion influence entrepreneurship (Barro and McCleary, 2003; Guiso et al., 2003; Noland, 2003). Although the comparison studies between different religion were not conclusive, the general assumption about the influence of Islam in entrepreneurship and economic development is negative. From this perspective and through using institutional theory framework (Scott, 2014), this study was motivated to investigate how Islamic institutions (regulative, normative, and cognitive) Influence entrepreneurial behaviour (see chapter 2).

Moreover, this study was also motivated by the researches on entrepreneurial opportunity and entrepreneurial action (McMullen and Shepherd, 2006; McMullen et al., 2007; Shepherd et al., 2007; McMullen, 2015). Entrepreneurial action is believed to be an outcome of one's opportunity belief (McMullen, 2015; Ramoglou and Tsang, 2016). In this research, we are motivated to see how religious beliefs are incorporated in opportunity belief through the belief of predetermination of opportunity. In addition, this study is interested in knowing how Islamic religious beliefs might influence specific entrepreneurial behaviour such as opportunity identification (Chapter 3) and coping with failure (chapter 4).

## 1.2 The Main Research Question, Aims and Objectives

The main question of this thesis is how Islamic religious institutions influence entrepreneurial behaviour. The overarching objective is to understand the precise nature of the influence of Islamic religious institutions on entrepreneurial cognitive thinking and behaviour. To this end, three different sub-aims have been generated and guide the three papers as follows:

*Table 1: Research Objectives and Questions*

| Research Objectives | Research Questions | Paper Title | Chapter Number |
|---|---|---|---|
| | | | |

| | | | |
|---|---|---|---|
| 1. To study the theoretical link between Islam and entrepreneurship using institutional theory as a theoretical lens. | 1- How do Islamic religious institutions (regulative, normative, and cognitive) relate to the entrepreneurial phenomenon?<br>2- How do Islamic religious institutions influence the decision to exercise entrepreneurial action? | Entrepreneurship in an Islamic institutional context: Toward a more sophisticated understanding. | Ch 2 |
| 2. To study the influence of Islamic cognitive institutions on the process of opportunity formation and overcoming doubts. | 1- How do Muslim entrepreneurs draw from religious institutions to form opportunity beliefs?<br>2- What is the role of Islamic belief in predetermination of opportunity and the religious perspective of economic success in the process of overcoming doubt? | The influence of religion on entrepreneurial behaviour: The case of Islam. | Ch3 |
| 3. To understand how Muslim entrepreneurs make sense of failure. | 1- How do Muslim entrepreneurs make sense of failure?<br>2- What strategies does the Muslim entrepreneur use to cope with failure? | The role of Islamic religious institutions in coping with entrepreneurial failure. | Ch4 |

## 1.3  Theoretical Framework

In this research project, we used three theoretical frameworks; institutional theory (paper 1), the theory of entrepreneurial action and opportunity actualisation (paper 2), and the self-enhancement and self-protection framework (paper 3).

The institutional framework (Scott, 2014) offers a functional tool to study entrepreneurial behaviour. Since Meyer and Rowan (1977) presented their seminal paper about the influence of rationalised formal organisations' structure on behaviour and performance, the institutional theory was revived to become an important theory of economic sociology (Smelser and Swedberg, 2010). Many studies have underscored the fact that institutions, such as cultural norms, religion, the state rules and regulations, as well as taken-for-granted assumptions are shaping the societal milieu governing individual behaviour and rationality (DiMaggio and Powell, 1983; North, 1990; DiMaggio and Powell, 1991; Greenwood *et al.*, 2008; Scott, 2014). The new institutionalism was mainly criticised for underdeveloped individual agency and for its support of isomorphism of organisational structure (i.e. homogeneous phenomenon) while institutions themselves are prone to changes (Dacin *et al.*, 2002). The institutional logics perspective was developed by Friedland and Alford (1991)  and Thornton *et al.* (2012) to rectify the shortcomings of institutional theory and develop the agency component within the institutional perspective.

Economic behaviours, particularly entrepreneurship, are embedded within a social context (Granovetter, 1985) and cannot be studied without understanding the institutional forces driving individual behaviour (Aldrich and Fiol, 1994). From the institutional logic perspective, studying religious influences in economic behaviour requires moving away from the oversimplified view that religion is the only determining factor (Landes, 2000; Noland, 2005). In addition, it becomes imperative to move beyond the positivist framework in order to study social behaviour. Through the qualitative interpretive paradigm, this thesis investigates the influence of Islamic religious institutions on entrepreneurial behaviour in three separate studies.

For the purposes of this study, it is important first to draw a clear distinction between different Islamic institutions – regulative, normative and cognitive. The main two sources of Islamic religious values and belief (cognitive institutions) are the Quran and Sunnah. These cognitive

Islamic institutions are differently interpreted by different Muslim communities to support their daily behaviour (regulative and normative institutions). According to the various understandings and interpretations of the Quran and Sunnah, Muslims are divided into many different religious sects or dominations (see Maoz and Henderson, 2013). These differences in Islamic thoughts and interpretation of Quranic values lead to a different set of regulative and normative institutions in different contexts. Thus, Islamic regulative and normative institutions are context-specific and are not common to all Muslims in different countries. It is therefore problematic to assume that all Muslims will act in the same manner. The interplay between the Islamic values, rules and regulations on one side, and environmental institutions such as economic and political institutions on the other side create a distinct reality that cannot be reduced to a single theological origin when studying entrepreneurial behaviour and economic development (Chapra, 2000; Greenwood *et al.*, 2011).

The second paper uses the theory of entrepreneurial action and opportunity actualisation (McMullen and Shepherd, 2006; Ramoglou and Tsang, 2016). McMullen and Shepherd (2006) define entrepreneurial behaviour as action in the face of uncertainty. The uncertainty related to the existence of an opportunity (i.e. doubt) is considered to be the obstacle that prevents entrepreneurs from considering taking action (Lipshitz and Strauss, 1997). From a theoretical perspective, the process of overcoming doubt starts with the development of opportunity beliefs (McMullen and Shepherd, 2006; Shepherd *et al.*, 2007). McMullen and Shepherd (2006) argued that entrepreneurs develop *third-person* opportunity belief, which is a belief that opportunity exists for someone else. Then, through a process of evaluation of the business ideas, entrepreneurs develop *first-person* opportunity belief. McMullen and Shepherd (2006) stated that, with the development of first-opportunity belief, entrepreneurial action is more likely to be taken.

From a neighbouring theoretical perspective of entrepreneurial opportunity and doubt, Ramoglou and Tsang (2016) defined entrepreneurial opportunity as market demand propensies waiting to be actualised. From this perspective, the doubts about opportunity exist until the opportunity belief is enacted, and profit is generated (Ramoglou and Tsang, 2016). Thus, the entrepreneurial action need not necessarily take place after first-person opportunity belief is formed. Instead, entrepreneurs need more confidence about the future success of an opportunity before

considering taking action. To the best of my knowledge, the second paper makes the first empirical study on this front. It examines how Muslim entrepreneurs develop their opportunity belief and the role of Islamic cognitive beliefs in the process of opportunity belief formation.

The third paper uses self-enhancement and self-protection framework, which is based on the principle that *'self-centrality breeds self-enhancement'* (Sedikides and Alicke, 2018:307). The self-enhancement/protection motives are the tendencies within people to exaggerate their good virtues and minimise their shortcomings (Sedikides and Gregg, 2003, 2008; Alicke and Govorun, 2005). Brown (1997:645) argued that "individuals have a need to maintain a positive sense of self, and they engage in ego-defensive behaviour to preserve self-esteem". From this perspective, Sedikides and Alicke (2018) proposed five pillars that underpin the self-enhancement and self-protection motives, 1) the self-serving bias (SSB), 2) Better-than-Average Effect (BTAE), 3) Selective Self-Memory (SSM), 4) Socially Desirable Responding (SDR), and 5) Overclaiming.

Alicke and Sedikides (2009) categorised individuals' socio-psychological interests in five levels. The top level includes social status, security and love. Wealth, fame and good relationships are at the mid-level. Last, personal appearance and being clever are at the lower level. All these socio-psychological interests are interrelated and influence each other. The self-enhancement and self-protection strategies are invoked based on the incident and its relationship to the individual's socio-psychological interests. Also, the selection of the strategy depends on the available resources that allow for self-enhancement and/or self-protection. The self-enhancement and self-protection strategies can be a cautious strategy such as overclaiming, or an uncautious strategy such as SSB (Alicke and Sedikides, 2009, 2011; Sedikides and Alicke, 2012, 2018). From the self-enhancement and self-protection framework, the third paper (chapter 4) investigates the strategies that Muslim entrepreneurs use to cope with failure. The paper discusses religion as a social resource used in the process of coping with failure.

## 1.4 Ontological Underpinnings and Methodological Approach

This thesis and its constituting papers (chapters 3 and 4) adopted the interpretive paradigm (Neuman, 2000, 2013). This paradigm was chosen based on the underlying philosophical

assumptions, research topic and questions (Hindle, 2004). From an ontological perspective, we follow Searle's (1995) philosophy of social reality and perceive institutions as subjectively existing yet objectively knowable. The institutions are humanly emergent social structures that constrain/support economic behaviour (North, 1990; Scott, 2014). Yet this does not mean that this (ontologically) contingent and highly agent-dependent reality cannot be studied in a fairly (epistemologically) objective and rigorous manner (Searle, 1995; Ramoglou & Tsang, 2016).

Moreover, religion is an essential part of social reality (Stark, 1999), and occasionally materially present in the many religious symbols such as mosques, churches, holy books, dress and architecture, to name a few. Also, most "religions have built-in mechanisms" (Dana, 2009:87) to perpetuate their values. Compared to other social institutions, religious institutions are believed to be divine orders presented in sacred books, symbols, prayers and traditions (Zinnbauer *et al.*, 1997). Whether religious values and beliefs are considered as a special type of institutions or not, they are part of the overall community fabric that constitutes social relations and interactions in which most economic behaviours are embedded (Granovetter, 1985; Wuthnow, 2010). Religious beliefs impact most of the social behaviours, including business and entrepreneurship (Guiso *et al.*, 2003). Dana (2009:87) argued that the influence of religion is not limited to religious people; instead, all people within the community are "influenced by the values propagated by the religion". However, we acknowledge that the influence of religious belief cannot be studied in isolation from other social factors that, combined, present the social reality (Greenwood *et al.*, 2011). In addition, sacred religious belief/institutions (informal institutions) can be more influential and powerful than state regulative institutions (formal institutions), which are backed up by a sanctioning system (Coyne and Boettke, 2007; Scott, 2014).

We acknowledge individual agency through considering institutional logic perspective (Friedland and Alford, 1991) and institutionalisation process (Tolbert and Zucker, 1999). Institutions, according to Scott (1995), are divided into regulative, normative and culture-cognitive institutions. While regulative institutions (e.g., the state laws and regulations) exert external forces that restrict/support individual behaviour, normative and culture-cognitive institutions cognitively influence the entrepreneurial decision-making process through influencing the perception of reality and entrepreneurial thinking (Krueger, 2007; Scott, 2014).

8

Having mentioned the philosophical assumptions that guided our research aims, a qualitative approach was selected as a methodology for answering the research questions. A qualitative methodology is more appropriate for answering the question 'how' rather than 'how many' (Saunders *et al.*, 2012a). Gartner and Birley (2002:387) argued that "many substantive issues in entrepreneurship are rarely addressed, and that many of the important questions in entrepreneurship can only be asked through qualitative methods and approaches". Thus, we believe that the qualitative approach is the most appropriate methodology to understand the influence of religion on entrepreneurial behaviour (Gartner and Birley, 2002; Karatas-Ozkan *et al.*, 2014; Suddaby *et al.*, 2015).

We followed a qualitative naturalistic investigation, which "strives to remain true to the nature of the phenomena under study or scrutiny" (Matza, 1969:5, cited in Athens, 2010). A researcher who uses naturalist inquiry is required to "get close to the people whom he studies; he understands their actions are best comprehended on the spot—in the natural, ongoing environment where they live and work." (Schatzman and Strauss, 1973:5). Through the use of naturalistic investigations, the researcher's focus is "moving beyond the tangible or measurable variables to focus on the social constructions of research participants" (Lincoln, 2007:3161).

We assume a "passionate participant" role to interpret and understand the reality from entrepreneurs' understandings, experiences, and perceptions (Guba and Lincoln, 1994:115). Given our understanding of the research problem and based on our philosophical assumptions, we opted for a qualitative approach method to answer the research questions of this study. We used a purposive sampling strategy to select 'qualified' participants (35 interviewees) to satisfy the purpose of the studies (papers 2 and 3). We used face-to-face and telephone interviews (lasting an average of 40 minutes) as a tool to collect data and we qualitatively analyse the data using coding cycle procedures to construct meaningful themes and categories (Saldaña, 2015).

### 1.4.1 Epistemological/Ethical Considerations

To enhance the rigour and trustworthiness of this research, several strategies to check the research reliability and validity were considered. First, to increase the reliability, the interview

question guidelines were initially prepared based on the literature and approved by the ethics committee at Southampton University before the interviews. The guideline questions were slightly modified later during interviews to satisfy the new emerging insights. Follow-up questions were used when necessary to seek more elaboration and explanation and to confirm mutual understanding (Roberts *et al.*, 2006). Anonymity and privacy of participants were ensured, and consent was taken from each of the interviewees. The main researcher undertook the interviews, which were all audio-recorded. The interview settings were carefully selected to ensure convenience for the participants in terms of time and location. The consistency of the generated data was carefully checked by repeating the answers back to the participants. The Arabic language was used as the medium of communication. Also, following transcription, the data were cross-checked with the recordings to rectify any missing information (Stiles, 1993; Bryman, 2016). The recorded data were transcribed in Arabic using a specialised agency from Eygpt. The data were translated into English and then analysed using coding procedures analysis (Saldaña, 2015).

Moreover, to ensure the validity and credibility of this research, a well-established approach, research design and methods for data collection were carefully selected to satisfy the research aims and objectives. Codes were diligently selected to cover the patterns emerging from the data (Roberts, 1999). Template analysis techniques (King, 2012; Brooks *et al.*, 2015) were used to facilitate coding procedures and interpretations. In addition, computerised data analysis software (MAXQDA) was used in the analysis of the data (Robson, 1994; Roberts, 2000). It should be noted that the main researcher is familiarised with the research context (i.e. Oman) and topic (i.e. Islam). The researcher thoroughly studied the research topic and equipped himself with all the needed information. The participants were carefully selected to meet the criteria of this research. In other words, all participants are Muslim entrepreneurs who are self-employed.

## 1.5 Findings and Contribution to The Literature

The papers make several contributions to the literature of religion and entrepreneurship.

### 1.5.1 **First Paper**

The objective of the first study was to answer the question of how Islamic institutions relate to entrepreneurship; more specifically, *how is each Islamic institution (regulative, normative, and cognitive) is influencing the decision to exercise entrepreneurial action*? As a conceptual study, the author reviewed the literature about Islam and entrepreneurship. The literature shows that many different approaches have been used to study the relationship between Islam and entrepreneurship and the focus has been on many different Islamic institutions (Pistrui and Fahed-Sreih, 2010b; Vargas-Hernández and Noruzi, 2012; Audretsch *et al.*, 2013; Tlaiss, 2015). The general perspective of the literature about the influence of Islam on entrepreneurship is negative. However, through using the institutional framework of Scott (1995), the first paper filtered the literature about Islam and entrepreneurship into three different categories of institutions – regulative, normative, and Islamic-cognitive. The findings show that the influence of each Islamic institution has different effects on entrepreneurial behaviour in different contexts.

The first paper makes several contributions. First, through considering institutional logics and institutional complexity perspectives, our understanding of the relationship between religion and entrepreneurial behaviour is enhanced (Thornton and Ocasio, 2008; Greenwood *et al.*, 2011; Thornton *et al.*, 2012). It becomes clear that entrepreneurial activities are not context-free behaviour, nor is the individual's agency completely guided/constrained by religious institutions alone. The first paper supports the argument that religious institutions are interacting with other environmental institutions to form the overall entrepreneurial environment (Dodd and Seaman, 1998; Dodd and Gotsis, 2007). From an institutional perspective, the literature shows that each specific religious institution (i.e. regulative, normative and cognitive) can have a different impact on entrepreneurial behaviour. More specific research on each religious institution's influence is needed.

In regards to Islam, the first paper shows in general that Islam cannot be accused of being the cause of the underdevelopment in the Islamic world. However, the spread of non-Islamic institutions such as political corruption, injustice and extreme conservative Muslim ideologies constrain entrepreneurial behaviour, particularly women's entrepreneurship (Chapra, 2000). Overall, the first paper theorises the relationship between Islam and entrepreneurship in a manner that guards against the temptation of linear and oversimplified causal directions. Islamic institutions may have a positive, negative or insignificant effect. Institutional thinking helps us appreciate the complexity and context/level-dependent nature of this fairly subtle kind of phenomenon.

## 1.5.2 Second Paper

The second study of this project continues in the same direction as the first paper with the focus on Islamic religious belief related to entrepreneurial opportunity belief (cognitive institutions). McMullen and Shepherd (2006) and Shepherd *et al.* (2007) theorised that overcoming doubt is necessary to entrepreneurial action and the process of overcoming doubt start with opportunity belief formation. However, there is a lack of empirical research on how entrepreneurs develop their opportunity belief. From this perspective and from the perspective that religion informs entrepreneurs' cognitive beliefs (paper 1), the second study explores how Islamic religious beliefs are influencing the process of opportunity belief formation. Knowing that Islamic institutions might influence the perception and entrepreneurial thinking of Muslim entrepreneurs (Barro and McCleary, 2003; Dodd and Gotsis, 2007), this paper makes the first empirical investigation of how Islamic cognitive institutions are incorporated within the process of entrepreneurial opportunity belief-formation and overcoming doubts (see chapter 3). The data for this study were collected through semi-structured in-depth face-to-face and telephone interviews with 35 Muslim entrepreneurs in Oman.

The findings of the second paper show that Muslim entrepreneurs use their religious beliefs to overcome uncertainty, particularly doubts related to opportunity existence (Ramoglou and Tsang, 2016). Through using religious belief about the predetermination of opportunities, Muslim entrepreneurs epistemologically perceive the 'reality' through their deep religious belief that

opportunities exist and are prewritten. Through this metaphysical belief of opportunity existence, Muslim entrepreneurs create the sense of "I *can* succeed". Also, Muslim entrepreneurs consider that the economic success of opportunity belief (i.e. business idea) lies in the world of unknown/unseen, which is believed to be controlled by the hand of Allah. They also believe that economic success can be achieved through pleasing Allah (Hassan and Hippler, 2014). Through these beliefs, Muslim entrepreneurs develop confidence in the sense of "I *will* succeed" to undertake entrepreneurial action.

The second paper contributes to the literature by conducting empirical research on how entrepreneurs develop opportunity beliefs. In addition, the second paper also makes an important theoretical distinction between doubts that stem from questioning the feasibility and profitability (success) of the business idea. While the doubt about the viability of the business idea can be overcome through conducting market research and forming opportunity belief, the success doubt can only be revealed when profit is generated (Ramoglou and Tsang, 2016). The study shows that religious beliefs are incorporated with the process of opportunity belief formation to build the required trust necessary for considering taking entrepreneurial action.


### 1.5.3 Third Paper


Continuing research on the influence of Islamic cognitive institutions, the third paper discusses the influence of Islamic religious belief on the process of making sense of failure. The literature on entrepreneurial failure shows that entrepreneurs use different coping strategies (Singh *et al.*, 2007; Mantere *et al.*, 2013). While most studies on coping with failure consider personal-level skills and attributes, none has studied the use of social resources such as religion in the process of failure recovery. To address this research gap, the third paper explores how Muslim entrepreneurs mobilise their religious beliefs to cope with failure. Through using the same research method presented in the second paper, the third paper examines the coping strategies used by Muslim entrepreneurs.

The findings of the third paper show that Muslim entrepreneurs incorporated their religious beliefs to make sense of failure. The Muslim entrepreneur considers failure as 1) protection from

further losses, 2) protection from missing a potential opportunity, 3) test of one′s faith, 4) religious success, and 5) punishment for sins. Through using a self-enhancement/protection perspective, the religious strategies used by Muslim entrepreneurs rely on three pillars; self-serving bias (SSB), better than the average effect (BTAE), and socially desirable responding behaviour (SDD).

Through comparing the findings with previous studies in entrepreneurial coping strategies, the third paper shows that religious beliefs are used to make sense of failure to develop the coping strategies. Also, the use of religion creates a sense of religious satisfaction and helps to maintain entrepreneurial persistence.

### 1.5.4 Thesis Level Contributions

From the thesis level, this study demonstrates the importance of taking the interpretive perspective paradigm in studying entrepreneurial behaviour in relation to religious and cultural beliefs (Deneulin and Rakodi, 2011). Also, this study shows the importance of considering non-religious social factors and institutions that could moderate the relationship between religion and entrepreneurship (Granovetter, 1985). Moreover, this project evinces that entrepreneurial behaviour is not completely rational, but largely influenced by religious beliefs (Welter and Smallbone, 2011). Last but not least, the findings show that Islam is not constraining entrepreneurial behaviour; rather, some of the Islamic cognitive beliefs help overcome doubts and cope with failure.

## 1.6 Summary

The objective of this thesis is to investigate the influence of Islamic religious institutions on entrepreneurship. Three separate papers were produced in order to achieve this aim (see chapters 2, 3 and 4). This study was motivated by the realization that the relationship between religion and entrepreneurship is poorly understood (see also Smith *et al.*, 2019), in particular, the role of religion on the entrepreneurs′ cognitive thinking and behaviours (Meyer and Rowan, 1977; DiMaggio and Powell, 1991; Thornton and Ocasio, 2008; Greenwood *et al.*, 2011; Scott, 2014).

Informed by institutional theory and the social-psychologist perspective, the thesis unpacks the nuances of the relationship between Islam and entrepreneurship. Besides the conceptual and theoretical contributions, it adds novel empirical insights by explaining how Islamic cognitive institutions (religious beliefs) are used in the process of overcoming doubt and in the process of failure recovery.

## Chapter 2: Entrepreneurship in an Islamic Institutional Context: Toward a more Sophisticated Understanding

### 2.1 Abstract

Islam, as a religion, is generally perceived as an impediment to economic growth and entrepreneurship. Taking a macro-economic perspective to most of the Islamic markets confirms this claim and shows that this part of the world is lagging in economic development. However, digging deeper into the institutional factors influencing entrepreneurship reveals that the relationship between religion and economic growth is more complicated than a simple correlation between dependent variables (GDP) and independent variables (religion and faith). Adopting an institutional theory perspective helps delineate the interplay between Islamic religious logics and entrepreneurial behaviour. We problematise the illusion of linear causality to suggest that different types of Islamic institution can have a positive, negative or undecided kind of influence on entrepreneurial behaviour.

### 2.2 Introduction

Religion is one of the crucial elements of culture that influences both social and economic behaviours (Dana, 2009). The interest in studying religious influences on economic development and entrepreneurship started gaining academic traction after Weber's seminal work *The Protestant Ethic and the Spirit of Capitalism* (1930). Weber suggested that religion promotes values that encourage entrepreneurship and economic growth such as work ethic, honesty, thrift and frugality (McCleary and Barro, 2006). However, the recent dominance of the neoclassical economic perspective, predicated upon the rational-actor model, has marginalised the importance of religion, among other social factors related to economic development and entrepreneurship

(Stark, 1999). The pervasiveness doctrine of rational economic actor and the rapid development of economic theories ignored religious influences (Barnes, 1997). Even further, the secularisation theory, which presumes that economic development reduces religiosity, was adopted as the foundation of most economic studies for more than three centuries (Stark, 1999). However, since the terrorist event of September, 11th, 2001 in the USA, there has been a revived interest in the role of religion among economic and political sociologists (Iannaccone, 1998). As Guiso *et al.* (2003:226) put it: "there is hardly an aspect of a society's life that is not affected by religion".

In spite of the increased interest in the role of religion, the relationship between entrepreneurship and economic development is a matter of considerable scholarly and policy discussion (Thurik and Wennekers, 2004; Acs *et al.*, 2008). The variation of entrepreneurial activities between countries encourages scholars to look beyond the classical economic perspective and to acknowledge the influence of social institutions (Smelser and Swedberg, 2010). However, it is claimed that the influence of religion on entrepreneurial behaviour and economic development is obvious and undeniable (Kuran, 2008; Lewis and Churchill, 2008; Kuran, 2012). This paper purports to unpack the complex relationship between religion and entrepreneurship, paying special attention to the Islamic religion.

Islam is one of the most studied religions in the field of entrepreneurship and religion. Yet, the overall assumption about Islam and its influences on economic development and entrepreneurship is negative (Huntington, 1997; Landes, 1999; Bernard, 2002; Lewis and Churchill, 2008; Kuran, 2010, 2012). Most of the studies that negatively relate Islam to economic development had adopted the Weberian perspective. According to this theoretical viewpoint, the modernisation of the western world is supported by the Protestant values that encourage and support capitalism and, as a corollary, Islam fails to produce such values to promote capitalism (Weber, 1905 [1930]). On this basis, it is unsurprising that many studies criticise Islamic economic values. For example, it is often claimed that Islam does not support the development of a capitalist economic system, such as the banking system and business organisation (Kuran, 1996; Bernard, 2002; Kuran, 2010).

However, the relationship between religion and economic development is more complicated if we move beyond narrow theoretical assumptions and macro-economic data, and toward an institutional framework capable of elaborating the complexities of the interplay among the

16

various levels of analysis (Greenwood *et al.*, 2011). Through using an institutional perspective, we reviewed the literature about Islam and entrepreneurship to understand how Islam influences entrepreneurship. We argue that Islamic institutions might restrict some types of business transactions but encourage other forms of economic behaviour. The influence of Islamic religious institutions is largely moderated by the existence of cultural, political and economic institutions that encourage/discourage entrepreneurial behaviour.

The relationship between religion and economic development is complicated and researches that investigate the influence of Islamic institutions on entrepreneurship and economic development are scarce. To understand the link between religion and entrepreneurship, it is important to use micro-institutional perspective within the studied context. To comprehend the religious influences in entrepreneurial behaviour, the researched values of a religion need to be contextualized within its community (Audretsch *et al.*, 2013). Using this perspective, this study extends the research on religion and entrepreneurship through using institutional theory and institutional logic framework.

The paper is organised as follows. The first section discusses the relationship between religion and entrepreneurship. Then the institutional theory framework, institutional logic and institutional complexity are elaborated in the second section. Also, entrepreneurship from an institutional perspective is discussed. Next, the theorisation of the complexity of the relationship between Islam and entrepreneurship is discussed through using the institutional theory framework. The discussion section revisits the existing studies about Islam and entrepreneurship to elaborate more on the relationship between Islam and entrepreneurship and suggests future directions for the study of Islam and entrepreneurship.

## 2.3 Review of the Literature

### 2.3.1   The Importance of Considering Religion in Economic Behaviour Studies

The development of economic sociology approach has motivated many scholars to find an answer to the variation in economic development and entrepreneurship. For example, many

countries having similar levels of economic development show the different level of entrepreneurship activity rates (Acs *et al.*, 1994; Wennekers and Thurik, 1999; Van Stel *et al.*, 2004; Acs, 2006; Acs *et al.*, 2008; Wennekers *et al.*, 2010). From an economic perspective, it was not clear what the causes of this variation in entrepreneurial activity rates between countries are. Economic sociologists suggest that culture and religion could make the difference in economic development between countries (Hofstede, 1984; Hofstede *et al.*, 1991; Fershtman and Weiss, 1993; Davidsson, 1995; Harrison and Huntington, 2000; Lee and Peterson, 2001; Basu and Altinay, 2002; Hofstede *et al.*, 2004; Beugelsdijk, 2007; Smallbone and Welter, 2010; Goltz *et al.*, 2015; Oukil, 2016). Religion is also believed to be an essential factor that influences entrepreneurial behaviour (Weber, 1905 [1930]; Dodd and Seaman, 1998; Blum and Dudley, 2001).

Religion is a subset of culture, and its influences on social, political and economic behaviour are undeniable (Guiso *et al.*, 2003; Dana, 2010; Tamvada, 2019). However, the causality link between religion and economic development is always perceived from two broad, yet opposite, perspectives – Weberian and Marxism. According to Weberian theory, religion is the source of values that encourage economic development and entrepreneurship (Weber, 1905 [1930]). From this perspective, religion is an independent variable that can impact entrepreneurship. If a country's religion supports economic values such as thrift, frugality and independence (McCleary and Barro, 2006), then more entrepreneurial activities will be carried out within the community (Baumol, 1996). Hamilton and Harper (1994:13) stated: "the supply of entrepreneurship is a function of exogenously supplied religious and social values". Audretsch *et al.* (2007) found that some religions are more conducive to entrepreneurship than others in India, which leads to different entrepreneurial activities between different communities.

On the other hand, Marxism argues that economic development leads to secularisation. Marx and Engels ([1846] 1965, cited in Wuthnow, 2010:604) view religion as a "dependent variable, the shape and content of which are determined by a set of economic conditions". From this perspective, religious influences in economic behaviour are underestimated. More specifically, the secularisation theory was adopted as the basic foundation of economic studies. These studies argue that religion is becoming a private matter and its influences are diminished in the larger

society, leaving economic behaviour free of religious influences (for more information see Smelser and Swedberg, 2010; Wuthnow, 2010).

Recent studies, however, have criticised secularisation and modernisation theory (Smelser and Swedberg, 2010; Wuthnow, 2010). Critics of the secularisation theory pointed to the importance of considering social factors in economic studies (Granovetter, 1985). Today, there are many signs of religious revival that contradict secularisation claims. For example, a rise in the number of churchgoing people in the United States; the growth of Muslims radicals and fundamentalists in the Middle East; the revival and spread of evangelicals in Latin America, and the rise of ethnoreligious conflicts in many international affairs. All these prove that modernisation and economic development do not lead to secularisation (Stark, 1999; Norris and Inglehart, 2011). Stark (1999:270) declared it is the time to "carry the secularisation doctrine to the graveyard of failed theories". Other secularisation proponents, such as Berger, admitted that secularisation theory is dead:

> "The world today, with some exceptions … is as furiously religious as it ever was, and in some places more so than ever. This means that a whole body of literature by historians and social scientists loosely labelled 'secularisation theory' is essentially mistaken" (cited in Norris and Inglehart, 2011:4).

### 2.3.2 Religion and Entrepreneurship

The dominant perspective of the relationship between religion and entrepreneurship is mostly influenced by Weber's thesis *The Protestant Ethic and the Spirit of Capitalism* (1930). Based on Weber's framework, Mirels and Garrett (1971) developed a Protestant Work Ethics (PWE) measurement scale for studying the influence of religions on entrepreneurship and economic development between different faiths. Through reviewing the literature on religion and entrepreneurship, Dana (2009) found considerable empirical support for the thesis that religion is influencing and shaping entrepreneurial behaviour.

Nonetheless, the interrelationships between religion and entrepreneurship are highly context-specific. Dodd and Seaman (1998) discussed the interrelationship between religion and

19

entrepreneurship and suggested three ways through which religion can influence entrepreneurial behaviour. First, *the relationship between society religion and entrepreneurship*. From this perspective, religion plays an important role in strengthening/weakening the munificence of the social environment for entrepreneurial behaviours in a given society. In addition, religion can act as a synthesiser of the societal meaning system. Religion can directly support entrepreneurial behaviour by providing religious meaning and legitimisation for entrepreneurial activities. On the other hand, religion indirectly supports other environmental munificence factors that could lead to more entrepreneurial activities such as encouraging self-independent, thrift and frugality (Dodd and Seaman, 1998; McCleary and Barro, 2006).

Second, *the relationship between an individual's faith, religion and entrepreneurship*. From this perspective, the individual entrepreneur will be influenced by the believed religious faith. Also, entrepreneurs can make use of their personal and professional networks within their religious group. However, access to religious networks is more useful for entrepreneurs belonging to minority religious groups than for those who belong to a dominant religion within a country (Dodd and Seaman, 1998; Carswell and Rolland, 2007).

Third, *the relationship between theory, religion and entrepreneurship*. From a theory perspective, there is large dependance on the Weberian framework to study the influences of religion on economic growth. For example, the studies that investigate the influence of Islam on entrepreneurship and economic development mostly depend on Weber's framework (cf Lewis and Churchill, 2008; Kuran, 2010; Pistrui and Fahed-Sreih, 2010a; Ramadani *et al.*, 2016).

Dodd and Seaman (1998), however, argued that the Weberian framework might not work in a diverse cultural context. In addition, they identified a few theoretical issues related to the influence of religiosity on entrepreneurial behaviour. First, using the dominant macro-perspective framework of Protestantism and the causality link from religion to entrepreneurship would imperatively suggest that entrepreneurs are more religious than the host population. Besides, it would indicate that more people would opt for an entrepreneurship career within which they could practice and live according to their religious values and beliefs. Second, it is also plausible to argue that entrepreneurs are less religious than others because they would be

more involved with the business and have no time for practicing religious rituals or participating in organised religious events. Last but not least, using religiosity to differentiate between entrepreneurs and non-entrepreneurs is an abandoned approach – i.e. trait approach (Gartner, 1988) – because neither group can share consistent religious values (Dodd and Seaman, 1998; Carswell and Rolland, 2007).

Moreover, McHoskey (1994) identified some measurement issues with the studies that use Mirels and Garrett's (1971) PWE scale and suggested further development is needed. In addition, Thornton (1999:22) criticised Weber's perspective "for its single-cause logic and its lack of rigorous and appropriate research methods". Also, Carswell and Rolland (2004) argued that a single religion does not indicate economic development and entrepreneurship. They stated that "increasing ethnic diversity and associated religious value system are certainly not going to negatively reduce the business start-up rate. If anything, the start-up rate may be enhanced" (Carswell and Rolland, 2004:280).

The studies that are influenced by the dominant theoretical perspective of PWE had classified religions based on their support for entrepreneurship. For example; Protestant, particularly Calvinism, is always perceived to be conducive to entrepreneurial behaviour, whereas Islam is the least conducive religion (cf Landes, 1999; Zingales, 2006). From the PWE perspective, it can be argued that the societies with antagonistic religion to entrepreneurship could be locked in a bad economic situation, which cannot be easily escaped from (Guiso *et al.*, 2003). Considering religion as the only factor that determines entrepreneurial behaviour and economic development is theoretically incorrect (Krymkowski and Martin, 1998). There are political and economic factors that can directly or indirectly influence economic growth and entrepreneurial behaviour (Greenwood *et al.*, 2011). The institutional framework (Scott, 1995) offers an appropriate theoretical perspective to study the influence of religion on entrepreneurial behaviour (Baumol, 1986; Gereffi and Hempel, 1996; Greenwood *et al.*, 2010).

In the coming sections, we use an institutional perspective to review the literature about Islam and entrepreneurship. However, before examining the relationship between Islam and entrepreneurship, it is important to have an overview of the Islamic religious belief system.

### 2.3.3   The Religion of Islam

Islam is one of the fastest-growing religions, with nearly 1.6 billion Muslims scattered around the world. Today, Muslims represent a fifth of the world's population and are expected to become a quarter of the world's population by 2030  (Ali *et al.*, 2015). Those Muslim individuals with different professions are not expected to leave their beliefs at home while being involved in economic activities (Essers and Benschop, 2009). The religious belief is influencing individual behaviour in many different ways (cf Dodd and Seaman, 1998; Dana, 2009). In some Islamic countries, Islam has become a cultural identity that differentiates Muslims from others (Ahmad, 1980).

The Holy Quran and Hadith (Prophet Mohammed's sayings and acts) are the main sources of guidelines for all Muslims in their social and work life (Khan, 1994). Muslim people consider Islam as a way of life in which the Quran and Sunnah represent the constitutions that guide all their behaviours. The Islamic behavioural framework is, though, far more complicated than just permitted (Halal) or forbidden (Haram) rules. The Islamic behavioural framework classifies Muslims' behaviours into five categories; commanded, permitted, recommended, disapproved, and forbidden  (Pistrui and Fahed-Sreih, 2010b). Islamic religious values and beliefs are immersed within Muslims' communities as a part of their regulative, normative and cultural-cognitive institutions that support/constrain their social behaviours, including economic behaviours.

There is no doubt that Islamic religious institutions influence entrepreneurial behaviour through constraining/supporting some of the ethics and values related to business and entrepreneurship (Arslan, 2001; Dana, 2010; Ghoul, 2010). Davis (2013) argued that the personal values of entrepreneurs are playing an important role in decision-making and consequently, entrepreneurial behaviour. Thus, for Muslim entrepreneurs, personal values and work ethics are mainly stemming from their religious beliefs. In general,  entrepreneurial behaviour within

Islamic communities is largely influenced by Islamic religious institutions (Davis, 2013; Ramadani *et al.*, 2015).

This raises a number of important questions: what are the Islamic institutions that influence entrepreneurial behaviour? Are Islamic institutions consistent across all Islamic countries? Earlier studies investigating the influence of Islam on entrepreneurship had generally treated Isalm as one set of values and did not investigate what specific religious institutions could support/hinder entrepreneurial behaviour, except Kuran (2012) who suggested that some Islamic institutions such as Islamic inheritance and Waqf systems are inhibiting the development of a business organisation. However, Kuran's propositions are not empirically tested. Besides, earlier studies on Islam and entrepreneurship assume Islamic beliefs are equal across all Islamic sects and countries. The next section reviews studies that present the standard view of Islam and its influences on entrepreneurship.

### 2.3.4    The Standard View of The Relationship Between Islam and Entrepreneurship

The overall perspective about Islam and its influence on economic development is negative (Huff and Schluchter, 1999). Weber (1905 [1930]) stated that Islam fails to produce "the spirit of capitalism", which, according to Weber, is important for creating the values that encourage entrepreneurship. Turner (1998:8) summarised Weber's perception of Islam as "patrimonial domination and prebendal feudalism". Arslan (2001:321) argued that Islam does not encourage entrepreneurship; instead, it promotes "warrior ethic, other-worldly Sufism and oriental despotism". In his book, *The Dream of Rome,* Johnson (2006) strongly criticised Islam and argued that Islam put the Muslim world centuries behind the west. He also argued that there is something about Islam that hinders economic development.  In general, Essers and Benschop (2009:408) summarised the perspective about Islam and entrepreneurship as follows: "In the dominant academic discourse on entrepreneurship, Islam has been negatively related to successful entrepreneurship".

In the process of understanding how Islam might constrain entrepreneurial behaviour, Kuran (2008) argued that Islamic historical institutions worked well during the medieval period. He added that the historical Islamic institutions are no longer functional in today's economic system. He argued that business organisations, in the western economy, had evolved to constitute a separate identity, apart from its owner. Yet, this business organisational development did not happen in Islamic countries until just recent reformation of current Muslims' economies to match with the new global economy (Kuran, 2008). Compared to the economic development in the 15th and 16th centuries in Europe, Kuran (2012) claimed that Islamic economics failed to develop because of three basic Islamic principles; i.) Islamic inheritance system, ii.) Islam does not recognise a separate identity of business organisation and iii.) the Islamic Waqf system. He suggested that these Islamic institutions lead to dysfunction of economic growth in the Middle East (see Kuran, 2012).

Similarly, Bernard (2002) argued that the failure of economic development in most of the Islamic countries is due to the failure to separate between politics and religion. He traced Muslim failure back into history when the Prophet Mohammed became a political leader in Medina, leading to a complete espouse between religion and politics. Bernard stated that Islamic countries witness low development in all social, political, and economic spheres. He argued that this underdevelopment of Islamic countries is due to the failure in separating religion from politics (Bernard, 2002). Bernard expressed his belief in secularisation theory when he argued that religion in Western countries has nothing to do with the economy and the state. He claimed that the failure of Islamic countries is due to religion interfering (Lewis, 1994).

In a similar vein, Landes (1999) criticised Islam for blocking the way for industrialisation in Islamic countries. He explained this issue by mentioning historical incidents and comparison with European societies. However, Landes (1999) did not mention any specific Islamic religious values or institutions that lead to underdevelopment in many Islamic countries. Rather, he blamed Islam for constraining women's participation, which he considered an important part of human resources (Landes, 1999). Simlarlry, Zingales (2006) argued that Islam is the least conducive religion to capitalism. Zingales added that "Muslim is very much against the

competition, against private property and less willing to trade off equality for incentives" (2006:229).

Moreover, Kuran (1996:438) criticised Islamic economic thoughts and argued that "the main purpose of Islamic economics is not to improve economic performance" instead "to help prevent Muslims from assimilating into the emerging global culture whose core elements have a Western pedigree". In addition, Kuran (2008; 2012) blamed some of the Islamic rules such as inheritance rules, Zakat, and Waqf systems. He contended that these Islamic rules are not sufficient to align with the world economic system, and criticised Islamic institutions for not accepting western modernisation. Similarly, in his thesis "*The Clash of Civilisation?*", Huntington (1996) argued that the rigidity of Islamic culture blocks modernisation. He claimed that the clash between Islamic civilisation and Western civilisation is a reality.

Nevertheless, the studies which argue that Islam impedes entrepreneurship and economic development are not supported by the recent global opportunity index report (Adams-Kane and Lopez, 2019). The report shows three Islamic countries, Saudi Arabia, Indonesia, and Turkey, are members of the G20 countries. Other Islamic countries such as the United Arab Emirates (UAE), Qatar, and Malaysia are enjoying good economic performance, according to the global competitiveness report (World Economic Forum, 2018). On the other hand, some Christian countries are lagging in economic development (ibid, 2018). To fully understand the influence of religion on entrepreneurial behaviour, we suggest using the institutional theory framework to examine the impacts of religion on entrepreneurial behaviour in a specific context. Before we examine how the proposed conceptual innovation can be developed, let us first review institutional theory as well as the existing progress in the realm of entrepreneurship.

## 2.4 Institutional Theory and Entrepreneurship

Meyer and Rowan (1977) introduced the new institutionalism approach for studying organisational behaviour. They argued that new organisations are constrained by market institutions to follow the institutionalised organisational structure. Institutional theory has

become one of the popular social science theoretical paradigms, particularly in the domain of organisation and management theories (Greenwood *et al.*, 2008). Although the literature lacks a consensus on a concrete definition of the institutions, there is general agreement on taken-for-granted social orders that are constraining/supporting individual behaviours (Meyer and Rowan, 1977; Zucker, 1977; Greenwood *et al.*, 2008). North (1990:1) defined institutions as "humanly devised rules to reduce uncertainty by providing a structure to everyday life". From a social perspective, Greenwood *et al.* (2008:4) defined institutions as "taken-for-granted repetitive social behaviour that is underpinned by the normative system and cognitive understandings that give meaning to social exchange and thus enable self-reproducing social order". Scott (2014:56) comprehensively defined institutions by classifying them into "regulative, normative, and cultural-cognitive elements that together with associated activities and resources provide stability and meaning to social life". The institutional pillars framework of Scott (1995) has become the basic framework of institutional theory.

## 2.4.1  Regulative Pillar

The regulatory institutions consist of all written formal rules such as constitutions and contracts that are either established by the internal members of the organisation or by some other external authority (Boettke and Coyne, 2009). A country's regulative institutions are the rules and regulations that constrain/support people's behaviour, including entrepreneurial behaviour. In the entrepreneurship realm, Dana (1997) found that strict government rules and regulations reduce the rate of entrepreneurial activities.  The instability of government policies and market regulations hinder the development of long-term entrepreneurship strategy (Tan, 1996). In contrast, supportive governmental rules and regulations induce more entrepreneurial activities (Verheul *et al.*, 2002).

## 2.4.2 Normative Pillar

The normative institutions are the structures that organise and guide social behaviours (Scott, 2014). The social system includes norms, values and beliefs which transmit the social meaning

of what is appropriate behaviour and what is not (Sine and David, 2010). Values represent the standards of proper conducts, whereas norms are prescriptions of how behaviour should be legitimately performed (Scott, 2014). The normative system is socially constructed and underpinned with social goals, values and objectives that preserve and perpetuate its endurance (Scott, 2014). In regards to entrepreneurship, a country's normative institutions can reflect the extent to which people admire entrepreneurs and entrepreneurship. In a country where normative institutions do not consider entrepreneurship as good or appropriate behaviour, the rate of entrepreneurial activities will decrease, and vice versa (Baumol, 1996; Spencer and Gómez, 2004).

### 2.4.3 Cultural-Cognitive Institutions

Scott (2014:67) defined cultural-cognitive institutions as "shared conceptions that constitute the nature of social reality and create the frames through which meaning is made". The individual cognitive dimension responds meaningfully to symbolic cultural representation and mediates it with proper behaviour. The new perspective of culture not only espouses subjective beliefs but also represents an external objective symbolic system. The external culture framework shapes the individual's internal cognitive system (Scott, 2014). Thus, culture influences the cognitive system through providing the structure of thinking, feeling and acting – i.e. "software of the mind" (Hofstede *et al.*, 1991:4, cited in Scott, 2014). The cognitive pillar of institutions is an important pillar, which gives meaning to all normative and regulative behaviours.

### 2.4.4 Institutional Logics

The institutional logics perspective is an extension of the institutional theory developed by Friedland and Alford (1991) to recover the underdeveloped actor's agency premises within the institutional theory. Meyer and Rowan (1977) emphasised the power of institutions, which leads to isomorphism of the rationalised organisational structure. Similarly, DiMaggio and Powell (1983) extended the idea of isomorphism from the societal level to the corporate level and

highlighted the coercive, normative and mimetic isomorphism inherent within this level. The neo-institutionalism perspective was primarily criticised for having an underdeveloped theory of agency (DiMaggio, 1988; Thornton, 1999; Thornton *et al.*, 2012). Thus, the institutional logics perspective was developed based on institutions theory. However, the focus is different.

Institutional logics focuses on "the effects of differentiated institutional logics on individuals and organisations in a larger variety of contexts, including markets, industries, and populations of organisational forms" (Thornton *et al.*, 2012:100). Institutional logics theoretically shape the individual actor's rationality by giving the actor the power and freedom to build and rebuild the institutional logics to achieve the intended goal. The institutional logic perspective works as a bridge between the macro-institutional perspective of Meyer and Rowan (1977) and DiMaggio and Powell (1983), and the micro-institutional perspective of Zucker (1977).

## 2.4.5 Institutional Complexity

Institutional complexity refers to situations where individuals and organisations are confronted with multiple contradictions of market logics (Greenwood *et al.*, 2011). Institutional complexity was implicitly mentioned in Meyer and Rowan's (1977) discussion of organisation decoupling strategy when facing conflicting institutional logics. The market is constituted from many different institutional orders, which in many cases are based on conflicting logics (Greenwood *et al.*, 2011). Scott (1991:167) argued that "there is not one, but many institutional environments and...some would be sources of rationalised myths may compete if not in conflict". Friedland and Alford (1991:232) conceptualised Western society as an interinstitutional system including "the capitalist market, bureaucratic state, democracy, nuclear family, and Christian religion". They argued that these institutions have contradictory logics. The complexities of institutional market logics influence actors' behaviours by constraining means and ends of individual behaviours. However, the contradictions in logics offer a source of agency and ability to change by providing cultural resources for transforming the actor's identity (Friedland and Alford, 1991; Thornton and Ocasio, 2008; Greenwood *et al.*, 2011).

Studies applying the institutional logics perspective used a different level of analysis − i.e. societal level and field-level. Friedland and Alford (1991) emphasised the role of institutional logics at the societal level. However, they called for multiple levels of analysis. In addition, Greenwood *et al.* (2011) highlighted some issues that must be considered while analysing the influence of institutional complexity at the individual or organisational levels. For example, they found that many studies considered only two logics while analysing organisation responses which lead to underestimation or misinterpretation of institutional complexity and poor understanding of organisational behaviours (Greenwood *et al.*, 2011). For example, Greenwood *et al.* (2010) studied the influence of family institutional logics, which was supported by the Catholic religion and found that family institutional logic influences the market logic in Spain. Another example; Bhappu (2000:409, 414) studied Japanese organisational model structure and argued that ʺthe Japanese family is an institutional logic for Japanese corporate networks and Japanese management practicesʺ. They found that these institutions made Japanese organisational structure persistent ʺin the face of widespread efforts to emulate Western organisational models in Japanʺ.

Several studies have shown that institutional logics at the societal level interplay with many different sets of institutions which increase the complexity of societal market structures (Goodrick and Reay, 2011). Greenwood *et al.* (2011:332) argued that ʺthe relative ʺweightʺ of institutional prescriptions would be inappropriately gauged if attention is given only to the apparent incompatibility between market and family logic, without paying heed to the interaction and potential reinforcement derived from other logic that is at playʺ.

## 2.4.6 Extant Research from an Institutional Theory Perspective

The uses of institutional theory in entrepreneurship research have largely increased in recent years (Veciana and Urbano, 2008; Bruton *et al.*, 2010). The main reason for the increase uses of institutional perspective is the large dissatisfaction of neoclassical economic approach of studying socioeconomic phenomena like entrepreneurship (Barley and Tolbert, 1997). The institutional theory offers an appropriate lens to look at the social rules, norms and beliefs that influence individualsʹ and organisationsʹ behaviour within a society (Fang, 2010). Institutions are

context-specific societal rules and taken-for-granted assumptions that guide people's behaviour within the context (Bruton and Ahlstrom, 2003; Welter, 2011). The relationship between a country's environmental institutions and entrepreneurship (Figure 1) has been studied by many researchers (Baumol, 1996; Karlsson and Acs, 2002; Manolova *et al.*, 2008; Welter and Smallbone, 2011). The regulative, normative, and culture-cognitive institutions together

constitute the entrepreneurial culture, which in turn leads to entrepreneurial action. A country's institutions were found to be either enabling or constraining entrepreneurial behaviours through encouraging or discouraging entrepreneurial culture (Busenitz *et al.*, 2000; Bruton *et al.*, 2010).
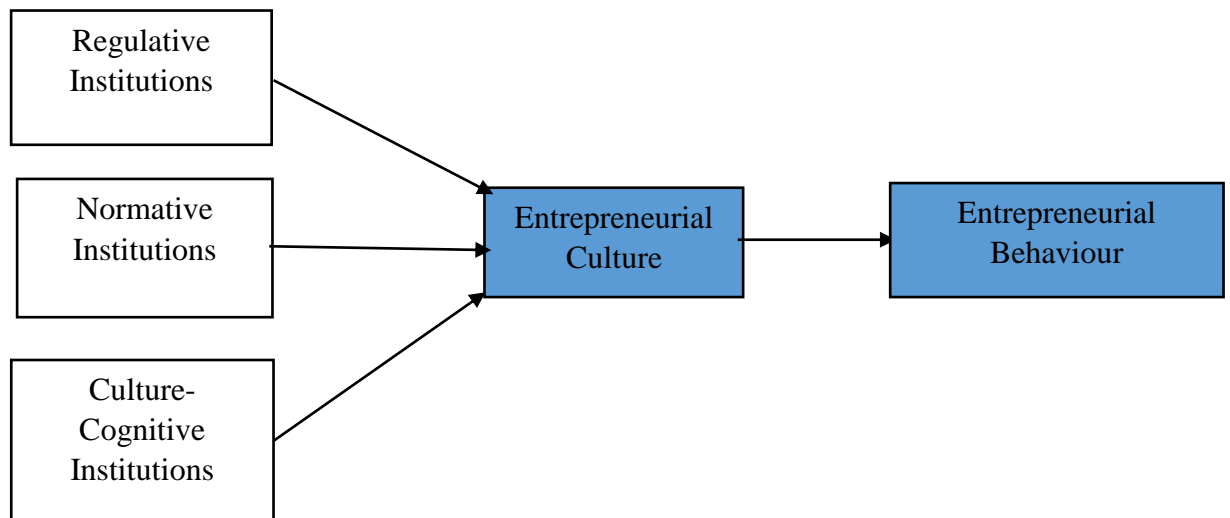


*Figure 1: Institutional Theory and Entrepreneurship*

The Ccountry's institutions are significant determinants of entrepreneurial behaviour (Baumol, 1996). When entrepreneurship is extensively immersed in social life, it becomes a part of cultural-cognitive institutions. The entrepreneurship skills and knowledge such as managing skills and the process of opening a new business become part of the culture which in turn will be easily spread among people living within an entrepreneurial society (Spencer and Gómez, 2004).

Saxenian (1994, cited in Tolbert *et al.,* 2011) found that establishing a computer-based business in California′s Silicon Valley is easier than in Massachusetts′ Route 128. Tolbert *et al.* (2011:1335) explained the differences in entrepreneurial behaviour between the two regions by saying that ″entrepreneurship existed as an accepted institution in the former, but not in the latter″. The availability of entrepreneurship training programmes, incubators and entrepreneurship education contribute to entrepreneurial culture institutions (Dana, 1987).

## 2.5 Theorising The Complexity of The Relationship Between Islam and Entrepreneurship

Islamic institutions can be classified into three categories using Scott's (1995) institutional framework (Figure 2). First, Islamic Shari'a law represents the regulative institutions of Islam and these regulative institutions are mainly stemming from Quran and Sunnah. In some conservative Islamic countries, the Shari'a law represents the state law like in Saudi Arabia, Pakistan and Iran; however, in some other countries, the Shari'a law is separated from the state law. Today, in many Islamic countries, Shari'a law implementation is left to people's agreements. Second, the Islamic normative institutions represent the common Muslim traditions and norms that are serving the Islamic values and beliefs. The Islamic normative institutions are context-specific and differ from one Islamic country to another. Finally, the Islamic cognitive institutions represent the sacred tenet of beliefs about the day of judgment, hell and heaven, the religious belief in deity, and the interference of Allah this life (for more information see Anderson, 1959; Habachy, 1962; Dusuki and Abdullah, 2007; Doi and Clarke, 2008).
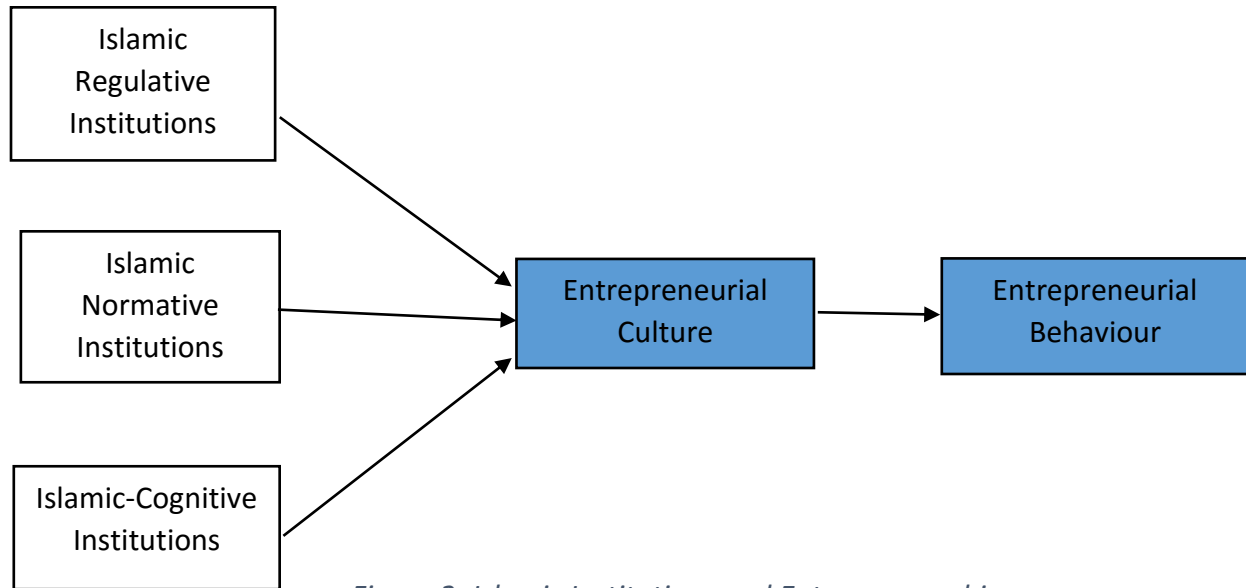
*Figure 2: Islamic Institutions and Entrepreneurship*

### 2.5.1 Conceptualising The Relationship Between Islam and Entrepreneurship From Regulative Institutions

Islam put certain rules in place to regulate business practices and behaviour to achieve economic welfare for society (Metwally, 1997). Islam approves all business transactions and encourages entrepreneurial activities that are compatible with its commands and regulations (Gümüsay, 2015). For example, Islam allows all business transactions except selling or dealing with illegal items such as drugs, alcohol, gambling, and usury to name a few (Ghoul, 2010; Hassan and Hippler III, 2014; Ramadani *et al.*, 2015). Islamic rules and regulations are considered to be the basic guidelines for proper business transactions. Ramadani *et al.* (2015) explained from an Islamic perspective how Islam encourages Muslims to search for knowledge, wisdom, opportunities, innovativeness and risk-taking, and encourages ethical behaviour and social responsibility. There are many studies had discussed the relationship between Islam and entrepreneurial behaviour and economic development in general (see Dana, 2009; 2010; Hassan and Hippler III, 2014; Ramadani *et al.*, 2015; 2016). In this section, we are more interested to see how Islam is regulating entrepreneurial behaviour.

Entrepreneurship consists of two elements, the entrepreneurial idea and the means to achieve the idea (McMullen, 2015). From an Islamic perspective of entrepreneurship, the business idea and

32

the means to achieve it should be consistent with Islamic rules and regulations (Faizal *et al.*, 2013; Gümüsay, 2015). Halal and Haram are the two most commonly used words in Islam to regulate Muslims′ behaviours. Halal and Haram not only refer to the legitimate and illegitimate products but also denote the approved and disapproved means and services to deliver the product to customers (Fischer, 2011). An example of Islamic regulative institutions, which is related to entrepreneurial behaviour is the restriction of business finance to be Halal (i.e. Islamic finance). Islam is mostly accused of restricting business finance to an interest-free loan. This restriction on business finance sources might limit entrepreneurial behaviour. The following section discusses Islamic banking and finance and its relation to entrepreneurial behaviour.

### 2.5.1.1  Islamic Banking and Finance

Banks are important sources of finance for small businesses and help to foster new venture creation (Winton and Yerramilli, 2008; Rogers, 2012).  Similarly, Islamic banks were developing and intended to provide legitimate loans for all people. This development will also help to foster new business formation. Islamic banks can work as a venture capitalist through the ′*Mudarabah*′ deal, which is an agreement between the bank and the entrepreneur (Khwaja *et al.*, 2011). This agreement is based on profit-and-loss sharing, and the bank will act as a venture capitalist. However, in *Mudarabah,* the bank will not interfere in managing the business (Wilson, 2006). The *Mudarabah* is based on mutual trust between the bank and the entrepreneur (Chapra, 2007).

Comparing between Islamic banks and conventional banks, Beck *et al.* (2013:445) found that ″Islamic banks are less efficient, but have higher intermediation ratios, have higher asset quality, and are better capitalised than conventional banks″. In addition, they found no significant differences in business orientation between Islamic banks and commercial banks. In regards to Islamic bank efficiency, Abdul-Majid *et al.* (2010) found that Islamic banks have 12.7% lower outputs for given inputs. However, they argue that the lower output is not related to the inefficiency of Islamic banks; rather it is related to the potential output attributed to Shari′a compliance.

The Islamic banking system has the potential to develop and encourage other business to flourish (Abduh and Azmi Omar, 2012). Wilson (2006) discussed the need for replacing the conventional banking system with an Islamic banking and financial system, which is based on the profit-and-loss-sharing idea. He argued that Islam is not in conflict with capitalism; rather it is forming a distinctive type of capitalism, "Islamic capitalism" (Wilson, 2006:110). In a similar vein, Chapra (2007) discussed and compared the Islamic financial system (interest-free system) to the capitalist financial system (interest-based system). He argues that although major religion in the world (Judaism, Christianity, Hinduism, and Islam) prohibit usury, the interest-based financial system is dominating markets for more than 200 years. Today the *interest-based* financial system is far superior to and more developed than the *interest-free* financial system; however, it is inferior to the creation of equity and social justice (Chapra, 2007).

In contrast, Kuran (2005) criticised Islamic banking and prohibition of interest. He said, "that Islamic law blocked evolutionary paths that might have generated financial modernization through indigenous means", referring to the western financial system. In addition, Kuran (2004) perceived no functional differences between Islamic banking and contemporary banks except the name. In an empirical study examining the differences between Islamic banks and commercial banks, Khan (2010) found support for Kuran's (2004) argument. Khan (2010:805) found that Islamic banks and finance (IBF) are "functionally indistinguishable from conventional banking". Further, he argued that Islamic advocates "strengthen a distinctly Islamic identity by providing the appropriate Islamic terminology for *de facto* conventional financial transactions", while conservative Islamic Shari'a scholars "regularly denounce much of contemporary IBF as being un-Islamic". Rafiq (1992) examined the development of Muslims' businesses in Bradford, the UK, and suggested that the Islamic prohibition of interest payment is constituting a barrier to capital access.

The demands for interest-free financial transactions has increased in many Islamic countries (Mansoor Khan and Ishaq Bhatti, 2008). This has raised the opportunity for Islamic banking and finance to flourish during the last three decades (ibid, 2008). The Islamic financial system, which is based on profit-and-loss-sharing is compelling from equity and social justice stances. In addition, it is religiously a legitimate solution for many committed Muslims who strictly refuse to engage in interest-based financial transactions (Chapra, 2007).

*P1a. The availability of Islamic banking financing system is positively related to entrepreneurship.*

However, today, Islamic finance and Islamic banking are not widely available to all Muslims (Khwaja *et al.*, 2011). The statistics show there is a shortage of Islamic finance provided to entrepreneurs. According to Karim *et al.* (2008) and Khwaja *et al.* ( 2011), more than 72% of people living in Muslim countries did not get any form of Islamic banking services. There is limited Islamic financial support to SMEs in Muslim countries. For example, the statistics show that more than 20% of small business owners in Algeria did not apply for loans because of religious reasons; similarly, 43% in Syria and 40% in Yemen. Muslim entrepreneurs refused to take a loan from conventional banks and are waiting to get access to Islamic finance (Karim *et al.*, 2008; Khwaja *et al.*, 2011). These statistics also show that the conflicting market financial institutions with religious beliefs hinder entrepreneurial behaviour in many of the Islamic countries. Basu and Altinay (2002) showed that the majority (55%) of Muslim immigrant entrepreneurs in London depend on personal savings and family support to start-up their businesses. On the other hand, 45% of Muslim entrepreneurs opted to take interest-based bank loans because they have no alternative mode of Islamic finance available to them (Basu and Altinay, 2002).

*P1b. The lack of Islamic banking and financing system is negatively related to entrepreneurship in an Islamic context.*

Islamic banking has just been recently introduced in some Islamic countries such as Oman. The recent development of Islamic banking offers good opportunities for future research to examine how the introduction of Islamic banking in Oman has affected the level of entrepreneurship.

## 2.5.2 Conceptualising The Relationship Between Islam and Entrepreneurship at The Normative Pillar

Islam is the second-largest religion in terms of the number of followers after Christianity and spread across many different countries (Ali *et al.*, 2015).  Due to differences in contextual nature,

35

resources, culture, language, histories, thoughts, and politics, the values and practices of Islam have been interpreted differently (Najjar, 2005). Although all Muslims in the world have similar sources of values – the Quran and Sunnah – they follow different schools of thought. Nowadays, there are many different Islamic sects and doctrines which cannot be combined under one umbrella. Thus, to understand the influence of Islam on economic behaviour and entrepreneurship, it is important to study this issue within its context (Dana, 1995; Zahra *et al.*, 2014). Fayolle (2013:9-10) noted the importance of context as a key variable in studying entrepreneurship and business practices;

> "... context should be considered as a key variable... The notion of context encompasses spatial (geographical location, country, community, religion, etc.) and temporal dimensions, business dimensions (industry, market), and social (networks, family and friends, etc.) and institutional dimensions (culture, society, economic system, etc.)".

The premise that culture, including religion, is responsible for all the differences between nations in economic development (Harrison, 2000; Landes, 2000) should be avoided.  The economic development is caused by a mix of institutional factors such as culture, market, religion, and state policies. A country's institutional factors interplay with each other to constitute the overall societal structure that might support/hinder the entrepreneurial behaviour in the country (Greenwood *et al.*, 2010).  At a macro-economic level, the economic development of a country is shaped by societal institutions – i.e. the country's institutional profile (Kostova, 1997; Busenitz, 2003). At the micro-level, the entrepreneurial behaviours are constrained and shaped by and individuals' beliefs and values and by external market institutions and government policies (Greenwood *et al.*, 2010).


The available literature about entrepreneurship and Islamic normative institutions has a striking focus on women's entrepreneurship. The focus on Islam and women's entrepreneurship might be interpreted as a reflection of the continuous academic debate about Islam and gender inequality (Rizzo *et al.*, 2007). Islam was criticised for being a "contributor to the systematic subordination of women in patriarchal societies" (Taliss, 2015:860). The overall notion generated from these studies about the influence of Islamic normative institutions and entrepreneurship is context-dependent — the next section discusses the Islamic normative institutions about women entrepreneurship.

### 2.5.2.1 Islamic Normative Institutions and Women's Entrepreneurship

As the common perspective of the influence of Islam on entrepreneurship is negative, the same idea is held about Islam and women's entrepreneurship (Roomi and Parrott, 2008; Zeidan and Bahrami, 2011). However, reviewing the literature reveals that Islamic normative institutions are context-dependent. The following are a few examples of the influences of Islamic normative institutions in different Islamic and non-Islamic countries.

Roomi and Parrott (2008) found that women entrepreneurs in Pakistan are constrained by the patriarchal social work system, which is supported by social gender seclusion institutions; Purdah (veil) and Izzat (honour). Purdah – the *veil* - is worn by many Muslims women in many Islamic countries as part of their religious practices. The veil is a normative institution representing social gender segregation as well as the high standard of women's modesty (Papanek, 1982)., whereas Izzat  - *honour* -  is a cognitive institution by which women's modesty and chastity represent the repositories of the family's honour (Shaheed, 1990). Thus, women are expected to preserve family honour by showing a high commitment to wear the veil and avoid working directly with a male in the job market; consequently, these normative institutions impact women's entrepreneurial behaviours in Pakistan (Roomi and Parrott, 2008). Similarly, Mair and Marti (2009) found that women in Bangladesh cannot participate in the market because of the institutionalised patriarchal system and social support for the seclusion of women by a conservative interpretation of Islamic values. Through studying women's entrepreneurship in some Islamic Asian developing countries, Tambunan (2009) found that Islamic normative institutions constrain Muslim women entrepreneurs in rural areas more than women entrepreneurs in urban places or big cities.

The difference in the cultural norms between rural and urban areas show how Islamic values are differently interpreted in different contexts. In some conservative Muslim countries, the restrictions on women's entrepreneurship are derived from the Islamic norms (e.g. the patriarchal social work system, and masculinity culture) to segregate between woman and man in the workplace (Saadawi, 1982). However, some women entrepreneurs were able to overcome social

restrictions through some innovative means to conduct business. For example; Pope (2002) found that thousands of Saudi women entrepreneurs manage to overcome social and cultural barriers by opening online businesses.

*P2a. Islamic normative institutions in a conservative Islamic context are negatively related to women's entrepreneurship*

The influence of Islam on women's entrepreneurship in non-conservative Islamic countries is positive. Tlaiss (2015) found that Arab women entrepreneurs, from Oman, Kuwait, Lebanon and the UAE, were able to reconstruct their entrepreneurial identity through transforming, rationalising and internalising Islamic work-related values to support their entrepreneurial behaviour. Arab women entrepreneurs do not consider Islam as a hindrance but rather a support for their endeavours. In a similar study, Dechant and Lamky (2005) interviewed ten women entrepreneurs from Oman and Bahrain, and all emphasised that Islam is supporting them. Tlaiss (2014) found that knowledge about Islamic values and history gave women entrepreneurs in the UAE support to overcome socio-cultural barriers, which always starts with convincing their families to support their entrepreneurial pursuits through narrating the story of Prophet Mohammed's wife, Khadija, who was a successful woman entrepreneur. Another study by Itani *et al.* (2011) found that women entrepreneurs in the UAE never perceived religious values as limitations to their voice in the marketplace. McIntosh and Islam (2010) found that wearing the Hijab (scarf) and family support are the most important factors helping women entrepreneurs to get access to the business network in Bahrain. Adas (2006) examined the relationship between Islam and entrepreneurship in Turkey and found that Turkish entrepreneurs were able to "redefine the relationship between Islam, capitalism and entrepreneurship" in a way that legitimises their business activities and adheres to Islamic moral values (Adas, 2006:135).

From the above studies, Muslim women entrepreneurs are able to use some Islamic logics (e.g., Islamic historical stories of successful women entrepreneurs and wearing a scarf) to support their entrepreneurial behaviour.

*P2b. Islamic normative institutions in a liberal Islamic context are positively related to women's entrepreneurship*

From a global perspective, the behaviour of immigrant Muslim women entrepreneurs becomes an interesting topic to uncover the influence of Islam on entrepreneurship in a non-Islamic context. Metcalfe *et al.* (2010:113) explored the behaviour of women Muslim entrepreneurs in Sweden and found that they were able to fit themselves within the Swedish market structure through "negotiat[ing] their spirituality within their role as ethnic minority women entrepreneurs" in a way that gives meaning to their behaviour and preserves their honour and Islamic identity within their community. According to Essers and Benschop (2009) and Essers and Tedmanson (2014), entrepreneurship identity is not a mere reflection of prevailing religious institutions or patriarchal social system. Instead, it is dynamically constructed from the intersection of different identities such as gender, ethnicity and religion. Through empirical study, they explained how female entrepreneurs could craft their own religious identity to match with their gender, ethnic and entrepreneurial identity and to overcome the feudal dogmatic religious institutions.

Again from the institutional logic perspective, Muslim women entrepreneurs in the non-Islamic context match between their religious beliefs and market logic to serve their business goals and satisfy their religious duty. In a non-Islamic context, the Islamic institutions that restrict/support women's entrepreneurship lack social support. The study conducted by Essers and Benschop (2009) on Muslim businesswomen doing boundary work shows that, in a non-Islamic context, some women entrepreneurs reinterpret the Quranic values to match their interests.

*P2c Islamic normative institutions in non-Islamic countries are insignificantly related to women's entrepreneurship.*

From the above studies, it can be concluded that Islamic normative institutions are country-specific. In some conservative Islamic countries such as Pakistan and Saudi Arabia, women entrepreneurship is restricted by the prevailing normative institutions (Naser *et al.*, 2009). On the other hand, women entrepreneurs in liberal Islamic countries such as Turkey, Oman, the UAE

and Bahrain use some Islamic values to gain support for their business and get access to networks. In non-Islamic countries, women entrepreneurs can construct their own logic that satisfies their religious identity, gender and ethnicity within their community.

### 2.5.3 Conceptualising The Relationship Between Islam and Entrepreneurship From a Cognitive Institutional Standpoint

Islamic values and beliefs are very malleable and can be interpreted differently to accommodate various socioeconomic behaviours (Chapra, 1992; Rice, 1999; Abuznaid, 2009). Analysing economic behaviours from an Islamic perspective should take into consideration the extended timeframe of Muslims′ beliefs about life and the hereafter. While economic behaviours from a capitalist perspective are aiming to achieve material objectives such as profit maximisation, Muslim entrepreneurs extend this perspective of success to include success in the hereafter (Pryor, 1985). The beliefs on the day of judgment, heaven and hell make Muslims not only consider their behaviour during this life but also think deeply of the future effects of their current economic behaviour on the day of judgment (Kahf, 1980). In addition, believing in hell and heaven makes Muslims more committed to follow the instructions of Islam and avoid all forbidden materials and actions (Pryor, 1985).

Islamic religious beliefs form a distinctive perception of entrepreneurship. Gümüsay (2015) argued that Entrepreneurship from an Islamic perspective (EIP) is based on three intertwined pillars; i) the pursuit of opportunities, ii) the set of religious values, and iii) the religious-spiritual link. The religious values include the norms and recommendations that form the Islamic ethical framework for guiding entrepreneurial behaviour. The religious-spiritual link is the cognitive belief that links the Muslims with Allah to please Him. All three pillars are interlinked and shape each other. Gümüsay (2015:201) differentiated between EIP and social entrepreneurship based on sources of values and objectives. While social entrepreneurship is initiated to serve societal objectives, EIP originated from religious scriptural sacred sources and its metaphysical objective is to please Allah. Thus, based on this perspective, Muslim entrepreneurs are guided by their religious values to achieve the ultimate success, which goes beyond the material rewards to combine metaphysical success that associates both spiritual well-being and worldly success. In another study, Hassan and Hippler III (2014) compared the Islamic perspective to

entrepreneurship with a western economic perspective. They argued that Islam encourages and prioritises *social* interest over *self*-interest. Islamic cognitive institutions are not intended to restrict/constrain self-interest behaviour but to reduce society-harming behaviours of self-interest (Hassan and Hippler III, 2014).

The adopted philosophical perception of life is directly influencing the economic behaviour pursued by entrepreneurs (Weber, 1905 [1930]; Davis, 1931). Islam supports self-interest doctrine in a condition that does not harm community interest. Individualism was often portrayed to be a push factor of entrepreneurship (Van de Ven *et al.*, 2007). Entrepreneurs do not need to be self-interested to be successful. Van de Ven *et al.* (2007) argued that entrepreneurs could pursue collective interests while serving their interests at the same time. Considering society as a source of entrepreneurial opportunity (Ramoglou and Tsang, 2016), required entrepreneurs to pursue a collective interest to actualise their opportunity belief in the long run successfully. Tiessen (1997) proposed that "individualist orientation is positively associated with the incidence of founding new ventures and innovation". On the other hand, "collectivist orientation is positively associated with incidence and performance of corporate entrepreneurship" (Tiessen, 1997:375-377).

Criticising Islamic business philosophy, Kuran (1997) accused Islamic morality of having the prescriptions supporting communalist economic morality and failing to transform to capitalism. In contrast, Wilson (2006) argued that Islamic economic morality is not completely based on the communalist perspective in a way that is antagonistic to property rights. Instead, Islam encourages entrepreneurship and regulates its activities based on ethical and moral foundations (Siddiqi, 1972; Al Habtoor, 2001). In addition, Islam encourages social welfare and property rights (Sait and Lim, 2006). Islam legitimates the profit-maximisation and self-interest logics that drive entrepreneurial activities under the condition of Islamic rules (Kayed and Hassan, 2010). There is little in the Quran that supports communalist morality, and Islam supports individualist economic morality within its religious boundaries (Pryor, 1985). For example, exploiting an opportunity should not be exclusively based on the pursuit of profit-maximisation and self-interest; rather, an entrepreneur should pay attention to the consequences of their economic behaviour in society. Abdul-Rauf (1979, cited in Pryor, 1985:198) commented on this issue;

> "The Islamic doctrine of economics permits degrees of individual freedom and state intervention but leaves the determination of these degrees to the wisdom and conscience of those involved, who should take current conditions into account. This flexibility has made Islamic economics open to alternative options within its framework."

Islamic cognitive beliefs could influence Muslims' entrepreneurial behaviour. Barro and McCleary (2003) found the beliefs in hell and heaven and the day of judgment are positively related to economic growth. In addition, Smith *et al.* (2019) suggested that some religious beliefs induce entrepreneurial behaviour. However, there is a shortage of research on how Islamic cognitive beliefs could influence entrepreneurial behaviour. More research is needed to show how Islamic cognitive beliefs, such as the belief in the predetermination of opportunity and the belief in pleasing Allah lead to success, influence entrepreneurial behaviour.

*P3. Islamic cognitive institutions are positively related to entrepreneurship.*

## 2.5.4 Rethinking the Relationship Between Islam and Entrepreneurship Using Institutional Complexity and Institutional Logics Perspectives

As mentioned earlier, many studies have concluded that Islam is hindering entrepreneurial behaviour (Kuran, 2008; Zelekha *et al.*, 2014). Considering institutional logics complexity (Greenwood *et al.*, 2011) at the societal level, Islamic religious institutions is a logic that interacts with many other institutional logics within the market to constitute the overall market structure. Thus, Muslim entrepreneurial behaviour cannot be judged based on a single perspective of conflicts between the Islamic and market logics. The under-development of many Islamic markets can be attributed to many reasons. For example; Reda (2014) highlighted an important conceptual difference between Islam and capitalism through reviewing Weber's notes about Islam and the perspective of Al-Sadr (1984), an Islamic scholar. He argued that the capitalist market is not an outcome of Protestants ethical values alone. Instead, it is an outcome of rationalisation of economic behaviour, which Weber (1981, cited in Reda, 2014) himself argued, in his book *General Economic History,* that the religion would eventually abandon by capitalism. Moreover, capitalism is based on worldly objectives endeavours, which is completely against the Islamic concept of the divine objective of Muslims' behaviour. Al-Sadr (1984) argued that implementing the capitalist economic system in an Islamic context would not be successful because it is built on conflicting logics (Reda, 2014). However, this assumption may not

necessarily be true because there are some examples of successful Islamic countries, such as Malaysia and Turkey.

Most of the studies investigating the influence of religion on economic behaviour neglect the state as a remarkable institutional logic that influences economic behaviour. Alatas (2005) argued that studying the economic situation in the Muslim world should not ignore the political economy. Corruption of political statement is one of the important issues that most Islamic countries are suffering from.  Chapra (2000:34) said;

> "One of the major reasons for the Muslim malaise may be the failure of the political system. There is hardly any Muslim country where there is a truly democratic government, accountable to the people, where the press is free, where the courts are independent of political interference, and where the law of the land gets applied fairly and impartially to all, irrespective of their wealth and power. This is in clear violation of the Islamic norms related to the policy. The result is that senior government functionaries are able to get away with corruption, inequities, and incompetence".

Therefore, at the societal level, Islamic religious institutions may conflict with some capitalist market logic. However, it is not the reason for economic underdevelopment, nor it is a hindrance to entrepreneurial behaviours. It is important to consider the political institutions while studying entrepreneurship in Islamic countries.

Most developing markets today are forced to accept the capitalist system to participate in the global economy. Chang (2011:474) argued that most developing countries are required to adopt Global Standard Institutions (GSI), which are found in Anglo-American countries and geared towards "maximising market freedom and protecting private property rights". The pressure to accept GSI is coming from many international trade agreements, such as the MIF, World Bank and WTO, to name a few (Chapra, 1992). Therefore, most of the governments of developing countries are working hard to support the capitalist market, although it may work against the societal and cultural institutions. Forcing capitalist institutions in Islamic countries is conflicting with some of the Islamic institutions. From this perspective, Islam was always criticised for not supporting capitalist institutions. Through adopting the theory of westernisation as the only way of economic development, Islam will always be perceived as an impediment to economic development (Chapra, 1992; Heath, 2004; Chang, 2011).

The good example of the influence of institutional complexity on entrepreneurial behaviour are the studies of immigrant entrepreneurs. Basu and Altinay (2002) interviewed 163 immigrant

entrepreneurs with different religions and cultural backgrounds, including Muslim entrepreneurs from Pakistan, Bangladesh and London. The study found negligible influences of religion on entrepreneurial behaviour and no differences between Muslims and non-Muslims in their business behaviours. The study showed that prominent market institutions (e.g., customer satisfaction and higher labour) made Muslim entrepreneurs in London more "likely to borrow from banks as non-Muslims…, serving alcohol if necessitated and employing their wives in the business if required" (Basu and Altinay, 2002:387).

In contrast, Metcalf *et al.* (1996) and Smallbone *et al.* (1999) studied the performance of Muslim and non-Muslim immigrants in London. They found that the religious belief that Muslims should live according to the Islamic values makes Pakistani entrepreneurs less successful than Indian entrepreneurs in London. Smallbone *et al.* (1999) found that religiously conservative Pakistani entrepreneurs were unwilling to integrate with western culture, consequently performing lower than their Indian counterparts.

The influence of market complexity in entrepreneurial behaviour needs further study. There is a lack of research discussing how entrepreneurs act in a situation where religious beliefs contradict with prominent market institutions. The reviews on Muslim immigrant entrepreneurs show different entrepreneurial actions, which suggest individual religiosity can influence Muslims' entrepreneurial behaviour when market institutions are contradicting religious beliefs.

In regards to women's entrepreneurship, there are no verses in the Quran that directly prohibit women from starting their ventures. Through analysing women's biographies before and after Islam, Koehler (2011) found no differences in women's participation in entrepreneurship and leadership roles either before or after the establishment of Islam. Instead, Koehler found Islam encourages entrepreneurial behaviour. Ullah *et al.* (2013) argued that Islam is not against entrepreneurship and business, particularly women's entrepreneurship. They noted, "Muslim woman was given a role, duties and rights more than 1400 years ago that most women do not enjoy today, even in the West" (Ullah *et al.*, 2013:125). However, this glory stereotype of women in Islamic heritage has been transformed, through conservative Islamic interpretations and discourses. Today there are some restrictions over women's participation in the marketplace

in some conservative Islamic countries (Sidani, 2005; Metcalfe, 2008). McElwee and Al-Riyami (2003) argued that women are ill-informed about their rights and duties under Islamic Shari'a law. Thus, institutionalised traditional practices are still restricting women to their maternal role and continue to enforce the patriarchal social system. For example, women entrepreneurs in Pakistan face difficulty in dealing with men in general and with government officers in particular. In addition, mobility on public transport is one of the major obstacles that women entrepreneurs face in Pakistan (Roomi and Parrott, 2008).

However, the case of women entrepreneurs in a liberal context is different. Essers and Benschop (2009) studied the behaviour of four Muslim women entrepreneurs in the Netherlands. They found Muslim women entrepreneurs variously adhere to and refrain from the Islamic rules to their advantage. The interviews with these women displayed how each entrepreneur differently interprets Quranic verses and Islamic regulation to support their business endeavours. Similarly, Tlaiss (2014; 2015) found that Muslim women entrepreneurs in some liberal Arabian country were not restricted by their religious values nor by their Arab culture. Instead, Arab women entrepreneurs were able to negotiate and use Islamic religious logic to justify their entrepreneurial behaviour. Thus, religious values related to women's participation in the marketplace are subject to different interpretation. Conservative Islamic discourse is constraining women entrepreneurship.

## 2.6 Discussion

### 2.6.1 Revisiting the Existing Studies About Islam And Entrepreneurship

Culture is the most common studied social factor that is believed to have a significant impact on entrepreneurship and economic development (Harrison and Huntington, 2000; Landes, 2000; Hofstede, 2003; Serarols *et al.*, 2011; Wennberg *et al.*, 2013; Huggins and Thompson, 2014). Researchers on the influences of culture on entrepreneurship and innovation show contradictory results (see Hofstede *et al.*, 2004). Through using Hofstede's cultural indices (power distance (PDI), uncertainty avoidance (UAI), masculinity (MAS) and individualism (IDV)), Shane (1992) found that a culture which supports IDV and limits PDI is more innovative than others. In

contrast, McGrath *et al.* (1992) found that entrepreneurs score high in PDI, IDV and MAS, but they score low in UAI. Hofstede *et al.* (2004:184) found that "the only cultural index among the Hofstede cultural variables that consistently predicts the level of entrepreneurship is power distance".

At a macro level, religion is always treated as a subset of culture, as the relationship between religion and culture is too complicated (Saroglou and Cohen, 2011). Hofstede (1980) grouped seven Arab countries in his study of cultural dimensions and found those Arab countries scored high in PDI, UAI and MAS and low in IDV. However, Hofstede's study was criticised for using a small number of countries and outdated information to cluster countries under categories while there are many cultural differences between them (see At-Twaijri and Al-Muhaiza, 1996; Magnusson *et al.*, 2008). There is a lack of studies investigating the influences of Islam on cultural dimensions. No study shows how Islam is influencing one of the cultural dimensions – PDI, UAI, IDV and MAS.

On the other hand, the empirical studies about the influence of Islam on entrepreneurship and economic growth do not show a consistent result, and in many cases they are contradictory (see Acs and Audretsch, 1989; Barro and McCleary, 2003; Guiso *et al.*, 2003; Noland, 2003; Sala-i-Martin *et al.*, 2004; Noland, 2005; Audretsch *et al.*, 2007; Bartke and Schwarze, 2008; Audretsch *et al.*, 2013).

For example, Audretsch *et al.* (2007, 2013) found that Islam is more conducive to entrepreneurship than Hinduism and Buddhism are, whereas Christianity has no impact on self-employment in India. Badawi (2006) argued that although Islam preaches a holistic and comprehensive development in this world and hereafter, it does not negate the pursuit of economic development in the current life. In addition, Badawi argues that Islamic teachings are suitable for the development of the modern knowledge-based economy (Badawi, 2006:208). Arslan (2001) used the Protestants Work Ethic (PWE) framework to compare between Protestant British managers, Irish Catholic managers, and Muslim Turkish managers. He found that Muslim Turkish managers have higher PWE than Protestant British and Catholic Irish managers. Bartke and Schwarze (2008) found that Muslims are less risk-tolerant than Christians. Sala-i-Martin *et al.* (2004) found Islam positively associated with per capita income growth. Noland (2005) found

that the share of the Muslim population within and across countries is positively correlated with economic growth.

In contrast, Guiso *et al.* (2003) found that Islam is negatively associated with the attitudes that are conducive to economic growth. Barro and McCleary (2003) found that most religions, including Islam, are negatively associated with per capita income growth compared to Catholicism. Zelekha *et al.* (2014) found support for the hypothesis that the existence of the majority of Muslims in a country will have negative effects on entrepreneurship level. On the other hand, Pryor (2007) found that the presence of Islam has a minor influence on social and economic indicators and found religion is not a good explanatory variable of economic development. Altinay and Altinay (2008) studied the influence of Islam on the business growth of Turkish entrepreneurs in the UK and found no relationship between Islam and entrepreneurship in any type of business sector.

The variation in the results of the above studies can be interpreted in many ways. First, there is a methodological inconsistency because each study uses different methods to look at the influence of religion on entrepreneurship. Second, each study uses different databases, as there is no common and standardised database for all countries and religions. Most Islamic countries lack information about religious practices; i.e. no survey records prayers' attendance, religious organisations' membership, or other religious practices. Thus, it is hard to compare Muslims with other religions based on the number of church attendances or any other religious practices. Third, the accuracy of the data used from religious surveys is questionable. People always tend to overstate their religious practices (Hadaway *et al.*, 1993). Fourth, the Muslim data sample is numerically small and geographically limited and does not represent the total number of Muslims all over the world with different sects (Medoff and Skov, 1992).

Another genuine factor that can explain the contradictory results of the empirical studies about Islam and entrepreneurship is differences in contextual institutions. Many other factors can interplay with religion to shape entrepreneurial behaviours. These environmental factors are country-specific and moderate the influence of religion on entrepreneurial behaviour (Dodd and Seaman, 1998; Krymkowski and Martin, 1998; Greenwood *et al.*, 2008)

From a theoretical perspective, the theological studies about Islam and entrepreneurship do not answer the question of how Islamic religious values influence entrepreneurial behaviours (cf Davis, 2013; Ullah *et al.*, 2013; Gümüsay, 2015). The theological studies do not predict the actual Muslims' entrepreneurial behaviour within the market. The current actual economic situation of many Islamic countries does not match with the theological and idealistic perspectives of Islam. There is a wide gap between the theoretical Islamic perspective and the actual situation of the economy in most of the Islamic countries. Islamic economic advocates argue that the current economic situation of Islamic countries does not represent Islam or Islamic values (Chapra, 2000). Chapra (2000) said that the major reason for Muslims' under-development is the deviation from Islam. He argues that the political system in most of the Islamic countries is violating the Islamic norms related to the state. In addition, Chapra (2000) argued that to grasp the fruit of Islam, it is important to implement all Islamic principles together in all aspects of life; however, he also posited that the current political and economic institutions in most Islamic countries are not suitable for implementing Islamic principles (Chapra, 2000, 2001).

The qualitative studies about Islam and entrepreneurship are strikingly focusing on topics related to gender, ethnic and immigrants. In regards to female entrepreneurship, the Islamic religious restrictions on women entrepreneurs differ from place to another. In a liberal context, female entrepreneurs do not consider Islam as a hindrance; instead, they perceive Islam as support for them to work hard and sincerely (Tlaiss, 2015). Arab female entrepreneurs were able to use Islamic ethical values to convince their parents to let them pursue their opportunities (Tlaiss, 2014; 2015).

In contrast, the studies of women's entrepreneurship in a conservative Islamic context (Roomi and Parrott, 2008; Mair and Marti, 2009) show women entrepreneurs face some social barriers that are promoted by conservative Islamic discourses. However, Roomi and Parrott (2008) noted that there is nothing in the Quran or Sunnah to prevent women from participating in the market and economy. In the non-Islamic context, studies show that Islamic values and beliefs did not restrict Muslim women entrepreneurs (Essers and Benschop, 2009; Essers and Tedmanson, 2014). Instead, they were able to reconstruct their own religious identity through reinterpreting

the Quranic values to gain legitimacy within their community and serve their business goals (Essers and Benschop, 2009). The study of Muslim entrepreneurs in London shows that Islam was not practiced when market logic institutions are more appealing to keep the business successful, such as serving alcohol and taking a loan from banks (Essers and Benschop, 2009).

The qualitative approach to study the impact of Islam on entrepreneurial behaviour reveals that religion, in general, is not a unique predictor of entrepreneurial behaviour. In addition, qualitative studies show that Islamic religious institutions are not similar to all Islamic countries. Each Islamic country has its unique religious institutions, although all have similar religion. This fact indicates that religious institutions are transformed, rationalised and internalised by the existing cultural, political and social norms. Krymkowski and Martin (1998:191) noted;

> "[T]o put it succinctly, religious institutions are but one small part of the larger social matrix of institutions ... all of which reflect and reinforce dominant cultural values. Isolated from this matrix, religion is unlikely to act as an independent variable having a major impact on individuals".

From this perspective, the level of entrepreneurship rate and the country's economic development cannot be predicted using the religion factor alone. It is important to consider the whole institutional environment of the country. An institutional perspective on entrepreneurship suggests that entrepreneurial behaviour is influenced by the existing cultural institutions that support/hinder the creation of the entrepreneurship environment (Baumol, 1996; Tolbert *et al.*, 2011; Thornton *et al.*, 2012).

## 2.6.2 Future Direction For Studying Islam And Entrepreneurship

In this study, we found that Islam does not directly constrain economic development; rather, Islamic institutions are conflicting with some of the GIS, i.e. capitalist institutions. This conflict hinders entrepreneurial behaviour in some conservative Islamic countries. Keeping this institutional complexity in mind is important when studying the relationship between religion and economic development.

Moreover, through this study, it becomes clear that many socioeconomic factors, including religion, influence entrepreneurial behaviour. This study also emphasises the importance of using a qualitative approach to study the influence of religion on entrepreneurship. Using a macro-quantitative approach to study the relationship between Islam and entrepreneurship did not yield accurate information. In addition, we are examining the influence of specific Islamic institutions such as the belief in the predetermination of opportunity on the entrepreneurial opportunity belief formation process, confidence development, and coping with entrepreneurial failure, which would generate interesting insights on how religion could influence entrepreneurial behaviour. In the following chapters (3 and 4), we will empirically study the influence of Islam religious beliefs on opportunity belief formation (chapter 3) and on strategies used to cope with entrepreneurial failure (chapter 4).

## 2.7 Conclusion

The economic development and entrepreneurship cannot be determined via a single factor such as religion. Religious institutions are one small part of the larger societal institutions. Studying the influence of religious institutions on economic behaviour should consider other institutional factors, e.g., social, political, and market institutions (Greenwood *et al.*, 2011). Each Islamic country has its own distinctive set of societal institutions, although they have a similar religion or culture. The studies of entrepreneurship emphasised the importance of context that specifies the cultural and societal factors in analysing entrepreneurial behaviour (Zahra *et al.*, 2014; Touzani *et al.*, 2015). Institutional logics and institutional complexity perspective show the importance of considering the societal institutions and the degree of institutional conflict (Greenwood *et al.*, 2011). Through the use of institutional theory, this paper problematised the widespread notion that Islam impedes economic growth and entrepreneurship. It demonstrates that the target phenomena are more complex than typically assumed and suggests the need for sustained research into the precise manner in which Islamic institutions influence entrepreneurial behaviour. The next two papers purport to contribute on this front.

# Chapter 3: The Influence of Religion on Entrepreneurial Behaviour: The Case of Islam

## 3.1 Abstract

Opportunity beliefs are the cognitive underpinnings of entrepreneurial action. Understanding the influence of social factors on entrepreneurial cognitive beliefs is crucial for the study of entrepreneurial behaviour while understanding how entrepreneurs overcome doubt to pursue potential opportunities is key to the formation of favourable beliefs. Yet, previous studies systematically downplay the role of uncertainty in entrepreneurship and typically assume an overly rational perspective informed by rational-actor models of economic decision-making. This paper provides a more realistic and socialised perspective by illustrating how beliefs about opportunities evolve in an Islamic context. Through semi-structured interviews with 35 Muslim entrepreneurs from Oman, this study demonstrates that Muslim entrepreneurs 1) believe in predetermination of opportunities, 2) believe that economic success should only be achieved through pleasing Allah, 3) view business opportunity in light of its economic return as well as their fit with religious values, and 4) increase their confidence to achieve success through prayers.

## 3.2 Introduction

The question of how entrepreneurs consider exercising entrepreneurial action has received considerable interest among entrepreneurship scholars (Venkataraman, 1997; Shane and Venkataraman, 2000; Sarasvathy, 2001; McMullen and Shepherd, 2006; McMullen, 2015). Several perspectives within entrepreneurship studies have underscored uncertainty as a cognitive doubt that prevents entrepreneurial action (Knight, 1921; McMullen and Shepherd, 2006; Koudstaal *et al.,* 2015; Ramoglou and Tsang, 2016). The question of how entrepreneurs overcome doubt becomes essential to understand entrepreneurial behaviour. Although quite a few studies have called attention to the role of uncertainty in entrepreneurial action (McMullen and Shepherd, 2006; Koellinger *et al.,* 2007; Shepherd *et al.,* 2007; Trevelyan, 2008; Dimov,

51

2010), *how* entrepreneurs overcome doubt has yet to be researched empirically. From a cultural-cognitive perspective, this paper explores how entrepreneurs consider exercising entrepreneurial action under uncertainty.

To shed light on how entrepreneurs overcome doubt, we conducted a qualitative study and interviewed 35 Muslim entrepreneurs from Oman. The choice of Muslim entrepreneurs is particularly promising for understanding entrepreneurial action induced by cognitive beliefs. The religious pillar is particularly pronounced in the way humans make sense of their world to exercise agency in their context. The influence of religion is not limited to the personal private realm but extended to influence individual cognitive beliefs related to business and entrepreneurial behaviour (Dana, 2009).

Understanding the role of religion in the process of overcoming doubt would give a critical insight into the workings of entrepreneurial behaviour. This study shows that most of the interviewed entrepreneurs used their work experiences and knowledge to start forming their new venture ideas (Davidsson, 2015). Entrepreneurial action is encouraged by environmental stimuli, such as changes in the market's rules and regulations (Shane, 2012) and technology advances (Shane, 2003). These environmental stimuli are cognitively processed to form opportunity belief through a structural alignment process (McMullen and Shepherd, 2006; Grégoire *et al.*, 2010). Knowledge, experiences and education are the basic elements required to spot these stimuli and form opportunity belief (Baron, 2006). However, having opportunity belief need not necessarily be followed by action. Entrepreneurs could form their beliefs about the existence of a profit potentiality, but their doubt about eventual success might prevent them from acting. We find that entrepreneurs in Oman enhance their opportunity confidence by using their religious beliefs of predetermination of opportunities (I *can* succeed). They also use their religious definition of economic success as should always be connected to pleasing Allah, i.e. as long as they are pleasing Allah, success is achievable (I *will* succeed) (Gümüsay, 2015). Our study shows religious beliefs and rituals increase the level of confidence within entrepreneurs to act upon their beliefs. Moreover, although the study shows that prior knowledge and experiences are essential ingredients of new idea development, religious beliefs not only increase the level of confidence but also constrain the belief formation process through deciding what an appropriate opportunity is and what is not.

An important theoretical contribution of this study, it adds a new dimension to the essence of opportunity nature debate (Ramoglou and Tsang, 2016). This study shows that opportunities from an Islamic religious philosophy are like bounties given by Allah to those who sincerely devote themselves to Allah. This Islamic beliefs related to business opportunity and success takes the debate on the nature of opportunity to a metaphysical perspective of opportunity. This study shows that religion is an important dimension that should be taken in consideration in opportunity belief formation theory (Shepherd *et al.*, 2007).

This article is organised as follows. The first section of the main body reviews the literature and discusses the different theoretical approaches used to study entrepreneurial behaviour. The next section discusses the methodology used to answer the research question of this study and presents data descriptions. The findings and discussion of this study are presented in sections four and five, respectively. Finally, the conclusion, along with implications and future studies, are discussed.

## 3.3 Literature Review

### 3.3.1 The Evolution of Entrepreneurial Behaviour Approaches

Previous studies in entrepreneurship gave less attention to uncertainty and focused on individual qualities that make some individuals start their venture while others do not (McClelland, 1961; Brockhaus, 1980a, 1980b; Carland III *et al.*, 1995). Along the so-called trait-approach, entrepreneurs were identified based on personal characteristics that make them different from non-entrepreneurs. However, several studies have discussed the issue of identifying entrepreneurs based on personal characteristics (for example, see Cooper, 2003; Sarasvathy and Venkataraman, 2011; Ramoglou, 2013). Most seminally, Gartner (1988) criticised the trait approach and suggested a behavioural turn to study entrepreneurial action. Following Gartner (1989), recent studies of entrepreneurship abandon the trait approach and move towards the entrepreneurial behavioural approach. In an initiative to advance the field of entrepreneurship forward, Shane and Venkataraman (2000) and Shane and Eckhardt (2003) used individual-opportunity nexus approaches which emphasise the objective and independent existence of

entrepreneurial opportunities. This approach defines entrepreneurship as a process of identifying, evaluating and exploiting opportunities (Shane and Venkataraman, 2000). This approach is also known as the discovery approach.

According to the discovery approach, the entrepreneurial opportunity is defined as "those situations in which new goods, services, raw materials, and organising methods can be introduced and sold at greater than their cost of production" (Shane and Venkataraman, 2000:220). Thus, entrepreneurial opportunities are presumed to be objectively and independently existing (Shane and Eckhardt, 2003; Shane, 2012) and the role of entrepreneurs in this process is to discover, evaluate and exploit opportunities. According to Kirzner (1997) and Shane and Venkataraman (2000), discovering opportunity is a prerequisite process of entrepreneurship and only those people with the special quality of "alertness", can discover opportunities. From this perspective, the start of entrepreneurial action depends on discovering opportunities (Kirzner, 1979; Busenitz, 1996; Shane and Eckhardt, 2003). However, emphasising the "alertness" quality in the process of discovering opportunity inadvertently resuscitates the trait approach.

Through looking at the uncertainty concept under the discovery approach, it appears to be flawed. Considering that opportunities objectively exist and the role of entrepreneurs is to discover them, implies that we know that opportunities exist before the actualisation of profits (Ramoglou and Tsang, 2016). Although Shane (2012) clarified that not all objective opportunities could be profitable, the presumption that profitable opportunity can objectively exist makes no scope for doubt when they are discovered. In addition, this presumption emphasises the trait approach by promoting the "alertness" quality to discover profitable opportunities (Kirzner, 1979).

In contrast to the discovery approach, the creation approach argues that opportunities are not objective phenomena; rather they are subjectively created by entrepreneurs or by unintended consequences of socioeconomic market activities (Buenstorf, 2007). According to the creation approach, the opportunity is created through an evolutionary process. Entrepreneurs do not search for opportunities, but act and respond to consumers' reactions until the opportunity is created (Alvarez and Barney, 2007). Entrepreneurs actively interact with market changes to collect the needed information and process it to create an opportunity. Although the creation

approach argues on the subjectivity process of creating an opportunity, the entrepreneurial opportunity itself (i.e. the end product) is objective (Alvarez and Barney, 2007).

Regarding the concept of uncertainty in the creation approach, the context under the creation approach is argued to be uncertain because "opportunities do not exist until they are created" (Alvarez and Barney, 2007:16). The creation approach limits uncertainty in entrepreneurial behaviour to the process of creating opportunity, but the general assumption is no doubt about success once an opportunity is created (Alvarez *et al.*, 2010). Again, from this perspective, uncertainty is downplayed through assuming success is attainable after an opportunity is created. According to Ramoglou and Tsang (2016), the existence of an opportunity can only be known *ex-post* when success is assured (i.e. profit generated). However, in the case of failure, it is difficult to determine whether opportunity is absent or simply unactualised (Ramoglou and Tsang, 2016). The creation and discovery approaches of entrepreneurial behaviour and their underlying concept of opportunity have been criticised by many scholars (McMullen and Shepherd, 2006; Klein, 2008; McMullen, 2015; Ramoglou and Tsang, 2016). Klein (2008:176) criticised the discovery and creation approaches of entrepreneurship and juxtaposed the 'judgment approach'. Klein (2008) and McMullen (2015) argued that opportunities are subjective phenomena (i.e. beliefs) and are neither discovered nor created but imagined and exist only in the mind of the decision-maker. Thus, an opportunity is more about the belief in future outcomes. Ramoglou and Tsang (2016) have also criticised discovery and creation approaches and argued that opportunities are propensities of market demands that are waiting to be actualised by entrepreneurs, who cognitively make contact with opportunities through imagination and beliefs with the uncertain state of mind about opportunity existence until profit is achieved. From this perspective, doubt (uncertainty) is a constant feeling throughout the process of entrepreneurship until profit is generated.

Opportunity belief development is the initial and necessary step for overcoming doubt and gaining confidence (McMullen and Shepherd, 2006; Shepherd *et al.*, 2007). Therefore, it becomes important to understand how entrepreneurs overcome doubt by developing their opportunity beliefs. The next section discusses the opportunity belief-formation processes.

### 3.3.2 Opportunity Belief Formation and Doubt

Entrepreneurial behaviour is action in the face of uncertainty (McMullen and Shepherd, 2006). Regardless of different perspectives of uncertainty (see Dequech, 2011), it is always represented as cognitive doubt that prevents entrepreneurial behaviour (Lipshitz and Strauss, 1997). Overcoming doubts and gaining confidence in the imagined opportunity are the determinants of entrepreneurial action and new venture emergence (McMullen and Shepherd, 2006; Dimov, 2010). Entrepreneurial action is a process of overcoming doubt related to the feasibility and profitability of opportunity. Entrepreneurs are presumed to cognitively overcome doubts by forming opportunity belief (McMullen and Shepherd, 2006; Shepherd *et al.*, 2007).

Overcoming doubt is a cornerstone to understanding entrepreneurship. McMullen and Shepherd (2006) argued that entrepreneurship is an act of either less perceived uncertainty or willingness to bear uncertainty. The process of entrepreneurship starts with developing opportunity belief that stimulates entrepreneurial action. McMullen and Shepherd (2006) argued that the process of opportunity belief development is a process of overcoming doubt about the feasibility and desirability of an opportunity. Through the opportunity formation process;

> "[A]n entrepreneur must first escape **ignorance** that an opportunity for someone exists within the environment and then overcome **doubt** about the feasibility and desirability of action. The escape from ignorance concludes with the formation of a **third-person opportunity belief** that initiates the attempt to overcome doubt... Once individuals form beliefs that an opportunity for someone exists in the currently scanned environment, they evaluate whether they can successfully enact the opportunity should they commit to its pursuit… A first-person opportunity belief yields a decision to commit only if the prospective entrepreneur overcomes sufficient doubts" (Shepherd *et al.*, 2007:78).

While the transition from third-person opportunity belief to first-person opportunity belief may not resolve all doubts, the engagement on entrepreneurial action depends on motivation generated from the development of these beliefs (McMullen and Shepherd, 2006; McMullen *et al.*, 2007). Although McMullen and Shepherd (2006) pointed out that the identification of opportunity "cannot be expected to produce entrepreneurial action" (2006: 145), this remains a dominant assumption that action will inevitably follow.

Similar insight can be gained from other studies following the opportunity-belief model with an emphasis on the importance of domain-specific knowledge as a characteristic of entrepreneurs to

overcome feasibility doubts (Patzelt and Shepherd, 2011b; Grégoire and Shepherd, 2012). However, not all beliefs (i.e. first-person opportunity beliefs) will be enacted, and if they are, not all of them will be successful. Ramoglou and Tsang (2016) posited that opportunities remain as propensities, and there is doubt about their possibilities. The sense of doubt is a constant feeling until the opportunity is enacted, and profit is generated (Ramoglou and Tsang, 2016). Thus, the entrepreneurial action does not necessarily take place after opportunity belief is formed. Also, doubt in entrepreneurship is not only related to the opportunity existence but also whether that opportunity will result in success or not (Ramoglou and Tsang, 2016).

While it is inevitable to escape the doubts about whether an opportunity belief will generate profit or not, it becomes crucial to understand how entrepreneurs enhance their confidence to pursue their opportunity belief. Entrepreneurs need more than just to believe that they can pursue opportunity but to believe that profit will be generated. To start entrepreneurial action, the entrepreneurial mindset needs to transit from a state of "I can succeed" to one of "I will succeed" (Ramoglou and Tsang, 2016). In some cases, the transition to the belief that "I will succeed" cannot be maintained under true market uncertainty without relying on informal institutions such as superstitions (Tsang, 2004).

Theories of economic behaviour under uncertainty have been criticised mainly for assuming actor rationality induced by maximisation purposes (Smelser and Swedberg, 2010). Economic behaviours, including entrepreneurship, are embedded within a social context (Granovetter, 1985b; Beckert, 1996). The influence of social structures, institutions and religion cannot be ignored in the studies of entrepreneurial behaviour. While most of the entrepreneurial behaviour approaches mentioned above assumed actor rationality. They did not discuss the role of social and cultural institutions in the process of overcoming doubt. For example, opportunity belief formation theory (McMullen and Shepherd, 2006) is mainly built on the economic perspective model and ignores the social influences on the process of entrepreneurial action. Thus, it becomes crucial to delve into the issue of actor rationality under uncertainty.

### 3.3.3 Rationality and Uncertainty

Many scholars have criticised actor rationality and maximisation theories (see Sen, 1977; March, 1978; Simon, 1990). The influence of cultural and social institutions on individual choices and decision-making have been proved by many sociologists (Granovetter, 1985; Hodgson, 1988; North, 1990; Scott, 1995; Beckert, 1996; Wuthnow, 2010). Sociologists and institutionalists argued that economic behaviours under uncertainty follow a satisfying strategy rather than maximisation strategy (Meyer and Rowan, 1977; Zucker, 1977; Simon, 1990). Other studies found that people under uncertainty rely on institutions, which play a pivotal informative role in guiding individuals' behaviours (North, 1990; Dequech, 2001).

Institutions are part of social reality and provide useful information for individuals to build their future expectations (DiMaggio, 1988; North, 1990). Different types of institutions – regulative, normative and culture-cognitive – influence individuals' behaviours and decision-making (Scott, 2014). Previous studies on institutional theory show that institutions are powerful social frameworks that preserve and promote traditional behaviours (Meyer and Rowan, 1977; Zucker, 1977; DiMaggio and Powell, 1983). From an institutional logics perspective, institutions are resources that can be reconstructed by the actor to consider taking an entrepreneurial action and breaking the status-quo (Thornton and Ocasio, 2008; Thornton *et al.*, 2012; Friedland, 2013).

In the entrepreneurship realm, selection of opportunity is also constrained by social factors (Singh *et al.*, 1999; De Carolis and Saparito, 2006). In an opportunity evaluation study, Wood and Williams (2012:2) found that "opportunity evaluation is influenced by the application of socially derived rules that specify what a 'good' opportunity looks like" (see also Wood *et al.*, 2014; Gruber *et al.*, 2015). Also, Vandor and Franke (2016) found that entrepreneurs with cross-culture experiences have more capabilities to recognise and discover profitable opportunities. Supporting this argument, Shepherd (2015:491) suggested using an interactive perspective of the entrepreneurial opportunity identification process, which will "provide additional insights into the refinement of potential opportunities, the transformations of communities around those potential opportunities, and the mutual adjustment involving the two". Last but not least, Smith *et al.* (2019:3) argued that entrepreneurial behaviours could be driven by religious objectives such as "pursuit of financial gain for others, prosocial service of others, sharing religion with others, and honouring God".

Thus, the process of opportunity belief formation needs to be rethought in such an interactive perspective that incorporates the influences of social factors such as cultural and religious institutions. Given the scarcity of research into the role of institutions in the process of overcoming doubt, this paper offers an empirical examination of the role of religious beliefs in the process of overcoming doubt.

## 3.4 Methodology

### 3.4.1 Method

To answer the main question of this study, which is how Muslim entrepreneurs overcome doubt, we conducted in-depth interviews with Muslim entrepreneurs from Oman. We used a qualitative interpretive approach to understand the influence of religious beliefs on entrepreneurial behaviour. While it is difficult to understand the influence of Islamic beliefs on entrepreneurial behaviour without acknowledging the impact of other environmental institutions (Greenwood *et al.*, 2011), we limit our scope in this study to focus on how Muslim entrepreneurs overcome doubts. To answer this question, we split it into sub-questions: these include How is the opportunity belief formed? What makes Muslim entrepreneurs believe that opportunity exists? What makes them confident about success?

The rationale of considering our ontological and epistemological views originates from our belief that reality is socially constructed (Searle, 1995). The theories of the decision-making process are mainly built on the economic perspective that emphasises actor 'rationality' and to some extent ignores the influence of social and cultural factors in the process of decision-making (Granovetter, 1985). To better understand entrepreneurial behaviour under uncertainty, we adopted the social perspective informed by institutional and behavioural theories under uncertainty (Simon, 1990; Dequech, 2001; Thornton and Ocasio, 2008; Greenwood *et al.*, 2011; Scott, 2014). To date, no specific economic theory can accurately predict entrepreneurial behaviour under uncertainty. In addition, entrepreneurial behavioural models developed by Sarasvathy (2001) and McMullen and Shepherd (2006) implicitly ignore the influence of institutions and assume an overly economic perspective of the opportunity formation process. In

addition, there is a scarcity of research addressing the role of institutions and particularly religion in the process of overcoming doubt.

The adopted philosophy will not only influence the research design and strategy, but it will significantly impact the understanding of the research problem. Johnson and Clark (2006) emphasise the importance of being aware, as researchers, of the adopted philosophical commitments to investigate any research problem. Thus, it is imperative to clarify that our philosophical assumption of reality is harmonious with social constructivism, i.e. the reality is socially constructed and influences people's perceptions and behaviour (Searle, 1995). From this perspective, understanding the meaning attached to the phenomenon is more important than just looking at the overall relationship between the actors and their actions (Saunders *et al.*, 2012b).

Socially constructed reality objectively exists and influences people's behaviours within their context (Searle, 1995). Environmental institutions (i.e. regulative, normative and culture-cognitive institutions) are socially constructed to serve different logics, and these institutional logics are supporting certain behaviours and constraining others (Greenwood *et al.*, 2011). The culture-cognitive institutions, including religious beliefs, are parts of social reality and need not necessarily be connected to a specific geographical place (Huntington, 1996; Landes, 2000; Hofstede, 2003). Religious beliefs can influence entrepreneurs' cognitive thinking and consequently interpret these into an action that satisfies their economic and religious desires. However, we reject the bounded rationality theory and the coercive view of institutions (DiMaggio and Powell, 1983; Simon, 1990) but we support the institutional logic perspective that partially retains actor rationality (Thornton and Ocasio, 2008; Friedland, 2013).

From an epistemological point of view, we adapted the interpretivism approach (Bhaskar, 1989) to answer our research question that asks how Muslim entrepreneurs use their religious belief (cognitive institutions) to overcome doubt. We consider Islamic religious beliefs as institutions that might constrain/support an individual's cognitive entrepreneurial thinking: the deep belief and belief structure influence entrepreneurial thinking and the perception of opportunity (Krueger, 2007). It is important to go beyond the macro perspective and deterministic view of culture and religion (Eckhardt, 2002).

### 3.4.2 Data Sample

Face-to-face and telephone interviews were conducted to collect data for this study. A total of 35 Muslim entrepreneurs from Oman (Table 2) were interviewed. The interview questions and follow-up questions were designed to understand how Muslim entrepreneurs overcome their doubts. Before interviews were conducted, the guideline questions were revised by experts in the study area, and ethical approval was obtained for this study. Interview questions were structured to guide the interviews to achieve the purpose of this study; however, many follow-up questions were emerging during interviews (Corbin and Strauss, 1990). Purposive sampling was used to recruit participants to satisfy the objective of this study and gain an in-depth understanding of the research problem (Patton, 2002, 2005).

Most recruited participants for this study are young adults between 20 and 30 years old, and a few entrepreneurs are above 50 years. Out of 35 interviewees, ten women were interviewed for this study. However, three refused to do the interview and one quit in the middle of the interview. In contrast, all men were enthusiastic and interested in doing the interview. Consent confirmation was taken from all interviewees and informed that the interview would be recorded for the study. In addition, anonymity was assured and informed that data will be erased once the study is over. The interviews were administered by the researcher and the Arabic language was used as a medium of communication. The recorded interviews lasted between 30 and 90 minutes. However, the actual meeting took more time (see Appendix A). Most face-to-face interviews took place in entrepreneurs' business offices. Also, most of the interviewed entrepreneurs were at the early stage of their ventures (1-5 years) and worked on innovative ideas at Oman National Business Center (NBC) and the SAS programme.

NBC and SAS are incubator centres that help entrepreneurs to develop their entrepreneurial ideas and to start their own businesses. The centres have specific application guidelines that scrutinise the applicants based on their ideas. The entrepreneurs have to present their business ideas to a panel of experts, who make the incubation decision. The successful entrepreneurs receive monetary and non-monetary government support (http://madayn.om/sites/NBC/EN/Pages/Home.aspx).

*Table 2: Data Description*

| Interviewee Code | Gender & Nationality | Age Group (in years) | Business Description | Mode of Interview | Duration of Interview (in minutes) | Religious Sect |
|---|---|---|---|---|---|---|
| Ent_01 | Male | 40-50 | Logistic and Delivery | Telephone Interview | 42 | Ibadhi |
| Ent_02 | Male | 30-40 | Multimedia production | Telephone Interview | 40 | Ibadhi |
| Ent_03 | Male | 20-30 | Perfume production | Telephone Interview | 45 | Ibadhi |
| Ent_04 | Male | 30-40 | Software & Computer | Face-to-face Interview | 80 | Ibadhi |
| Ent_05 | Male | 30-40 | Apps & Software Programming | Telephone Interview | 40 | Suni |
| Ent_06 | Male | 30-40 | Telecommunication and Networking | Face-to-face Interview | 90 | Ibadhi |
| Ent_07 | Male | 20-30 | Apps & Software Programming | Face-to-face Interview | 49 | Ibadhi |
| Ent_08 | Male | 40-50 | Sewage purification | Face-to-face Interview | 52 | Ibadhi |
| Ent_09 | Male | 20-30 | Geology Consultation services | Face-to-face Interview | 64 | Suni |
| Ent_10 | Male | 50-60 | Business Administration & Consultation | Face-to-face Interview | 90 | Ibadhi |
| Ent_11 | Male | 30-40 | Fire Safety & Engineering Consultation | Face-to-face Interview | 60 | Ibadhi |
| Ent_12 | Female | 20-30 | Home Decoration | Face-to-face Interview | 30 | Suni |
| Ent_13 | Male | 20-30 | Logistic and Delivery | Face-to-face Interview | 46 | Ibadhi |
| Ent_14 | Male | 30-40 | Statistical Analysis and Research Consultation | Face-to-face Interview | 60 | Ibadhi |

| Ent_15 | Male | 20-30 | Apps & Software Programming | Face-to-face Interview | 52 | Ibadhi |
|--------|------|-------|---------------------------|------------------------|-----|--------|
| Ent_16 | Male | 30-40 | Geology Consultation services | Face-to-face Interview | 72 | Suni |
| Ent_17 | Female | 40-50 | Business Administration & Consultation | Face-to-face Interview | 35 | Ibadhi |
| Ent_18 | Male | 20-30 | E-payment services | Face-to-face Interview | 75 | Suni |
| Ent_19 | Male | 20-30 | Safety Equipment and clothes | Face-to-face Interview | 45 | She'a |
| Ent_20 | Male | 20-30 | Apps & Software Programming | Face-to-face Interview | 46 | Ibadhi |
| Ent_21 | Male | 30-40 | Apps & Software Programming | Face-to-face Interview | 63 | Ibadhi |
| Ent_22 | Male | 20-30 | Media Production | Face-to-face Interview | 80 | Suni |
| Ent_23 | Male | 20-30 | Multimedia Production | Face-to-face Interview | 85 | Suni |
| Ent_24 | Male | 40-50 | Wood production | Face-to-face Interview | 45 | Suni |
| Ent_25 | Female | 20-30 | Photography services | Face-to-face Interview | 64 | Ibadhi |
| Ent_26 | Male | 20-30 | Real Estate brokering | Face-to-face Interview | 62 | Ibadhi |
| Ent_27 | Male | 40-50 | Tourism Services | Face-to-face Interview | 49 | She'a |
| Ent_28 | Female | 20-30 | Space Technology services | Face-to-face Interview | 55 | Ibadhi |
| Ent_29 | Male | 20-30 | Car Spare Parts | Face-to-face Interview | 45 | Suni |

| Ent_30 | Male | 20-30 | Logistic and Delivery | Telephone Interview | 43 | Suni |
| Ent_31 | Female | 20-30 | Selling Female and kids Clothes | Telephone Interview | 30 | Ibadhi |
| Ent_32 | Female | 30-40 | Training and Teaching service | Telephone Interview | 90 | Suni |
| Ent_33 | Male | 30-40 | Car repairing Services | Telephone Interview | 55 | Ibadhi |
| Ent_34 | Male | 30-40 | Car repairing Services | Telephone Interview | 60 | Ibadhi |
| Ent_35 | Male | 30-40 | Business Consultation and Training services | Telephone Interview | 80 | Suni |

## 3.4.3 Coding Analysis

The interviews with Muslim entrepreneurs sought to find an answer to how Muslim entrepreneurs make use of their religious institutions and cognitive belief to overcome doubts. The research design was based on the literature about entrepreneurial action under uncertainty. The questionnaire was structured according to the main themes of opportunity belief, doubts and opportunity beliefs. First' and second-cycle coding was used to identify patterns emerging from interviews and then categorise them under main themes. The recorded interviews were first transcribed into Arabic by specialists and then analysed in Arabic to avoid distortion of the meaning while translating. MAXQAD software tool was used to analyse the interviews and build codes. At the first stage, the coding analysis was done by the researcher and then was given to another researcher for checking and confirming reliability. At the second stage, the back translation of codes from Arabic to English was done and checked by a professional in the field. The first-order coding quotes are selected from interviews related to the main questions of this study. The newly emerging insights were coded in the second-order coding process (Saldaña, 2015). The first- and second-order coding processes were used to develop categories and sub-categories and then construct the overall theme (Table 2).

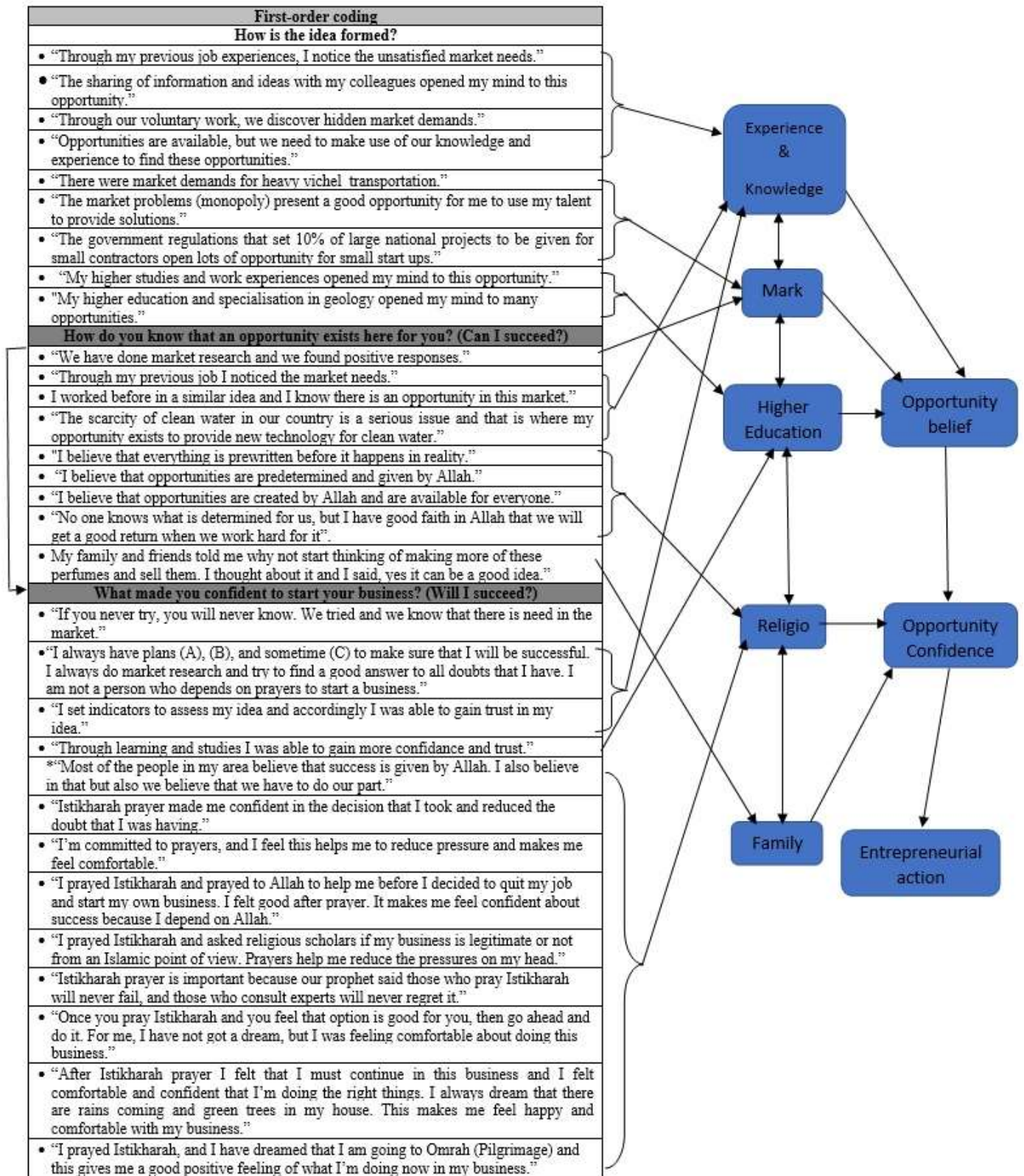| First-order coding |
| --- |
| **How is the idea formed?** |
| • "Through my previous job experiences, I notice the unsatisfied market needs." |
| • "The sharing of information and ideas with my colleagues opened my mind to this opportunity." |
| • "Through our voluntary work, we discover hidden market demands." |
| • "Opportunities are available, but we need to make use of our knowledge and experience to find these opportunities." |
| • "There were market demands for heavy vichel transportation." |
| • "The market problems (monopoly) present a good opportunity for me to use my talent to provide solutions." |
| • "The government regulations that set 10% of large national projects to be given for small contractors open lots of opportunity for small start ups." |
| • "My higher studies and work experiences opened my mind to this opportunity." |
| • "My higher education and specialisation in geology opened my mind to many opportunities." |
| **How do you know that an opportunity exists here for you? (Can I succeed?)** |
| • "We have done market research and we found positive responses." |
| • "Through my previous job I noticed the market needs." |
| • I worked before in a similar idea and I know there is an opportunity in this market." |
| • "The scarcity of clean water in our country is a serious issue and that is where my opportunity exists to provide new technology for clean water." |
| • "I believe that everything is prewritten before it happens in reality." |
| • "I believe that opportunities are predetermined and given by Allah." |
| • "I believe that opportunities are created by Allah and are available for everyone." |
| • "No one knows what is determined for us, but I have good faith in Allah that we will get a good return when we work hard for it". |
| • My family and friends told me why not start thinking of making more of these perfumes and sell them. I thought about it and I said, yes it can be a good idea." |
| **What made you confident to start your business? (Will I succeed?)** |
| • "If you never try, you will never know. We tried and we know that there is need in the market." |
| • "I always have plans (A), (B), and sometime (C) to make sure that I will be successful. I always do market research and try to find a good answer to all doubts that I have. I am not a person who depends on prayers to start a business." |
| • "I set indicators to assess my idea and accordingly I was able to gain trust in my idea." |
| • "Through learning and studies I was able to gain more confidance and trust." |
| *"Most of the people in my area believe that success is given by Allah. I also believe in that but also we believe that we have to do our part." |
| • "Istikharah prayer made me confident in the decision that I took and reduced the doubt that I was having." |
| • "I'm committed to prayers, and I feel this helps me to reduce pressure and makes me feel comfortable." |
| • "I prayed Istikharah and prayed to Allah to help me before I decided to quit my job and start my own business. I felt good after prayer. It makes me feel confident about success because I depend on Allah." |
| • "I prayed Istikharah and asked religious scholars if my business is legitimate or not from an Islamic point of view. Prayers help me reduce the pressures on my head." |
| • "Istikharah prayer is important because our prophet said those who pray Istikharah will never fail, and those who consult experts will never regret it." |
| • "Once you pray Istikharah and you feel that option is good for you, then go ahead and do it. For me, I have not got a dream, but I was feeling comfortable about doing this business." |
| • "After Istikharah prayer I felt that I must continue in this business and I felt comfortable and confident that I'm doing the right things. I always dream that there are rains coming and green trees in my house. This makes me feel happy and comfortable with my business." |
| • "I prayed Istikharah, and I have dreamed that I am going to Omrah (Pilgrimage) and this gives me a good positive feeling of what I'm doing now in my business." |

*Figure 3: Coding Analysis*

## 3.5 Findings: Overcoming Doubt

The analysis of the data reveals three main findings related to 1) opportunity beliefs, 2) the nature of opportunity existence, and 3) the ritualistic reduction of doubts (Table 2). The important finding is that religion plays an important role in the process of overcoming doubt. While knowledge, experiences, and higher education are important elements that enable entrepreneurs to spot market opportunities and develop new business ideas, religious beliefs on predetermination are important to enhance opportunity confidence.

### 3.5.1 Overcoming doubt about the choice of appropriate opportunities

Interviewed Muslim entrepreneurs mostly stated that they had identified their opportunity ideas through their previous work experience, knowledge, and market relations. The following entrepreneurs' statements explained how they develop their opportunity beliefs.

> *"We come to know about this opportunity for the first time through our voluntary work in media production. At that time, we were just students doing voluntary work and training with different companies. During that time, we received many demands for our services (media production). Thus, we realised that there is a huge demand for media production, and there is a market shortage in this area. Then, we thought this is a good business opportunity, and we did it. Our experience in media production, creativity, knowledge, and most importantly, the market is not saturated, and there is lots of demand for media production. All these factors helped us to be successful". Ent_2*

> *"I realised this opportunity from market demands. I was a customer myself looking for this kind of software, and there are only a few dealers in the market. The market was monopolised, and the price is too high for this software. Thus, I said to myself; this is a good opportunity to start a business. I can outsource this software and sell it at a better price to compete in the market. This type of opportunity requires good software skills, communication skill, and good networks. I had the required knowledge and skills to enter this market. My specialisation in computer science helped me to realise this opportunity". Ent_4*

While most of the interviewees' perceptions of opportunity were rational and market-oriented when asked about how they identify their opportunities, most of the pursued opportunities were *religiously* legitimate. While the process of identifying opportunities mainly depends on prior knowledge and experiences on the market, most Muslim entrepreneurs were intrinsically guided by their religious values and beliefs to identify what is an appropriate opportunity considering environmental and religious institutions. When asked about the illegitimate opportunities from a

66

religious point of view, most of the interviewees did not consider these opportunities as non-opportunity. The following quotes show religious beliefs could influence opportunity recognition.

> *"If the opportunity is not religiously legitimated, I don't recognise it as a good opportunity even if it will make a high profit. Even if the opportunity is Halal, but the means to achieve this opportunity is not aligned with the Islamic way, I will not do it".  Ent_16*

> *"If Islamic scholars told me that my business is Haram, I would never start my business, and I would have stopped it from the beginning. I will never do anything that makes my business illegitimate (Haram)". Ent_18*

> *"I believe that all opportunities exist whether are good or bad and ways to this success can be religiously legitimated or not, but for me, I will always try to satisfy my religious belief because that will make me happier at the end". Ent_20*

> *"If I pursue an opportunity that is not religiously legitimated, I will lose myself before I lose the business. Therefore, I will never scarify my religion for profit". Ent_28*

However, few interviewees were flexible in taking interest-based loans from commercial banks and dealing with some businesses that contradicting Islamic rules. These changes between Muslim entrepreneurs' beliefs and action might be interpreted as differences in religiosity as the following entrepreneur explained their action.

> *"There are opportunities that contradict with some Islamic rules, and in this case, I try to be as flexible as possible. As I said, I'm not a religious man so sometimes I do accept the opportunity that has less harm like making video clips for music. But opportunities like making porn movies or having some of the sexy clips I don't consider them as an opportunity for me". Ent_23*

> *"I provide payment services, but I don't care how people might use this service legally or not from an Islamic point of view. I also have a connection with banks and some of these banks are not Islamic, and I don't care as far as I'm doing the right things. I take 3% interest rate on my e-payment service". Ent_18*

> *"Sometimes, you cannot isolate yourself entirely from reality. For example, we are forced to deal with banks to finance our business, and most banks deal with interest (usury), and there is no good Islamic finance available. Thus, we need to be a little bit flexible to be successful, and I don't think Allah will fail us because of this. He knows what is inside our heart". Ent_19*

Market institutions and human capital primarily influence the process of opportunity identification. Religious institutions, mainly Islamic regulative institutions, set the boundaries under which Muslim entrepreneurs operate freely. However, when Islamic institutional logics

intersect with other market institutions, Muslims try to satisfy Islamic institutional logics except in some individual cases such as dealing with commercial banks in the case of no Islamic finance available.

## 3.5.2 Overcoming doubt about opportunity existence (Can I succeed?)

The belief in predetermination influences Muslims' entrepreneurial behaviour according to their interpretations of predetermination belief. From interviews, we could spot three different philosophical arguments of predetermination belief. The first, the *fatalists*, believe that Allah predetermines opportunities, and their fate has been determined regardless of their efforts. They also believe that Allah predetermines their entrepreneurial actions, and there is nothing that can be done to change what Allah has already decided and predetermined. However, the study shows that fatalistic belief is not common among all interviewed Muslim entrepreneurs. The following participants explained their belief about opportunity and success.

> *"I believe Allah gives success. This is our Islamic decree, to believe that whatever Allah has written for us will happen regardless of the efforts we made … Allah has determined someone to work for that specific opportunity… Every opportunity and action in this life is prewritten"* Ent_01.

> *"Everything you get in this life is predetermined by Allah and has been written for you regardless of your efforts. All that you got such as knowledge, skills and abilities are given to you by Allah and has been written for you. The work and efforts we do are types of worship but will never change what Allah has already decided and predetermined. We have to work because Allah orders us to work and worship Him"* Ent_10.

In contrast to the fatalistic belief, other Muslim entrepreneurs generally believe in predetermination but not specifically that opportunities are literally written and designated to the specific person. Those entrepreneurs are more *rational* and argue that there is no relationship between religion and business. Some of them say that religion has an indirect influence through influencing individual psychology. The following statements are some examples of rational and practical-oriented entrepreneurs.

> *"Though I believe in predetermination, I never think of opportunity as predetermined. I am always logical and try to work hard to make my business successful… We must work hard to get our opportunities… For me, religion has no direct relationship with business success or failure"* Ent_12.

> *"It is hard to understand how Allah is involved in the business and how one gets success and another fails. For me, I believe there is an indirect relationship through which Allah can make things easy or hard for me"* Ent_25.

*"I believe that opportunities are not predetermined in a way that is limited to a specific option. Opportunities are available to everyone in this life. Those who work hard they will get their opportunity"* Ent_28.

The majority of interviewed Muslim entrepreneurs lie between the above two extremes. They believe in *predetermination* of opportunities, but they also believe that work is necessary to achieve success and gain economic returns. They believe that there is a strong relationship between religion and business. They also believe that their prayers and relationship with Allah can also change their fate and make them successful. The following entrepreneurs explain their beliefs about predetermination of opportunity and success.

*"I believe that Allah predetermines opportunities, but we must work for it. The opportunity will never come without work. Allah writes everything before it happens. What we will get is already written and known by Allah, but we must move and work to get what is written for us".* Ent_11

*"Pleasing Allah combined with hard work makes you more successful than just praying without working"* Ent_8.

*"Opportunity will not come without working hard and make use of your skills and experiences. Allah may direct you to an opportunity but to actualise that opportunity you need to work hard to make it successful"* Ent_23.

*"Opportunities are Rizq, which is known by Allah only. We only are asked to work for it according to what Allah orders us to do; using all the available means"* Ent_20.

The philosophical interpretation of predetermination belief influences the cognitive process of opportunity belief formation. While fatalists believe in predetermination as non-changeable fate, they rely more on religion and their connection with Allah to guide them to success. However, this does not mean that they are not using their knowledge and experiences to achieve success, but internally, they believe that all things in this life are in the hand of Allah. The following participant explains the importance of prayer in the process of confidence development.

*"I feel more trust and comfortable to decide after praying. I feel prayers are important and I feel everyone should start his day with a prayer to make himself more confident and feel good"* Ent_17.

On the other hand, the rationalist is more market-oriented and believes that success can only be gained through hard work and religion has no relationship to business. Although Muslims rationalist entrepreneurs believe there is no relationship between religion and business, they only pursue Halal opportunities and their behaviour is bounded by Islamic business ethics. Islamic cognitive institutions restrict the process of opportunity selection. An interviewed entrepreneur explained his choice of an opportunity,

69

*"If I pursue an opportunity that is not religiously legitimated, I will lose myself before I lose the business. Therefore, I will never sacrifice my religion for profit" Ent_28.*

Finally, the majority of interviewed Muslim entrepreneurs believe that opportunities are predetermined but that predetermination is not limited in quantity or quality. They combine religious beliefs and business knowledge to form their opportunity beliefs and trust on opportunity existence in the sense of "I can succeed". In addition, the religious belief in predetermination enhances entrepreneurial confidence in success.

### 3.5.3 Overcoming Doubt About Opportunity Actualisation (will I succeed?)

Muslim entrepreneurs believe that success is an outcome which is only known by Allah *ex-ante*. In addition, Muslims believe that Allah grants success to those people who have obeyed His orders. Thus, Muslim entrepreneurs insist on pleasing Allah as a way to achieve success in business. The following entrepreneurs explain their perception of success.

> *"Success is not in my hand; it is with Allah's hand. For me, I have only to work hard as Allah ordered me to do, and success is the rewards of my work. Depending on Allah to get success means to take the reason that Allah has provide you to achieve success. Allah has given us mind and resources, and we must use them. Success is the outcome of your work. This outcome you cannot be sure about it 100%, but Allah knows what you will get. Predetermination means that Allah knows what you will get, but you don't know, and therefore, you need to work according to Allah's guidance to get success" Ent_10.*

> *"Without a doubt we must sincerely please Allah, through following His orders, to succeed" Ent_3.*

> *"We should also look at success from a religious perspective. Success is to please Allah. To be successful, you need to start with simple means that can guide to success like praying to Allah" Ent_6.*

> *"I'm sure that if I'm pleasing Allah, I will be successful in my business, If I please Allah and my parents, Allah will make me successful in everything not only business" Ent_29.*

Also, the Islamic concept of success is not limited to economic profit; instead, it is extended to include religious success. The religious success includes success on the day of judgment. Muslim entrepreneurs make religious success a priority to economic success. For achieving success, Muslim entrepreneurs not only carefully select appropriate opportunities that are legitimated by their religion but they also have to make sure that the means of achieving their opportunity belief is legitimate. The following are some explanations of economic success stated by some entrepreneurs.

*"For me being successful is to work according to Allah's orders and please Him. I thank Allah because I can make a profit and follow His order at the same time" Ent_11.*

*"Success does not mean to get high profit because you can get it from doing the wrong things, but this does not mean success. The success is to do what Allah asks you to do" Ent_14.*

*"For me, the opportunity should have two sides to success. It should have a good return (profit), and it should also be legitimate, or you should do it in according to Allah's order" Ent_14.*

Interviewed Muslim entrepreneurs emphasised the importance of following religious orders in business. They argue that their business behaviour must be consistent with Islamic regulations regardless of the economic return. Following Islamic rules and regulations in the business is considered as Twafeeq, which is to do the work according to Allah's guidance. Tawfeeq need not necessarily be combined with financial gains. Sometimes making losses is considered as Tawfeeq as long as the relationship with Allah is maintained. The following entrepreneurs explain the importance of working according to Allah' guidance, no matter what the return will be.

*"There is a difference between success in achieving materialist target or profit and Tawfeeq. We only work to achieve our targets, and we might be successful, but we do not know if this success is Tawfeeq or not. Tawfeeq can only be known after achieving success, and sometime you might think that you have been granted success, but it may not be. On the other side, you might fail and regret your failure, but without knowing it could be good for you to fail now and be successful later, and this is how I view Tawfeeq" Ent_6.*

*"We cannot say we are successful without acknowledging Allah's guidance and Tawfeeq. Success does not mean that your relationship with Allah is good. Sometimes Allah makes you successful, and you are not worshipping Him, and this is a test from Allah. For non-Muslims, Allah may make them successful in this life and give them all that they want, but in the end, on the day of judgment, they might be the losers. Tawfeeq can only happen when Allah knows that the things that you are doing are good for you and others" Ent_26.*

The Islamic religious perception of success constrains entrepreneurial opportunity to be religiously legitimate and contain the means to achieve it. When Muslim entrepreneurs adhere to these Islam rules and regulations, their level of confidence in success is enhanced by the sense of "I will succeed" because they genuinely believe that Allah grants success.

### 3.5.4  The Rule of Rituals in Overcoming Doubt

Muslim entrepreneurs practically use rituals (i.e. specific religious practices) to reduce doubts concerning their opportunity belief by performing *Istikharah prayer*. This type of prayer is a common practice among Muslims that helps to take the right decision. *Istikharah* prayer is used when someone has doubts or hesitates about making a decision that might influence his/her

future. However, *Istikharah* is not an obligatory prayer, and not performing it need not necessarily lead to failure. The following entrepreneurs explain the importance of praying Istikharah before taking action.

> *"I prayed Istikharah before I quit my job, and before I started my new business. I had three choices at that time. So, I prayed, and then I decided to quit and start the business, Istikharah prayer gives you some confidence in the choice that you made and reduces the doubt that you have" Ent_16.*

> *"Istikharah prayer is important. It makes me feel confident about success because I depend on Allah to grant me success" Ent_14.*

> *"Istikharah prayer is important because our prophet said, those who pray Istikharah will never fail and those who consult experts will never regret it. However, those who do not pray does not mean that they will fail in their business" Ent_01.*

Moreover, based on the different religious beliefs on the relationship between religion and business, some Muslim entrepreneurs who lean more towards fatalism wait for a dream to come after Istikharah prayer before making their final decision. Connecting Istikhrah prayer with dreams before taking a decision is a common practice of many Muslims around the world (see Edgar and Henig, 2010). The prayer and the following dreams give the highest level of confidence that they will be successful (or otherwise) in their endeavours. The following quotes show how dreams are used to build confidence in opportunity beliefs.

> *"Praying Istikharah is important for us as Muslim. Sometimes you can see a good dream that makes you comfortable" Ent_15.*

> *"I have prayed Istikharah, but I did not wait to dream. I had the confidence to start my business. I was having confidence in Allah that He will not let me fail" Ent_11.*

> *"I prayed Istikharah more than one time before I start my company and every time I got the same dream, and I was confident that this is the opportunity that I am looking for". Ent_20*

> *"though I have prayed many times, I have not got a clue whether this is the right or wrong decision like in a dream or other things" Ent_18.*

> *"I always dream that there are rains coming and green trees in my house. This makes me feel happy and comfortable with my business" Ent_29.*

> *"I have dreamed that I am going to Omrah and this gives me a positive feeling of what I'm doing now" Ent_31.*

On the other hand, some interviewed Muslim entrepreneurs are more rational in making their decision. They depend more on market research and consulting experts to take a decision. The following quotes are examples of the rational perspective of the confidence development process.

> " I did not pray because I was not hesitating to start the business or not. I depended on my knowledge experience and market research". Ent_4

> "I feel doing market research before taking a decision is more important". Ent_18

> "I depend more on my knowledge, skills and market research. I don't mean to say that I can always be right, and I do not know better than Allah, but this is what Allah asks us to do, to work hard and do my job before entering the market". Ent_28

## 3.6 Discussion

The findings of this study show that religious institutions are not only an important element of opportunity belief formation but also are used to enhance the confidence and trust within entrepreneurs. Knowledge, experiences and education are basic elements for developing opportunity belief and overcoming doubt about opportunity existence (McMullen and Shepherd, 2006). Religion is used to enhance confidence and trust in opportunity success.

Entrepreneurial action need not necessarily follow the opportunity belief development as suggested by McMullen and Shepherd (2006). Each entrepreneurial opportunity is constrained by doubt of existence (can I succeed?) and doubt of the possibility to be actualised (will I succeed?) (Ramoglou and Tsang, 2016). While McMullen and Shepherd's (2006) theory of opportunity belief formation shows how entrepreneurs overcome doubt about entrepreneurial existence (can I succeed?). Their theory falls short to explain how entrepreneurs overcome the doubt about the possibility of an opportunity belief (will I succeed?). For entrepreneurial action to start, it is important for entrepreneurs to believe not only in the existence of an opportunity but also to believe that they *will* actualise their opportunity belief into success. While doubt is always present in the process of entrepreneurial action until profit is generated (Ramoglou and Tsang, 2016), an entrepreneur needs to increase their level of confidence beyond their belief about opportunity existence.

Muslim entrepreneurs believe that the relationship with Allah would help them be successful in their business. The causal link between religion and economic success (i.e. profit-making) is not obvious to claim that practicing religion is making business more profitable (Guiso *et al.*, 2003; Keely, 2003). However, practicing religion encourages action-taking. Dana (2009) found that some faiths create opportunities for entrepreneurs while others hamper entrepreneurial spirit. Joseph *et al.* (2006) stated that practicing religion psychologically increases the level of confidence and positive spirit within entrepreneurs. In this study, we found that Muslim entrepreneurs also claim that practicing religion raises their level of trust in achieving success and positively influences their level of trust to overcome doubt.

This study shows that Muslim entrepreneurs use their religious belief in predetermination to increase their trust in the existence of an opportunity. In addition, Muslim entrepreneurs use their belief that Allah gives success and pleasing Allah is a way of success. The findings also show that practicing religion increases their confidence in actualising opportunity belief into success. Previous studies show that overconfidence is likely to lead to decide market entry (Camerer and Lovallo, 1999; Koellinger *et al.,* 2007). However, increasing the level of confidence to pursue an opportunity belief does not necessarily lead to success; instead, in many cases, overconfidence leads to failure (Hayward *et al.,* 2006).

The belief in predetermination contributes to the process of opportunity belief formation in a way that helps entrepreneurs overcome the doubt originating from questioning the ontological existence of an opportunity and its possibility of actualisation (Ramoglou and Tsang, 2016). It can be argued that predetermination belief helps to raise the optimistic disposition; i.e. the animal spirit (Dequech, 1999). In addition, predetermination beliefs help create a state of expectation in the sense of "I can succeed". However, the belief in predetermination of opportunities does not inform the believers what is exactly has been written for them. Thus, the belief in predetermination forms the foundation that opportunities are available and from which entrepreneurs start using their knowledge, experiences and motivation to form their opportunity belief (McMullen and Shepherd, 2006).

The belief of predetermination of opportunities can have different consequences on behaviour. Predetermination can lead to fatalism in the sense that Allah already determines the future, and there is no way to escape/change it. Kuran (2010) argued that Islam discourages entrepreneurship

by fostering fatalism. However, this study found that most interviewed entrepreneurs believe in predetermination of success, but they also believe that working towards achieving success is more important, and work is considered as practically worshipping Allah.

Nonetheless, the predetermination belief does not constrain the entrepreneurs from taking action to pursue opportunities; rather it encourages them to work hard to discover what is written for them. Although predetermination belief does not exclude bad incidents, interviewed Muslim entrepreneurs always take predetermination belief in a positive sense. This positiveness is built upon the trust of Allah and their relationship with Him. The positive trust in Allah's rewards makes Muslim entrepreneurs more persistent to achieve their imagined opportunity. However, the imagined opportunity might fall in the domain of impossible (Ramoglou and Tsang, 2016). Thus, predetermination belief might lead entrepreneurs to fall into the trap of impossible.

On the other hand, Islam strongly restricts risky behaviours, particularly when the intended goals lie outside one's ability, knowledge, and experiences. Previous studies found that Muslims are less risk-tolerance (Miller, 2000; Bartke and Schwarze, 2008; Weber, 2013). This study shows that Muslim entrepreneurs use their religious beliefs to increase their level of confidence in opportunity beliefs in the related field of their knowledge and expertise.

Motivation and confidence are important psychological factors to start entrepreneurial action. The presence of an opportunity can motivate an entrepreneur to consider taking action (Shane and Venkataraman, 2000; McMullen and Shepherd, 2006). However, lack of confidence (i.e. self-efficacy) in pursuing an opportunity prevents entrepreneurial action (Shane *et al.,* 2003). Recognising an opportunity (third-person opportunity belief) motivates entrepreneurs to search more about its feasibility to form first-person opportunity belief (McMullen and Shepherd, 2006). The critical question is whether first-person opportunity belief is sufficient to start entrepreneurial action. While first-person opportunity belief motivates entrepreneurial action, it does not necessarily create the threshold of confidence to pursue an opportunity belief. Entrepreneurs need not only believe in opportunity existence but need to believe that they will be successful (Ramoglou and Tsang, 2016). While entrepreneurial action is based on opportunity belief, this belief intersects with other beliefs of futuristic events. Muslim entrepreneurs believe that the future is in the hand of Allah and pleasing Allah through practicing religion leads to

future outcomes in their favours. Performing religious rituals (Istikhara prayers) increases the level of confidence and creates a sense of "I will succeed".

## 3.7 Conclusion

Overcoming doubt is a crucial part of the initiation of entrepreneurial action. Previous studies have developed a conceptual framework for entrepreneurial behaviour under uncertainty conditions (Sarasvathy, 2001; McMullen and Shepherd, 2006). However, they typically presuppose an overly economic and profit-maximising model of the economic actor. Also, social studies had overlooked the role of religious institutions in the process of entrepreneurial behaviour. This study found that religious beliefs and institutions play an important role in forming opportunity belief and developing confidence in opportunity success.

As Islamic institutions have a wide range of meanings that can touch upon almost every aspect of Muslims' lives, business behaviour is not excluded. This study empirically shows that Islamic religious institutions are used to form entrepreneurial opportunity belief and cognitively overcome doubts by forming the belief that "I can succeed". Also, Muslims use Islamic religious rules and regulations to analyse market information and determine legitimated opportunities from illegitimate ones. As far as the puzzle of dealing with doubt is concerned, Muslim entrepreneurs perform Istikharah prayer to raise confidence and reduce doubts concerning the profitability of the imagined opportunity.

As far as the ontological possibility of imagined opportunity is concerned, the predetermination belief helps Muslim entrepreneurs to form trust about the existence of an imagined opportunity in the unseen world which is believed to be under the control of Allah. Through trusting Allah's ability and depending on their religious connection with Allah, Muslim entrepreneurs normally do not question the ontological existence of the imagined opportunity. Based on this, a belief that "I can succeed" is formed; however, the possibility of failure is not ruled out.

The theoretical contribution of this study lies at the intersection of entrepreneurial behaviour and institutions from one side and religion and entrepreneurship from the other side. It empirically shows that religious institutions are actively used by Muslim entrepreneurs to form opportunity

belief. In addition, this study powerfully illustrates that religion is an important element of the community fabric that can influence our decision-making process (Fernando and Jackson, 2006). As far as religion and entrepreneurship are concerned, the study shows that Islam is not constraining entrepreneurial behaviour as some previous studies showed (Kuran, 2008; Lewis and Churchill, 2008).

Although this study tried to cover all issues related to the research problem, limitations cannot be avoided. One of the limitations of this study is that it did not consider the different sects of Muslims, e.g. She'a and Suni, for some reasons. First, discussing Islamic sects is a sensitive topic, particularly in Oman, because debates between sects are illegal. Second, asking about Islamic sects give a negative impression about the study and the researcher and normally religious sects are considered as a private issue in Oman. Considering that the different Islamic sects might add value to this study, however, replicating this study in Sunni or Shea' communities can address this limitation. Another limitation is the low representation of female entrepreneurship in this study due to the social and cultural barriers. However, the gender factor might not directly influence the outcome of this study as the Islamic beliefs concerning entrepreneurship and entrepreneurial opportunity are almost the same. Islamic normative institutions might influence the type of opportunity that Muslim female entrepreneurs should pursue — this opens up an avenue for future researchers to study Islamic normative institutions and female entrepreneurial opportunity belief formation. Last but not least, this study did not cover how Muslim entrepreneurs make sense of failure and how failure might inform their opportunity belief, particularly the belief about opportunity existence. Our next study will explore how Muslims entrepreneurs make sense of failure and what strategies they use to cope with failure.

# Chapter 4: The Role of Islamic Religious Institutions in Coping with Entrepreneurial Failure

## 4.1 Abstract

Although there is an increasing research interest in the ways that entrepreneurs cope with failure, what has yet to be examined is the role of cultural resources in the failure recovery process. To address this gap, this paper draws from the social psychology theory of self-enhancement and self-protection and focusses on the particular role of religious institutions. More specifically, we explore how Muslim entrepreneurs mobilise religious resources to make sense of failure and protect/enhance their self-identity when recovering from failure. We demonstrate that Muslim entrepreneurs use their religious beliefs in order to interpret failure 1) as protection from future losses, 2) as protection from missing future opportunity, 3) as a test from Allah, 4) as punishment, as well as in order to protect their identity, and 5) to redefine the meaning of a venture's failure. We further interpret our findings from the self-enhancement and self-protection lens to suggest that Muslim entrepreneurs tend to predominantly rely on the self-serving bias (SSB) better than the average effect (BTAE), and socially desirable responding (SDR) pillars to protect their entrepreneurial identity and reduce negative social attributions.

## 4.2 Introduction

Failure is a particularly common experience in the landscape of business venturing (Aldrich and Ruef, 2018), with the overwhelming majority of start-ups failing (Gage, 2012). Entrepreneurial failures may have many negative consequences that could impact individuals' economic, psychological and social well-being (Ropega, 2011; Hammer and Khelil, 2014). In addition, failure can impact future entrepreneurial activities; for instance, by affecting their self-efficacy and limiting access to resources (Shepherd, 2003; Shepherd *et al.*, 2009; Mueller and Shepherd, 2012, 2013). Thus, how entrepreneurs cope with failure has understandably become an important theme of interest in recent entrepreneurship research (Singh *et al.*, 2007; Mantere *et al.*, 2013; Ucbasaran *et al.*, 2013).

Coping with failure is a process whereby failed entrepreneurs try to overcome the economic losses, psychological disorder and the social stigma associated with business failure (Shepherd, 2003; Landier, 2005; Singh *et al.*, 2007). The relevant literature is dominated by a psychological perspective to understand entrepreneurs' coping strategies. Frameworks such as identity theory (Ashforth and Mael, 1989; Maltby and Day, 2003), narcissism theory (Brown, 1997; Bushman and Baumeister, 1998) and impression management theory (Sutton and Callahan, 1987; Shepherd and Haynie, 2011) have proved particularly fruitful for understanding these strategies. However, these studies mainly focus on entrepreneurial personality traits and tend to ignore the influence of social institutions. Yet, there is evidence that cultural and religious institutions play a role in entrepreneurial behaviour (Dana, 2010; Wennberg *et al.*, 2013; Fernandez-Serrano and Romero, 2014), which is largely overlooked in coping with failure studies. We address this gap by applying social psychology approach, which explicitly takes into account the role of cultural institutions.

More specifically, it is the intention of this paper to address this gap by drawing from the social psychological theory of self-enhancement and self-protection. The self-enhancement strategy is used to enhance self-esteem and maintain positive self-view, whereas self-protection strategy is used to protect the self from falling below the social tolerance level and protect from negative self-views (Alicke and Sedikides, 2009). A core premise of this theoretical framework is that individuals need to maintain a positive self-view, particularly in the face of negative life events (Sedikides and Alicke, 2018). Failed entrepreneurs need to psychologically protect themselves from social stigma and enhance their self-identity to cope with failure (Brown, 1997; Dutton and Brown, 1997). The self-protection and self-enhancement strategies vary according to the situation and available resources that allow for exercising these strategies (Alicke and Sedikides, 2009). In addition, religious institutions and religiosity are useful resources for self-enhancement and self-protection (Sedikides and Gebauer, 2013; Gebauer *et al.*, 2017). Although entrepreneurship researchers have acknowledged the influence of religion on entrepreneurial behaviour (Dana, 2010; Audretsch *et al.*, 2013; Balog *et al.*, 2014; Fernando and Jackson, 2015; Ratten *et al.*, 2017; Smith *et al.*, 2019) what remains underexplored is the role of religious institutions in coping with entrepreneurial failure. To this end, we study how Muslim entrepreneurs use their religious beliefs to make sense of failure and protect their identity.

This study uncovers five religious-related strategies used by Muslim entrepreneurs to make sense of failure so that they can protect their self-identity in the face of failure. Muslim entrepreneurs use their religious beliefs and interpret failure as follows: They appeal to Allah interceeding to 1) protect from future losses, 2) protect them from missing future opportunity, 3) test one's faith, 4) punish them for bad deeds, and further protect their identity by 5) redefining the meaning of a venture's failure. Moreover, drawing from self-enhancement/protection motive pillars, we maintain that Muslim entrepreneurs' coping strategies mostly rely on the self-serving bias (SSB), better than the average effect (BTAE), and socially desirable respondings (SDR) motives (Sedikides and Alicke, 2018). The study also shows that Islamic institutions afford appropriate cultural-cognitive resources for coping with failure in the entrepreneurial context. In addition, we find that those coping strategies vary from one entrepreneur to another and suggest that the various coping strategies can be attributed to differences in context, religiosity, experiences and knowledge.

This paper is structured as follows. We first undertake a literature review on the consequences of failure and the subsequent coping strategies used by entrepreneurs. Next, we introduce the theory of self-enhancement and self-protection and its five strategic pillars. The methodology of this study is then elaborated, followed by a presentation of findings. Next, the discussion section elaborates the findings of this study in the light of literature and presents the limitations and directions for future research. Finally, the conclusion is presented.

## 4.3 Literature Review

### 4.3.1 The Consequences of Business Failure

Entrepreneurial failure can cause severe economic, psychological and social problems for entrepreneurs (Cardon and McGrath, 1999; Fan and White, 2003; Ucbasaran *et al.*, 2013). It is a phenomenon that required academic consideration for its influences on post-failure entrepreneurial activities. Considering the positive views of entrepreneurship in supporting economic development (Wennekers *et al.*, 2010), the consequences of failure could negatively influence the rate of entrepreneurial activities. The literature shows that failure can have different

negative effects on entrepreneurs (Ucbasaran *et al.*, 2013). Failure can impact entrepreneurs' financial and social status (McGrath, 1999). The substantial financial cost can place entrepreneurs in financial liability (e.g., personal debts), which may constrain their future entrepreneurial behaviour (Cope, 2011). The lack of entrepreneur-friendly market institutions such as bankruptcy law could increase the fear of failure and limit entrepreneurial activities (Fan and White, 2003; Efrat, 2006; Lee *et al.*, 2007; Peng *et al.*, 2010).

The country's bankruptcy legislation can moderate the financial cost of failure (Peng *et al.*, 2010; Lee *et al.*, 2011). Entrepreneur-friendly bankruptcy law can reduce the effects of financial cost of failure and encourage more entrepreneurial behaviour (Fan and White, 2003). In regards to financial cost management, Shepherd *et al.* (2009) discussed the benefit of the strategy of delaying business failure to balance the financial and emotional costs; however, they argue that this strategy can incur a higher financial cost. Continuing on the economic effects of failure, McGrath (1999) suggested using real options reasoning to manage uncertainty and avoid the high financial cost of failure through viewing opportunities as options measured by their related uncertainties. If doubt about the profitability of an opportunity is resolved, then the entrepreneur can invest more in this opportunity. Otherwise, if the opportunity is not promising to generate profit, the entrepreneur can terminate the venture without incurring more financial costs (McGrath, 1999).

On the other hand, a business failure can produce social costs related to personal and professional relationships (Ucbasaran *et al.*, 2013). Through analysing US newspaper accounts of business failures, Cardon *et al.* (2011) found that the sense of social stigma is the most reported impact of business failure. Cope (2011) and Singh *et al.* (2007) found that business failure leads to marriage breakdown, divisions among friends and family, and social exclusion. The stigmatisation of business failure can diminish entrepreneurs' social networks and discredit entrepreneurs' reputation (Sutton and Callahan, 1987; Efrat, 2006). These social effects of business failure can impact the future career of entrepreneurs by limiting employment opportunities and access to resources (Sutton and Callahan, 1987; Cope, 2011; Shepherd and Haynie, 2011). Stigma is an institutional force representing the societal attitudes towards failure and might constrain future entrepreneurial behaviour (Ucbasaran *et al.*, 2013).

To reduce the cost of failure at the societal level, Fan and White (2003) argue that the presence of countries' regulative institutions such as bankruptcy law can moderate the effect of stigmatisation of failure. Moreover, the practice of venture capitalist institutions favouring experienced entrepreneurs encourages failed entrepreneurs to start over again (Cope *et al.*, 2004).

At the individual level, failure could cause many psychological and mental health problems (Stephan, 2018). Studies on entrepreneurship failure have shown that business failure can have many psychological consequences such as pain, shame, blame, anger, guilt and fear of the unknown future (see for example Harris and Sutton, 1986; Singh *et al.*, 2007; Cardon *et al.*, 2011; Cope, 2011). Shepherd (2003:320) combined all these psychological consequences of failure under the term of 'grief', which he defined as "a negative emotional response …[that] impacts individuals' ability to learn from a negative event". Moreover, extreme grief over business failure can cause diseases such as anxiety, panic attack, high blood pressure, phobias and weight loss (Singh *et al.*, 2007; Cope, 2011). More importantly, grief can negatively impact entrepreneur motivation and self-trust ability to undertake similar tasks successfully in the future (Bandura, 1996; Cardon and McGrath, 1999; Shepherd, 2003).

The consequences of failure might prevent entrepreneurs from continuing their future endeavours (Ucbasaran *et al.*, 2013). Wennberg *et al.* (2013) found that fear of failure, which is accumulated through past negative experiences, can demotivate entrepreneurial entry. However, they found that the relationship between fear of failure and entrepreneurship is moderated by cultural institutions such as institutional collectivism and uncertainty avoidance (Wennberg *et al.*, 2013). In contrast, Morgan and Sisak (2016) found that the fear of failure can lead to either a higher or lower investment commitment depending on the level of entrepreneurial aspiration. The higher entrepreneurs' aspiration level with the fear of failure lead to more investments to avoid loss. On the other hand, less motivated entrepreneurs (loss aversion) with the fear of failure invest less to avoid more losses (Morgan and Sisak, 2016). Moreover, Brunstein and Gollwitzer (1996) conducted two experiments to predict the role of self-defining goals and found that the level of motivation of failed students is heightened in compensation for past failure. Cardon and McGrath (1999) found the reaction of students who reported "mastery reaction" – i.e. external causes failure – double their efforts to achieve their goals. In addition, Cope (2011) argued that past successful experiences of entrepreneurs positively enhance entrepreneurs'

emotional recovery compared to those with no successful experiences.  Ucbasaran *et al.* (2010) found that portfolio entrepreneurs (own more than one business at a time) experience fewer adverse emotional effects than do serial/sequential entrepreneurs (i.e. those who own one business at a time). Furthermore, business failure is considered to be an essential learning experience for entrepreneurs. Mueller and Shepherd (2016) found that failure experiences are beneficial in the process of opportunity identification.

Understanding entrepreneurs' failure attributions and sense-making are important to understanding the psychological nature of failed entrepreneurs and how failure might affect their future activities  (Cope, 2011). The attitudes towards failure are primarily influenced by the community perspective and social institutions (Cardon *et al.*, 2011). The entrepreneurial failure stigma can impact the perception of entrepreneurship as a viable career path (Ucbasaran *et al.*, 2010; Simmons *et al.*, 2014). In addition, the failure stigma can limit entrepreneurs' access to resources (Cope, 2011; Shepherd and Haynie, 2011). While several studies discuss entrepreneurial failure consequences and their influences on entrepreneurial behaviour, only a handful of studies cover entrepreneurial coping strategies. Understanding how entrepreneurs overcome grief and make sense of failure is important for understanding post-failure entrepreneurial activities (Singh *et al.*, 2007; Ucbasaran *et al.*, 2013). The next section reviews our extant knowledge about coping with failure strategies.

## 4.3.2  Coping with Failure Strategies

Entrepreneurship literature has conducted limited research on entrepreneurial failure coping strategies. According to the psychoanalytic ego psychology model, coping is defined as "realistic and flexible thoughts and acts that solve problems and thereby reduce stress" (Lazarus and Folkman, 1984:118). In addition, Folkman and Moskowitz (2004:745) defined coping as "thoughts and behaviours used to manage the internal and external demands of situations that are appraised as stressful". The coping strategy mainly depends on the available resources to the actor in the environment (Lazarus and Folkman, 1984:158). The strategies to cope with failure can be categorised into pre-failure and post-failure strategies. The *real options reasoning*

(McGrath, 1999) is an example of pre-failure strategy, whereas *loss orientation* and *restoration* (Shepherd, 2003) are examples of post-failure strategies.

Shepherd (2003:323-324) discussed two post-failure coping strategies for grief recovery. He suggested using a combination of both strategies to foster grief recovery and learning from failure. the first process is called loss orientation, which refers to working through some aspects of negative experiences related to the object lost. This process breaks the emotional bonds, creates meaning of the loss, and produces a change in viewpoint about the self and the world. Also, he suggested that speaking to family, friends and psychologists could foster the process of grief recovery (Shepherd, 2003). The second process is restoration orientation, which is a recovery process that uses a combination of "avoidance and proactiveness towards the second source of stress" (Shepherd, 2003:322). Avoidance can be achieved by distracting one's thinking of the loss of the business by thinking of another opportunity, for instance. On the other hand, proactiveness is achieved through managing daily life stress like finding a new job or changing one's lifestyle to control costs  (Shepherd, 2003).

Similarly, Singh *et al.* (2007) conducted a qualitative study to find out how entrepreneurs experience failure and cope with it. Through using problem-focused and emotion-focused coping strategies, Singh *et al.* (2007) found that problem-focused strategies are mainly centred on economic problems such as lack of income and debt. Entrepreneurs use networking strategies to find a job or another opportunity and use legal action to get released from the debt. On the other hand, failed entrepreneurs use emotion-focused strategies such as distraction/avoidance behaviour, denial strategies, and venting to cope with psychological aspects of failure like stress (Singh *et al.*, 2007).

Moreover, Shepherd (2009) focused on grief recovery of family business failure and used multi-level (family group-level) and meso-level (individual level) theories of grief recovery. He argued that a family member with more emotional intelligence (i.e. an individual with higher awareness of emotional responses with specific grief dynamics) is more capable of using grief dynamics (loss orientation and transition) to make sense of the family business failure and speed up the recovery process. On the other hand, at group level, the family, which is more emotionally

capable (i.e. having norms and values to deal with negative situations) uses the grief dynamics more effectively (loss, restoration and transition) to make sense of failure and overcome grief (Shepherd, 2009).

Furthermore, Shepherd and Haynie (2011) adopted a psychological lens to study coping strategies of entrepreneurs. Based on impression management strategies, they proposed that entrepreneurs use avoiding, changing opinion, and seeking interactions with specific stakeholders to respond to the negative attributions associated with the stigma of venture failure. The entrepreneurs with positive self-view avoid interactions with a stakeholder who attributes failure to them. They also try to change the opinion of stakeholders who have a negative impression and seek interaction with those who have a good impression of them. In contrast, entrepreneurs with negative self-view avoid interacting with stakeholders who have a positive impression of them. Negative self-view entrepreneurs try to change the opinion of those who have a favourable impression and seek to interact with those who attribute failure to them (Shepherd and Haynie, 2011).

Another study by Mantere *et al.* (2013) used narrative attributions to study different organisational stakeholders' (entrepreneurs, executives, employees, media) failure attributions. The study shows that entrepreneurial failure is a complex social construct, which is attributed by stakeholders differently. In regards to entrepreneurs' grief recovery, Mantere *et al.* (2013) found support for the loss and restoration orientation strategies suggested by Shepherd (2003). Mantere *et al.* (2013) categorised the narrative attributions of failure into seven types: Catharsis, Hubris, Zeitgeist, Betrayal, Nemesis, Mechanistic, and Fate. Most stakeholders, particularly entrepreneurs, use Catharsis and Hubris strategies as a grief recovery process. In the Catharsis strategy, entrepreneurs accept personal responsibility for failure and consider failure as a learning experience. The Hubris strategy, which is a collective group failure attribution, is used by entrepreneurs to show over-confidence and acceptance of responsibility at the collective level.

The failure recovery strategies mentioned above mainly focused on entrepreneurs' traits to help them overcome grief. However, a few studies discussed the influence of social institutions on the grief recovery process. For example, the friendliness of bankruptcy laws can influence the

85

financial recovery process and encourage future entrepreneurial activities. The bankruptcy institutions also reflect societal attitudes and norms concerning business failure (Lee *et al.*, 2007; Armour and Cumming, 2008; Fang, 2010; Peng *et al.*, 2010; Lee *et al.*, 2011; Mantere *et al.*, 2013). In addition, the country's legislation that supports failed entrepreneurs make failures more socially accepted (Efrat, 2005). However, there is a lack of studies that discuss how entrepreneurs mobilise social resources, such as religious beliefs, to make sense of failure, except Shepherd (2009) who discussed the role of family institutions in family business failure recovery. In this study, we use a social-psychologist perspective to see how Muslim entrepreneurs make sense of failure to overcome grief. For this purpose, we use self-enhancement and self-protection theory to understand the motives that underly the uses of religious institutions in coping with failure. The next section discusses the self-enhancement and self-protection theory.

### 4.3.3 Self-enhancement and Self-protection Theory

Self-enhancement and self-protection are tendencies within people to exaggerate their good virtues and forget or minimise their shortcomings and drawbacks (Sedikides and Gregg, 2003, 2008; Alicke and Govorun, 2005). Brown (1997:645) argued that "individuals have a need to maintain a positive sense of self, and they engage in ego- defensive behaviour to preserve self- esteem". More specifically, self-enhancement activities are the strivings that are intended to claim a positive standing on characteristics more than is objectively warranted, whereas self-protection refers to the adopted strategies to avoid falling below the standard values (Alicke and Sedikides, 2009). The basic assumption underpinning these motives is that people need to feel good and avoid feeling bad about themselves. The self-enhancement motives *promote* positive self-views, whereas self-protection motives *protect from* negative self-views (Alicke and Sedikides, 2011).

People engage in self-enhancement and self-protection behaviours based on hierarchical social interests. Alicke and Sedikides (2009) categorised the hierarchical levels of interest into five levels, in which the top level includes interests that most people share, such as social status, security and love. The mid-level interests are related to fame, wealth accumulation and

relationships. The mid-level interests are only invoked when the circumstances allow for boosting interests or achieving the intended goal, such as becoming wealthy or famous. Finally, the lower level interests are event-specific interests that serve one or more of the higher level interests; for example, doing well at class for the purpose of being called clever or taking care of personal appearance to impress a dating partner (Alicke and Sedikides, 2009).

The hierarchical levels of interests are horizontally and vertically connected by "facilitative" or "inhibitory" connections (Alicke and Sedikides, 2009:9). The facilitative relationships positively affect the higher level of interest when success is gained at a lower level. On the other hand, the inhibitory connection works in the opposite direction, in which failure to achieve the interest at the lower level affects the status of the higher level (for more information see Alicke and Sedikides, 2009). For example, a business failure affects an entrepreneur's self-esteem, economic and social status (Shepherd and Haynie, 2011).

The self-enhancement and self-protection motives are invoked based on individuals' cognitive understanding of their current interest position (Alicke and Sedikides, 2009:9). According to Alicke and Sedikides (2009:10-11), there are four levels of interest,

> "… *aspiration level*, which represents an individual's ideal level of functioning, *a perceived level*, which represents where the person believes that he or she currently stands with respect to that interest, *an objective level*, which represents where the person actually stands, and *a tolerance level*, below which the person is motivated to engage primary or secondary control mechanisms to advance back toward the aspiration point".

The distance between the perceived level and aspiration level determines the need for self-enhancement about a specific characteristic. The centrality of values in a community determines the strength of self-enhancement and self-protection motives when a situation is directly touching upon these values (Crocker and Wolfe, 2001; Alicke and Sedikides, 2009).

Primary and secondary controls are used when characteristics are felt to recede from the aspiration level. Individuals exercise primary control when they can bring the environment in line with their wishes and use secondary control when they carry themselves in line with external forces (Rothbaum *et al.*, 1982). With these two controls, individuals always aim at the aspiration level of interest and consider all opportunities and available resources to achieve their aspiration and avoid falling below the standard level of interest. From a perspective of self-enhancement, primary control refers to a practical or instrumental action to advance one's actual state of an

affair or a proactive step to avoid falling below one's standards (Alicke and Sedikides, 2009). However, when people are unable to positively excel themselves through action (primary control), they use secondary control, which refers to the process of reconstructing social institutions and meaning in favour of their interests. Secondary control strategies can take different forms such as reinterpreting the meaning of the failure, misremembering or reconstructing the event in a self-serving way, making excuses, and exaggerating the strength of competitors in the case of business failure (Alicke and Sedikides, 2009).

Self-enhancement and self-protection motives can produce a judgment that is biased and erroneous to raise the self-interest to the aspiration level or avoid falling below the tolerance level. However, a decision can be biased and error-free or vice versa (Alicke and Sedikides, 2009). When a decision is biased and erroneous, self-enhancement and self-protection motives require more effort and social resources to overcome the objective reality that contradicts one's self-view (Alicke and Sedikides, 2009). Also, self-enhancement and self-protection motives can be unconscious or implicit (Alicke and Sedikides, 2009). An individual might unconsciously proceed with a self-enhancement motive or unwilling to explain the reason. For example, a racist individual uses self-enhancement motives and denies the idea that he dislikes other minorities (Alicke and Sedikides, 2009).

By adopting the principle of "*self-centrality breeds self-enhancement*" (Gebauer *et al.*, 2013), Sedikides and Alicke (2018)  proposed five pillars that underpin the self-enhancement and self-protection motives. The first is *the self-serving bias (SSB),* which is a tendency within people to attribute success to their ability, effort and hard work. In contrast, failure is attributed to external causes such as bad luck, intense competition, or unfair evaluation. The second pillar is *the Better-than-Average Effect (BTAE)*. It is the propensity within people to overestimate their strength and underestimate their weaknesses in comparison to others. This motive of overrating one's strength above the average peers and lowering one's weaknesses is stronger in central domains than less prestigious domains. The third pillar is *Selective Self-Memory,* which is a tendency within people to be selective in presenting information about themselves. They pretend to forget the memories that discredited them and remember the ones that credit them. Fourth, *Socially Desirable Responding (SDR)* is public behaviour where people try to behave in a way that is consistent and supported by normative institutions (Scott, 2014). A socially desirable

responding behaviour such as giving charity or helping people is a way of promoting one's self in front of the public. Sedikides and Gebauer (2010) found religiosity, in part, serves as a SDR motive for self-enhancement. Also, they discovered that SDR behaviours connected with religiosity are higher in religious countries (e.g., US) than less religious countries (e.g., Canada) and minimum in secular countries (e.g., UK) (Sedikides and Alicke, 2018). The fifth pillar, *Overclaiming,* is a tendency within people to overclaim their knowledge about topics that are central to their interest in the purpose of self-enhancement (Sedikides and Alicke, 2018). An example of overclaiming is narcissism (Gebauer *et al.*, 2012) and an example of SDR is religiosity (Gebauer *et al.*, 2017).

The self-enhancement and self-protection motives are positively related to physical and psychological health. The self-enhancer has lower stress levels and fosters depression recovery (Taylor *et al.*, 2003; Creswell *et al.*, 2005; Alicke and Sedikides, 2009; Sedikides *et al.*, 2015). In addition, self-enhancement is positively related to psychological resources such as extraversion, positive reframing, optimism, mastery, planning, active coping, social resources such as positive relationships and family support, and psychological adjustments such as purpose in life, personal growth, and subjective well-being. In contrast, self-enhancement is negatively related to psychological problems such as anxiety, depression, neuroticism and hostility (Taylor *et al.*, 2003; Sedikides *et al.*, 2004; Alicke and Sedikides, 2009; Sedikides *et al.*, 2015).

## 4.4 Methodology

Following the interpretive paradigm, this study uses a qualitative approach to investigate how Muslim entrepreneurs make sense of and cope with their entrepreneurial failure. According to Krueger (2007), understanding the profound belief of entrepreneurs is essential to understanding how they perceive new knowledge, and how they think and feel. Thus, to study how entrepreneurs make sense of failure, it is important to know their in-depth cognitive perceptions of reality and how they interpret failure. We acknowledge the existence of social institutions, such as religious institutions and beliefs (Searle, 1995; Greenwood *et al.*, 2008; Thornton and Ocasio, 2008) that can influence people's cognitive thinking and behaviour in business

development and entrepreneurship (Weber, 1905 [1930]; Anderson *et al.,* 2000; Noland, 2003; Dana, 2009; Fernando and Jackson, 2015).

In order to explore how Muslim entrepreneurs mobilise religious resources to make sense of failure and protect/enhance their self-identity when recovering from failure, we interviewed entrepreneurs from Oman. Oman is an Islamic state located in the Arabian peninsula and, based on the Oman National Center for Statistics, the population is about 4.6 million ([https://www.ncsi.gov.om/Pages/NCSI.aspx](https://www.ncsi.gov.om/Pages/NCSI.aspx)). Islam is considered an official religion of the country and, based on the second article of the Oman constitution; the Islamic Shari'a Law is the basis of legislation (Oman, 2019). Moreover, Islamic religious beliefs and values are prominent elements of the cultural and normative institutions that influence people behaviour in most Islamic countries (Ghoul, 2010).

### 4.4.1 Research Design

The data for this study were collected using semi-structured interviews with 35 Muslim entrepreneurs in Oman. Face-to-face and telephone interviews were used to collect the data between July 2017 and September 2018. All interviews were administered by the researcher using the Arabic language and the duration of each meeting was approximately 90 minutes on average. Many interviewed entrepreneurs had experienced business failure. We also used a scenario-building technique (Ramirez *et al.*, 2015) in which the interviewees were asked to imagine a situation of failure of their current business and how they would react and feel accordingly. The guideline questions were focusing on how Muslim entrepreneurs make sense of failure and its causes. The interviews started with open questions about their experience of failure to encourage the interviewee to narrate their failure story. The follow-up questions were tuned to understand their interpretation of failure and its causes. In addition, more questions about faith and religious understandings about failure incidents were asked. Further questions were asked according to where applicable, which produced more exciting insights relevant to the research problem of the study (see guideline questions in Appendix B).

### 4.4.2 Data Description

Participants in this study were entrepreneurs who had experienced failure in their previous venture and were currently working on a new venture (Table 3). Many of the interviewed entrepreneurs were contacted through the National Business Center (NBC) and SAS, a national entrepreneurship programme in Oman. Other entrepreneurs were recruited using the snowballing technique (Collis and Hussey, 2013). Consent was taken from all interviewees, and their identity was anonymised to protect their privacy.

*Table 3: Interviewee Description*

| Interviewee Code | Gender & Nationality | Age Group (in years) | Business Description | Mode of Interview | Duration of Interview (in minutes) |
|---|---|---|---|---|---|
| Ent_01 | Male | 40-50 | Logistic and Delivery | Telephone Interview | 42 |
| Ent_02 | Male | 30-40 | Multimedia production | Telephone Interview | 40 |
| Ent_03 | Male | 20-30 | Perfume production | Telephone Interview | 45 |
| Ent_04 | Male | 30-40 | Software & Computer | Face-to-face Interview | 80 |
| Ent_05 | Male | 30-40 | Apps & Software Programming | Telephone Interview | 40 |
| Ent_06 | Male | 30-40 | Telecommunication and Networking | Face-to-face Interview | 90 |
| Ent_07 | Male | 20-30 | Apps & Software Programming | Face-to-face Interview | 49 |
| Ent_08 | Male | 40-50 | Sewage purification | Face-to-face Interview | 52 |
| Ent_09 | Male | 20-30 | Geology Consultation services | Face-to-face Interview | 64 |
| Ent_10 | Male | 50-60 | Business Administration & Consultation | Face-to-face Interview | 90 |
| Ent_11 | Male | 30-40 | Fire Safety & Engineering Consultation | Face-to-face Interview | 60 |
| Ent_12 | Female | 20-30 | Home Decoration | Face-to-face Interview | 30 |
| Ent_13 | Male | 20-30 | Logistic and Delivery | Face-to-face Interview | 46 |
| Ent_14 | Male | 30-40 | Statistical Analysis and | Face-to-face | 60 |

| | | | Research Consultation | Interview | |
|---|---|---|---|---|---|
| Ent_15 | Male | 20-30 | Apps & Software Programming | Face-to-face Interview | 52 |
| Ent_16 | Male | 30-40 | Geology Consultation services | Face-to-face Interview | 72 |
| Ent_17 | Female | 40-50 | Business Administration & Consultation | Face-to-face Interview | 35 |
| Ent_18 | Male | 20-30 | E-payment services | Face-to-face Interview | 75 |
| Ent_19 | Male | 20-30 | Safety Equipment's and clothes | Face-to-face Interview | 45 |
| Ent_20 | Male | 20-30 | Apps & Software Programming | Face-to-face Interview | 46 |
| Ent_21 | Male | 30-40 | Apps & Software Programming | Face-to-face Interview | 63 |
| Ent_22 | Male | 20-30 | Media Production | Face-to-face Interview | 80 |
| Ent_23 | Male | 20-30 | Multimedia Production | Face-to-Face Interview | 85 |
| Ent_24 | Male | 40-50 | Wood production | Face-to-face Interview | 45 |
| Ent_25 | Female | 20-30 | Photography services | Face-to-face Interview | 64 |
| Ent_26 | Male | 20-30 | Real Estate brokering | Face-to-face Interview | 62 |
| Ent_27 | Male | 40-50 | Tourism Services | Face-to-face Interview | 49 |
| Ent_28 | Female | 20-30 | Space Technology services | Face-to-face Interview | 55 |
| Ent_29 | Male | 20-30 | Car Spar Parts | Face-to-face Interview | 45 |
| Ent_30 | Male | 20-30 | Logistic and Delivery | Telephone Interview | 43 |
| Ent_31 | Female | 20-30 | Selling Female and kids Clothes | Telephone Interview | 30 |
| Ent_32 | Female | 30-40 | Training and Teaching service | Telephone Interview | 90 |
| Ent_33 | Male | 30-40 | Car repairing Services | Telephone Interview | 55 |
| Ent_34 | Male | 30-40 | Car repairing Services | Telephone Interview | 60 |
| Ent_35 | Male | 30-40 | Business Consultation and Training services | Telephone Interview | 80 |

### 4.4.3 Data Analysis

The analysis of transcribed interviews follows the first- and second-order coding procedures to categorise the strategies that are used by Muslim entrepreneurs to cope with failure. Using the self-enhancement and self-protection model (Alicke and Sedikides, 2009), we created codes related to the self-enhancement/protection strategies (Gibson and Brown, 2009). Through analysing the interviews, we could identify several strategies related to self-protection and self-enhancement motives. We further examined the developed strategies to match the relevant pillars of self-enhancement and self-protection theory. We tried to link each strategy that was prominently used by Muslim entrepreneurs to the self-protection and self-enhancement pillars. We could identify five main strategies from our analysis (Table 4). There are also other strategies that had emerged from the study, and we documented a new strategy in the finding section.

*Table 4: Coding Analysis*

| Sample Quotes | First-order Coding | Second-order Coding | Main Category |
|---|---|---|---|
| I felt good after thinking about our failure. I felt that Allah want us to fail because it was a costly project, and we don't know it might be a financial crisis for us if we continued to invest more in that project. (Ent_02) | - Expensive project<br>- More investment needed<br>- Uncertainty<br>- Failure is protecting<br>- Allah's intervention | Failure is protection from unknown future costs | |
| Allah is merciful, and for sure, He failed me for good reasons. Who knows, it could be for protecting me from bad luck if I was continuing in that business. (Ent_05) | - Failure is protecting<br>- Uncertainty<br>- Bad luck<br>- Allah is merciful | | |
| When I look back at my failure now, I feel good about it because if I were continuing in those projects, it would be a disaster for me at | - Failure cut costs<br>- Failure was good<br>- Allah fails for good reasons | | |

| | | | |
|---|---|---|---|
| the end. I thank Allah for that, and I am sure failure was good for me. (Ent_06) | | | Material level (problem-focused) |
| Allah has closed that opportunity and opens this one for me because for sure He wants the good one for me. (Ent_02) | - Failure opens new opportunities<br>- Allah knows what is good | Protection from missing better future opportunities | |
| The loser is the one who loses hope in Allah. I have a good trust in Allah that I will be successful at the end even if I lost one time. (Ent_03) | - Belief and trust in Allah's wishes<br>- Failure means lose hope | | |
| I failed many times during my career, and whenever I fail, I said to myself tomorrow will be a better day and Allah will make it useful. This helps me to continue with the ambition of success. (Ent_07) | - Frequent failure<br>- Persistence in continuing trials<br>- Trust and believe in Allah | | |
| I see failure in this life as a test from Allah, and we should not lose the hope in success. We should always keep trying with the sincere belief that Allah will make us successful in the end. (Ent_03) | - Failure is a test from Allah<br>- Hope<br>- Trust and believe in Allah's wishes | Failure is a test of faith | |
| Failure should not be considered as a mistake in the relationship with Allah. We should consider failure as a test from Allah. The way of success in this life is to pass this test. | - Failure is not a mistake<br>- Failure is a test<br>- Success is to pass the test | | |

| | | | |
|---|---|---|---|
| (Ent_08) | | | |
| We are in this life for a test. I consider anything good and bad are tests from Allah. If something good happens to me, I should thank Allah and if something bad happens. I should also thank Allah for making me powerful and patient. (Ent_11) | - This life is a test<br>- Everything in this life is a test<br>- Always be thankful to Allah | | Cognitive level (emotion-focused) |
| The guidance from Allah, Tawfeeq, whether be it success or failure, is more important. Anyone can make money, but if that money did not lead to doing good things for humanity or made you forget Allah, then that is a failure. (Ent_06) | - Allah's guidance is more important<br>- Money does not mean success<br>- Money without pleasing Allah is a failure | Redefining failure/success | |
| Success is not just about making money. Success should also combine happiness and satisfying your religious values. (Ent_08) | - Success is not making money<br>- Success is to be happy and satisfied | | |
| The one who does not practice Islam (i.e. praying, fasting, etc.) is a loser from the spiritual side even if his business is thriving. When we think about success and failure, we should not exclude this success and failure in business from success and failure in the hereafter. (Ent_03) | - Not practicing Islam is a failure<br>- Economic success should include religious success | | |

| | | | |
|---|---|---|---|
| The relationship with Allah could affect business success or failure, at least to some extent. But Allah will not fail you because you are not worshipping Him but maybe because you are not doing a good and honest business. There other successful business people who are not Muslim but they are trustful and reliable. (Ent_01) | - Success is influenced by the relationship with Allah<br>- Displeasing Allah could lead to failure<br>- Being honest, trustable and reliable is important for success | Confession (Failure is punishment) | |
| The person who does not follow Allah's orders might not fail, but life will be tough for him. He might face a lot of troubles. (Ent_03) | - Unfollowing Allah's order make life tough | | |
| The reasons for failure can be related to not practicing Islam. If you do not treat your parents well or you took a bank loan, this could lead to failure. (Ent_19) | - Non-practising Islam leads to failure | | |

## 4.5 Findings

### 4.5.1 Is Religion Relevant? If So, How?

It is important to initially establish that the interviewed Muslims believe there is a relationship between practicing religion and business failure (Table 5). The findings show that almost 80% of

the interviewed entrepreneurs cited the poor relationship with Allah – i.e. not practicing Islam – as the *leading* cause of failure[1].

*Table 5: Business - Religion Relationship*

| SN | Business-Religion Relationship | Examples | References (Appendix A) |
|---|---|---|---|
| 1 | The direct relationship between practicing Islamic and business failure. | - Mistreating employees, cheating, or dealing with bribes.<br><br>- Dealing with forbidden items [Haram] such as alcohol or taking an interest-based loan.<br><br>- Not practicing the Islamic pillars. | Ent_5, Ent_6, Ent_7, Ent_8, Ent_10, Ent_11, Ent_13, Ent_14. Ent_15, Ent_19, Ent_24, Ent_26, Ent_29, Ent_30, Ent_35 |
| 2 | The indirect relationship between practicing Islam rituals and business failure. | - Missing prayer influences your psychological mood and consequently influences the business.<br><br>- Mistreating parents and other people | Ent_1, Ent_2, Ent_3, Ent_4, Ent_9, Ent_18, Ent_20, Ent_21, Ent_22, Ent_23, Ent_27, Ent_28 |
| 3 | No relationship between practicing Islam and business failure or success (secular view) | - Business failure and success only depend on one's performance at work. | - Ent_12, Ent_22, Ent_25, Ent_28 |

More specifically, the findings indicate three different worldviews about the involvement of religion in business failure (Table 5). The first group of Muslim entrepreneurs believe there is a direct relationship between religion and business failure. They explain this relationship between

---

[1] The Islamic practices can be classified under two categories, the relationship with Allah (*ibadat*) and relationship with people (*muamalat*). The *ibadat* practices include the five pillars of Islam, such as performing prayers, fasting and giving *zakat* (charity). *Muamalat* practices include all types of business between people. The bad relationship with Allah can be defined as the reluctanceto practise Islamic rituals, (*Ibadat)* (e.g. ,non-performing of prayers and non-fasting during Ramadan) and doing illegal practices (*muamalat*) from an Islamic point of view (e.g. taking an interest-based loan (usury) and dealing with unlawful products such as alcohol. (Al Qasemi, M.A. (2012) The relationship of Muslim with Allah and other people, How it should be? *(Elakat Al Muslim ma Allah wa ma Ibadh, Kayfa Yanbaghi un Takoon) Al Daei,* 7. Available from: http://www.darululoom-deoband.com/arabic/magazine/tmp/1339674134fix4sub3file.htm [Accessed 07/05/2019].

Islam and business failure from the Islamic rituals (*Ibadat*) and the practical side (*Muamalat*). For example, dealing with illegal things such as selling alcohol, taking interest-based loans, and unjustly treating employees and customer could directly lead to business failure. One interviewed entrepreneur explains the reasons that could lead to business failure as follows:

> *"The reasons for the failure can be related to non-practicing religion. If you mistreated your parents or took an interest-based-loan from a bank, this could lead to failure". Ent_19.*

Another entrepreneur stated that a bad relationship with Allah could lead to business failure:

> *"The first reason for business failure is your bad relationship with Allah. If you don't pray or do good deeds, then this will lead you to failure". Ent_14*

The second group of Muslim entrepreneurs claim that not practicing Islamic rituals such as prayers, fasting and Zakat (charity) could indirectly lead to business failure. They argue those Muslims who do not perform prayers will be feeling depressed or psychologically uncomfortable. Consequently, this feeling might negatively influence their businesses. Some entrepreneurs explained the importance of prayers to their business,

> *"I feel prayers influence the business. When I pray, I feel more comfortable, and I perform better at work. Sometimes when I see my partner being very lazy and coming late to work, I knew that he didn't pray that day". Ent_23.*

Explaining the relationship between practicing Islamic rituals and business failure, one entrepreneur said:

> *"not practicing Islam may not directly lead to failure but definitely will influence your spiritual feeling and consequently influence your business success". Ent_09.*

The last group of interviewees stated there is no relationship between practicing Islamic rituals and business failure. They relate business failure to one's performance and religion has no relation to business. A Muslim female entrepreneur stated:

> *"I don't believe there is a relationship between my practicing of religion and my business performance. Business success or failure depends only on one's performance". Ent_12.*

## 4.5.2 Coping with Failure Strategies

The analysis of interviews reveals different interpretations of failure. While there are some secular explanations of failure's causes, religious descriptions of failure were evident in most responses. Muslim entrepreneurs tend to believe in some divine intervention in business.

However, the use of religion in business failure attributions can be understood, from a social psychological point of view, as self-enhancement and self-protection strategies (Alicke and Sedikides, 2009). The coping with failure strategies that are used by Muslim entrepreneurs can be linked to self-protection strategies such as Self-Serving Bias (SSB) and better than the average effect (BTAE) (see Table 4). Muslim entrepreneurs use various sense-making strategies to cope with failure, which can be categorised into five main groups.

#### 4.5.2.1 *Protection From Future Losses*

Some Muslim entrepreneurs consider business failure as protection from further losses. This first strategy is a backwards-looking strategy at the incident of failure when an entrepreneur imagines an even worse scenario unfolding in the absence of failure. According to this perspective, entrepreneurs believe that Allah made them fail to protect them from further losses that would have been incurred had they continued investing in the same venture. For example, concerning his business failure, a Muslim interviewee said the following:

> *"I felt good after thinking about our failure. I felt that Allah wanted us to fail because it was a costly project, and I don't know; it would be a financial crisis for us if we had continued to invest more in that project. So, I consider this failure from a positive side, and I thank Allah that I didn't lose a lot in that failed project" Ent_02.*

Similarly, another entrepreneur said:

> *"Allah is merciful, and for sure, He failed me for good reasons. Who knows, it could be that He is protecting me from bad luck and losing more if I was continuing in that business" Ent_05.*

Another entrepreneur explained his failure experience as follows:

> *"When I look back at my failure now, I feel good about it because if I were continuing in those projects, it would be a disaster for me at the end. I thank Allah for that, and I am sure that failure was good for me" Ent_06.*

#### 4.5.2.2 *Protection From Missing Future Opportunity*

The second strategy is protection from missed future opportunities. This is a forward-looking strategy in which entrepreneurs compare their current business opportunity to previously failed

attempts at opportunity exploitation. This strategy is common among entrepreneurs who believe that the next business opportunity is going to be much better than the failed one. These entrepreneurs make sense of their business failures as Allah made them fail because He wants something better for them in the future. In other words, Allah made them fail to protect them from missing future opportunities.

> *"I believe that if Allah made you fail, then it is good because He wants something better for you"* Ent_24.

By making sense of failure, a participant explained his failure experience:

> *"I sometimes feel, when I miss a big opportunity to gain high profit, it is the end of my business life and feel bad about it. But later I discover that loss was good for me to gain better opportunity"* Ent_26.

Using this strategy, they consider their previous business failure as a good learning experience that helps them to discover a new opportunity and start over again.

### 4.5.2.3  *Failure is A Test From Allah*

The third strategy that Muslim entrepreneurs use to cope with failure is to consider failure as a test of their faith in Allah. Muslim entrepreneurs believe that everything, good or bad, could be a test from Allah (*ibtelaa*)[2]. Through believing in life experiences could be a test from Allah, many Muslim entrepreneurs consider failure as a test of their faith from Allah. Combining this belief with the previous belief that Allah will reward them with a better opportunity, Muslim entrepreneurs respond to failure in a positive sense. In explanation of the belief that failure is a test from Allah, a Muslim entrepreneur said:

> *"Failure could be a test from Allah to see our trust and believe in Him. You might pray and practice Islam, but in the end, you fail. Others might not practice Islam and never pray, but they are successful. This is a test from Allah to see if you trust Him and have a strong faith or will you change your belief in Him"* Ent_11.

---

[2] The belief that business failure or success can be a test of Muslim faith is support by the Quran. The Quran said; Every soul will taste death. And We test you with evil and with good as a trial, and to Us, you will be returned (Quran, Ch21, Vrs.35). Another verse from the Quran is: We will certainly test you until We know those among you who strive, and those who are steadfast, and We will test your reactions (Quran, Ch47, Vrs.31).

Supporting the belief that failure is a test from Allah, an entrepreneur said:

> *"I see failure in this life as a test from Allah, and we should not lose the hope in success. We should always keep trying with deep belief that Allah will make us successful at the end" Ent_03.*

### 4.5.2.4 *Relativising Success*

The fourth strategy used by Muslim entrepreneurs is redefining success and failure. In the case of failure, Muslim entrepreneurs try to underestimate the effects of failure and consider failure as a trial that could lead to success. An entrepreneur explained his definition of failure by saying:

> *"I call failure a trial unless you stop trying to be successful, then it is a failure. I experienced this; my venture failed at the first stage because of financial problem. I never stopped believing in success and tried to find an investor. I searched and found one investor; then, my business becomes successful. For me, the first failure was leading me to success in the end" Ent_08.*

Similarly, Muslim entrepreneurs redefine business success by extending its meaning to include success on the day of judgement. This strategy of reinventing the meaning of business success is used when the comparison is made with those who are non-Muslims or those who are not practicing Islam, but they are successful. The strategy of redefining success and failure is used to gain self-confidence and not to be called a loser compared to others. A Muslim entrepreneur explained the meaning of success:

> *"The one who does not practice Islam is a loser from the religious side even if his business is successful. When we think about success and failure, we should not exclude success and failure in business from success and failure in the hereafter" Ent_03.*

Another religious explanation of success was given by a Muslim entrepreneur:

> *"Some people do Haram business, and they are successful, but I think that success will not stay for a long time. Even if they are successful in this life, they will not be successful in the hereafter" Ent_05.*

Offering a more general perspective of business success from a religious point of view, an entrepreneur said:

> *"The guidance from Allah, Tawfeeq, whether be it success or failure, is more important. Anyone can make money, but if that money did not lead to doing good things for humanity or made you forget Allah, then that is a failure" Ent_06.*

### 4.5.2.5 Sins Confession (Failure is Punishment)

Muslim entrepreneurs believe that there is a strong relationship between business success and pleasing Allah. In contrast, failure is considered as punishment to the sinners. Using this belief, some of the interviewed Muslim entrepreneurs consider failures as punishment from Allah for their sins. Confession of sins can be understood as a strategy to protect entrepreneurial identity by blaming failure on external causes. This strategy is not a common strategy used by the interviewed Muslim entrepreneurs because it might impact their social religiosity status if it is publicly announced. However, during the interviews, three entrepreneurs confessed that their past sins might have caused their failures. Also, the confession strategy inversely supports the belief that pleasing Allah leads to success. A Muslim entrepreneur explained how his sin made his business fail:

> *"I think one reason that made me fail in my previous business is that I started that business with Haram money. I took a loan from a bank to finance a business. Then immediately after a few weeks, there was an accident in the business, and I lost many things in that accident. I could not relate that failure to any reasons. Why did that happen to me? When I think about it now, I feel that sin, taking a loan from a bank, caused the failure"* Ent_29.

The second Muslim entrepreneur confessed about his sins and explained his failure by saying:

> *"The life experiences are teaching me many things. I was not caring about my relationship with Allah, and I have made many sins in my life. For this reason, I have failed in many businesses that I tried to start. After I repented to Allah and started being a good Muslim, I become successful"* Ent_35.

The last entrepreneur recalled the lesson from his experiences and explained:

> *"One important lesson that I learnt from my previous failure is I should never think of making any sins because Allah is watching me. He can punish me at any time and make me fail".* Ent_30

*Table 6: Self-Protection Strategies*

| Cope with Failure strategy | Self-enhancement/self-protection | Motivations | Support from literature |
|---|---|---|---|
| 1- Protection from future losses. | | - Protect entrepreneurial identity<br>- Increase positive spirit to overcome grief (high self-esteem)<br>- Show a strong tie with Allah (religious need) | - "… the tendency to credit the self for success and blame others for failure" helps protect the self from threats (Sedikides and Alicke, 2012).<br>- SSB helps produce higher self-esteem which in turn confers vital benefits to individual psychological health (Trzesniewski *et al.*, 2006) and social acceptance (Leary *et al.*, 2001) and it is part of the human system to cope with their life situations (Pyszczynski *et al.*, 2004).<br>- Using religion in self-enhancement/protection "entails remarkable compensatory potential. It allows the faithful to fulfil fundamental self-needs: self-esteem, control, uncertainty reduction, meaning, and social belonging" (Sedikides and Gebauer, 2013:62). |
| 2- Protection from missing future opportunity. | Self-Serving Bias (SSB). | | |
| 3- Failure is a test from Allah. | Better than the Average Effect (BTAE). | -Protect entrepreneurial identity<br>-Reduce external burden<br>-Increase spirituality (high self-esteem and overcoming grief) | - BTAE is used to protect entrepreneurial identity through the religious interpretation of other individuals' success (Alicke and Govorun, 2005).<br>- Reinterpretation of meaning is a secondary control mechanism of self-protection to obviate, falling below the standard social level (Sedikides and Alicke, 2012).<br>- The use of religion offers a good acceptable source of meanings of human experiences (Park, 2013) and religiosity serve self-enhancement motive (Sedikides and Gebauer, |
| 4- Redefining success of others. | | | |
| | Sins confession and | | |

| | SSB | | 2010). |
|---|---|---|---|
| 5- Failure is punishment. | | -Protect entrepreneurial identity<br>-Reduce guilt feeling by showing repentance to Allah | - relate business failure to sins is another way of self-protection mechanism like SSB (i.e. blaming external cause) to protect entrepreneurial identity (Sedikides and Alicke, 2018).<br>- Confession is helpful for intrinsically religious individuals in a way that "stronger internal beliefs in self-forgiveness and forgiveness from Allah following confession help protect … from internalising negative feelings" (Meek *et al.*, 1995:196). |

In addition to the above-mentioned strategies that are used by the participants to cope with failure, the finding of this study reveals that some of the interviewees adopt a secular perspective and believe there is no relationship between religion and failure of the business. Three out of six interviewed female entrepreneurs believe that there is no relationship between practicing religion and failure. The first Muslim female entrepreneur said:

> *"I don't believe there is a relationship between practicing my religion and business performance. Business success or failure depends only on one's performance" Ent_12.*

Similarly, the second female participants confirmed the point and said;

> *"Praying and fasting have no relation to business. Many people are not Muslims, and they are successful. We need to split between my identity as a Muslim and my company. Success for me as a Muslim is to make a good profit as well as being a good Muslim. The company success is only measured in how much profit it makes. The company is not related to Islam" Ent_25.*

Another interviewed female entrepreneur believes there is no relationship between failure and religion:

> *"I don't consider failure is a punishment, and if failure happens then I should only blame myself, not others, and I don't also consider failure as a test from Allah. There is no relationship between my worshipping of Allah and my performance in the business" Ent_28.*

Muslim entrepreneurs, who believe there is no or only an indirect relationship between practicing religion and business failure, use loss orientation/restoration strategies (Shepherd, 2003) to cope with failure. Also, they consider failure as a good learning point for future success.

> *"I never thought that my failure was because of a bad relationship with Allah. It was mainly because I didn't do market research. I failed because I thought that there was an opportunity based on my belief, but later, I found that the consumer wants something else. I didn't feel much grief because it was at the beginning and I didn't lose much. Second, I had another business which helped me to recover fast" Ent_04.*

Another secular explanation of failure cause was offered:

> *"Failure has many reasons; it could happen because of poor planning or because of external market issues. It is not necessary that failure could only happen because of your bad relationship with Allah" Ent_03.*

### 4.5.3 Differentiating Between Problem- and Emotion-Focused Strategies

This paper researched the use of religious beliefs in coping with failure strategies. We documented five different strategies used to make sense of failure (Table 6). These strategies can

be categorised as problem-focused vis-à-vis emotion-focused coping strategies (Singh *et al.*, 2007; Byrne and Shepherd, 2015).  Concerning the problem-focused category, interviewed entrepreneurs use their religious beliefs to justify failure as protection from unexpected future losses or to miss the coming opportunities (Table 3 and Table 4). These strategies cognitively help to internalise the effects of failure through minimising the material cost of failure compared to the expected loss or missing potential opportunities, in the case of continuing investment in the failed project. On the other hand, the entrepreneurs use emotion-focused approach through considering failure as a test of their faith and redefine failure from a religious perspective. These emotion-focused strategies aim to overcome grief and rebuild self-esteem through considering failure as a test from Allah and pleasing Him is more important than economic success (Table 3 and Table 4). The last strategy, which is used by the interviewed entrepreneurs is confession strategy. We submit that the confession strategy lies in between emotion-focused and problem-focused strategies. Through this strategy, entrepreneurs attributed failure to Allah, punishing them for their sins. Confession strategy help entrepreneurs to protect their entrepreneurial identity.

### 4.5.4   The Co-existence of Multiple Strategies

Shepherd (2003) argues that the use of multiple coping strategies could foster the process of overcoming grief. In this study, we found that interviewed Muslim entrepreneurs deploy religious resources in problem-focused and emotion-focused strategies. As demonstrated in Table 6, we found the co-existence of problem/emotion-focused strategies (e.g., failure is protection from future losses, and failure is a test from Allah). Also, at the problem-focused (material) level, the most typical combination of co-existing strategies seems to be that failure is protecting from further losses *and* failure is protecting from missing potential opportunities (e.g., Ent_2, Ent_5, Ent_7). Only in a handful of cases was the presence of mixed strategies evident (i.e. problem-focused and emotion-focused), such as failure is protecting from further loss, protects from missing opportunity, and is a test of one's faith (e.g., Ent_6, Ent_10).

Consistent with previous studies, we found that entrepreneurs are relying on multiple coping strategies to overcome grief (Shepherd, 2003; Singh *et al.*, 2007). Moreover, the analysis shows that interviewed entrepreneurs use religious resources with multiple strategies to make sense of failure and overcome grief. The use of religion with multiple strategies offers an advantage to the failed entrepreneur, particularly in a context where religion is more prominent (Sedikides and Gebauer, 2010, 2013).

## 4.6 Discussion

### 4.6.1 Making Sense of Religious Coping Strategies Using Self-enhancement/protection Theory.

Having documented the five strategies, we can deepen our understanding through an attempt to theorise the motives underlying the emergence of each strategy. More specifically, drawing from Alicke and Sedikides's (2009) framework, we can differentiate the motives that underpin each strategy. As we have seen in the literature, there are five main pillars of self-enhancement and self-protection theory (Sedikides and Alicke, 2018). We submit that the interviewed entrepreneurs rely on three of the five pillars, viz., 1) self-serving bias (SSB), 2) better than the average effect (BTAE), and 3) socially desirable respondings (SDR).

Concerning the self-serving bias strategy of the self-enhancement and self-protection theory, interviewed entrepreneurs use their religion to make sense of failure. They variously interpret failure as protection from future losses, protection from missing potential opportunity as well as a test from Allah. While failure could harm entrepreneurs' social and psychological well-being (Ucbasaran *et al.,* 2013), using SSB strategy would protect the self against the negative consequences of failure (Alicke and Sedikides, 2009). The SSB strategy is the "tendency to credit the self for success and blame others for failure" (Sedikides and Alicke, 2012:305). It helps to protect the self from threats. Using religion the SSB strategy produces higher self-esteem which in turn confers vital benefits to individual psychological health (Trzesniewski *et al.,* 2006) and social acceptance (Leary *et al.,* 2001), and it is part of the human system to cope with their life situations (Pyszczynski *et al.,* 2004). In addition, using religion in self-enhancement/protection "entails remarkable compensatory potential. It allows the faithful to

fulfil fundamental self-needs: self-esteem, control, uncertainty reduction, meaning, and social belonging" (Sedikides and Gebauer, 2013:62).

Concerning the better than the average effect, interviewed Muslim entrepreneurs use a strategy of redefining business failure from a religious perspective. They argue that economic success should be combined with religious success, which is pleasing to Allah. In addition, it is often taken for granted that business success should not be excluded from the success on the day of judgement. We suggest this strategy of redefining failure/success relies on the BTAE motive that aims to protect their social identity from being looked at as a loser (Sedikides and Alicke, 2018). The BTAE strategy is used to protect entrepreneurial identity when compared to others or the standard level of social success (Alicke and Sedikides, 2009). With BTAE strategy, individuals tend to rate themselves above the average of peers on positive and relevant self-attributes and below average on negative central attributes (Brown, 2012; Stavrova *et al.,* 2016). Moreover, this strategy is not used in a domain that is not important or irrelevant to one's interest (Kruger, 1999). While comparing the failed entrepreneurs to successful ones is touching the core of self-attribute, failed entrepreneurs used BTAE to protect the identity and protect themselves from falling below the standard level of the self-domain (Alicke and Sedikides, 2009). Although it is difficult for failed entrepreneurs to compare themselves to successful entrepreneurs from an economic perspective, the use of religion provides failed Muslim entrepreneurs with good resources for reinterpreting the meaning of failure. Using religion to redefine failure/success shows that economic success is meaningless without religious success, which includes practicing religion and pleasing Allah. The use of redefining failure/success strategy helps Muslim entrepreneurs protect their entrepreneurial identity by showing that they are not failures from a religious perspective. Also, redefining strategy reduces the cognitive burden of failure stigma. Finally, the use of religion to redefine failure produces higher self-esteem, which helps to overcome grief (Sedikides and Gebauer, 2010; Sedikides and Alicke, 2012).

Finally, Muslim entrepreneurs use confession strategy as socially desirable responding (SDR) behaviour and SSB motive. The confession strategy is not common. The findings show that Muslim entrepreneurs use this strategy to protect their entrepreneurial identity. Through confession strategy, interviewed entrepreneurs rely on SSB and SDR strategies to protect their entrepreneurial identity and social status (Sedikides and Alicke, 2018). The confession strategy is

used to reduce the guilt feeling through having a strong belief in Allah's mercy and forgiveness (Meek *et al.*, 1995:196). Thus, confessing helps to overcome the grief caused by the belief that sins lead to failure. However, it is important to note that many Muslim entrepreneurs refuse to view business failure as a punishment for their sins because they believe that in this life they are only tested, and punishment can only be on the day of judgement (see, for example, Ent_28, Ent_24, Appendix A).

The findings of this paper are consistent with Sedikides and Gebauer (2013) who argued that religion fulfils the fundamental self-needs such as self-esteem, control, uncertainty reduction, meaning for the individual self, attachment and social belonging for the collective selves. Also, our findings show that religion is used to make sense of failure and produces high self-esteem, which in turn helps to foster the recovery process. In addition, our findings are consistent with Trzesniewski *et al.* (2006) and Leary *et al.* (2001), who argued that practicing religion is helpful to maintaining good psychological health and ensuring higher social acceptance. In societies where religion is highly valued, religiosity represents one of the socially desirable responding practices which, in turn, enhances self-esteem (Sedikides and Alicke, 2018). The pursuit of self-esteem is part of the human system to regulate their behaviour and cope with their life situations (Pyszczynski *et al.,* 2004).

### 4.6.2 The Context-sensitivity of Coping Strategies: Can Secular Strategies be Equally Beneficial Across Various Contexts?

The literature has shown different coping strategies which mainly relate to "problem-focused" and "emotion-focused" personal orientations (Shepherd, 2003; Singh *et al.*, 2007; Shepherd and Haynie, 2011). Our study found that social institutions can be cognitively mobilised by entrepreneurs to make sense of failure and overcome grief. However, using religious strategies to cope with failure would be only useful in a context that allows for religious sense-making of failure (Sedikides and Gebauer, 2013). Our study shows that more than 80% of interviewed entrepreneurs use their religious beliefs in making sense of failure (Table 4). This fact shows that religious institutions are playing an important role in the failure recovery process. Using religion would serve the self-interests; in our case, it protects failed entrepreneurs from negative self-views and satisfies religious needs. These findings are consistent with Sedikides and Gebauer

(2010, 2013) who argued that religiosity is partly related to the self-esteem and fulfils the self-needs. In addition, religiosity represents a socially desirable responding behaviour (SDR), which also enhances positive self-views (Sedikides and Gebauer, 2013).

Through investigating the personal strategies used by entrepreneurs to respond to negative attributions associated with failure stigma, Shepherd and Haynie (2011) postulated that entrepreneurs use impression management strategy to psychologically align their conceptions of self-view with the similar external views – even when they have negative personal self-view. Shepherd and Haynie (2011) assumed rationality of entrepreneurs through the presumption that entrepreneurs can enforce their self-view on external views and be selective in accepting/avoiding attributions that are (in)consistent with their self-views. This assumption might work in secular and individualistic societies. However, in collective societies, social institutions exert higher forces to make individuals align their behaviour to prominent social institutions (Scott, 2014). Thus, failed entrepreneurs, in a collectivist society, need to protect their social and psychological interests (Alicke and Sedikides, 2009) so they use institutional logic – i.e. religious institutions – to serve their interest (Sedikides and Gebauer, 2010). Thus, we suggest that entrepreneurial coping strategy is context-dependent, and the selection of coping strategy is contingent upon the prominent institutions.

Many social and religious factors constrain the use of religion in sense-making and self-protection from external negative attributions (i.e. failure stigma). In some cases, using religious institutions in making sense of failure might not be accessible to all entrepreneurs. For example, the study shows that some female entrepreneurs did not relate their failure to religious aspects; instead, they were more secular in their responses. Being secular, in the case of a female entrepreneur, can be understood as a strategy to avoid questioning their religiosity because the female entrepreneurship career is, to some extent, constrained by some cultural and religious institutions. [For more details about social restrictions on female entrepreneurship in the Islamic context see Roomi and Parrott (2008).] These findings suggest that entrepreneurs use institutional logic to cope with failure — they use religion when the situation allows and would incur higher benefits. In contrast, Muslim entrepreneurs become secular in their approach in situations where religion would not help them to protect their interests and needs.

### 4.6.3 Limitations and Future Research

Although this study tries to cover the research problem, it is not without limitations. In this qualitative study, we limited the research to one Islamic context, Oman. The study did not interview Muslim entrepreneurs in other settings and particularly in non-Islamic contexts to see if there is a context influence on religious beliefs and coping strategies. Moreover, the Muslim entrepreneur participants in this study do not equally represent different Muslim sects. It would appropriate to have a comparison between different Muslim dominations' beliefs and coping strategies. In addition, the study did not take into consideration the effect of different economic costs in the selection of strategy. Furthermore, it did not investigate the influence of religious strategy on the failure learning process. It would be interesting to know how religious sense-making of failure might influence the learning process.

Furthermore, this study is conducted by a Muslim researcher. We believe that the shared belief understandings between the researcher and participants might encourage interviewed Muslim entrepreneurs to show their religiosity in their failure attributions and sense-making. However, if that is the case, then it could also be understood as a strategy of socially desirable responding behaviour to protect one's social status. Perhaps a non-Muslim researcher might elicit different responses and different coping strategies. It would be interesting to corroborate current findings through this approach.

Concerning further research directions, it is crucial to cover the gaps of this research in future studies. First, it will be useful to replicate this study at the cross-country comparison level and particularly between different Islamic countries. Doing a cross-country comparison study will help to identify more religious coping strategies and show the differences between Muslims' sects, beliefs, and the context in coping strategies. Also, it will be interesting to replicate this study in a non-Islamic context to see if there will be any discrepancies in the coping strategies. It will also be useful to study the coping strategies of non-Muslims while focusing on the use of social institutions in making sense of failure.

Last but not least, this study did not show if religious beliefs used in making sense of failure are made public to protect social status. The self-enhancement and self-protection theory suggests that people use different kinds of strategies to satisfy their psychological needs *as well as* to protect themselves from negative public views (Alicke and Sedikides, 2009). In this study, we

have seen how Muslims use their religion to make sense of failure to satisfy their psychological needs. However, it would be interesting to study whether/how religion is publicly used to cope with failure and protect self-identity from the social stigma associated with entrepreneurial failure.

## 4.7 Conclusion

Previous studies tend to focus on the role of market institutions (Sutton and Callahan, 1987; Lee *et al.*, 2007; Peng *et al.*, 2010) and use the psychological perspective (Singh *et al.*, 2007; Shepherd, 2009; Shepherd and Haynie, 2011) to study the entrepreneurs' coping strategies. They tend to downplay the role of social institutions in the process of coping with failure. From a social-psychologist perspective, we used the theory of self-enhancement and self-protection (Alicke and Sedikides, 2009) to understand how entrepreneurs use social resources to make sense of failure and overcome grief. We found that Muslim entrepreneurs use their religion to formulate coping strategies, which mainly focus on protecting self-identity and recovering from the grief associated with events of entrepreneurial failure. This study shows that the existence of Islamic religious cognitive institutions provides a powerful psychological tool in this process on both cognitive and emotional fronts.

Adding to the literature, this study demonstrates how Muslim entrepreneurs tend to use their religious resources to cope with failure. This study shows that religion is used at different cognitive levels involving problem-focused and emotion-focused strategies to cope with failure. While failure coping strategies are aimed at protecting the entrepreneur's self-identity, rebuilding self-esteem and overcome grief, the use of social resources, such as religious beliefs to make sense of failure would offer advantages to failed entrepreneurs to cope with failure.

It is also important to acknowledge here that other religions such as Hinduism, Christianity, and Judaism to name a few, might have their own religious beliefs that are used in situation of failure to protect/enhance one's self. This open the opportunity for future researches to conduct similar study to the role of religious beliefs in coping with failure strategies.

Paying closer attention to the role of social resources during the coping with failure process is essential in advancing a more holistic and refined understanding of this central phenomenon. This paper offers only a first, but hopefully important, step to this end. We hope that more researchers will join this nascent yet promising field of scholarly inquiry.

# Chapter 5: Conclusion

## 5.1 Introduction

This thesis studied the influences of Islamic religious institutions on the broader entrepreneurial phenomenon and more specifically, the nature of their influence on the concrete entrepreneurial experience and process. To achieve the purpose of this project, three separate papers guided by three interrelated, yet distinct objectives were produced. Overall, this research project shows that Islamic institutions are context-specific, and other contextual institutions moderate their influences. Through focusing on cognitive institutions, the empirical studies of this research found that Islamic cognitive institutions influence the process of opportunity belief formation and coping with failure strategies and examined in considerable detail the nuances of this experiential phenomenon.

## 5.2 Research Implications

Through the findings of this research project, multiple implications can be drawn. First, for the researchers, this thesis argues that religious institutions can have (in)direct effects on entrepreneurial behaviour. The effects of the religious institutions are moderated by the environmental institutions operating in the same setting. In addition, religiosity could influence individual entrepreneurial behaviour, particularly in situations of institutional complexity. Thus future studies that investigate the relationship between religion and entrepreneurship should be alerted to the variety of social factors that could moderate religion influences. In addition, using the qualitative approach at the individual level would generate insightful meanings of the relationship between religion and entrepreneurial behaviour. Besides, the findings of this research suggest that more studies are needed to focus on specific religious institutions such as cognitive institutions in relation to the entrepreneurial processes, at an individual level.

Other implications for the policymakers can be made from the findings of this study. First, it is important to understand the environmental factors that encourage/discourage entrepreneurial

behaviours. This study shows that the underdevelopment of many Islamic countries cannot be attributed to Islam or religious beliefs per se. Instead, we maintain that Islamic religious beliefs are positively contributing to the development of entrepreneurial culture. Policymakers should have a generic view of the environmental institutions that could impact entrepreneurial behaviours. They should encourage the institutions that positively contribute to the entrepreneurial culture and discourage other harmful institutions such as corruption (Baumol, 1996; Chapra, 2001). The policymakers can promote entrepreneurial culture by paying attention to religious values that could influence entrepreneurial behaviour. Also, they should pay attention to institutional market complexity and minimise policies that could prevent people from considering taking entrepreneurial action, such as policies restricting women entrepreneurship or supporting conservative Islamic ideologies. In addition, policymakers should pay more attention to develop market institutions that are convenient for Muslim entrepreneurs, such as the development of Islamic banking and finance institutions.

## 5.3 Thesis Contributions

This research project provides multiple contributions to the corpus of knowledge. From a theoretical perspective, this research contributes to the literature of religion and entrepreneurship, spirituality and entrepreneurship, and Islam and entrepreneurship (Dana, 2010; Audretsch *et al.*, 2013; Balog *et al.*, 2014; Singh *et al.*, 2016; Ratten *et al.*, 2017). It also contributes to the theory of religion and entrepreneurship through suggesting the use of the institutional theory perspective to study the relationship between religion and entrepreneurship (Bruton *et al.*, 2010; Lim *et al.*, 2010; Tolbert *et al.*, 2011; Yousafzai *et al.*, 2015).

More specifically, the first study contributes to the literature of religion and entrepreneurship by showing that the dominant macro perspective of PWE is not producing a consistent result. In addition, the use of the quantitative approach to study the influence of religion on entrepreneurial behaviour has been discredited by several scholars (Dodd and Seaman, 1998; Krymkowski and Martin, 1998). From an institutional perspective, Scott (2014) showed that social institutions are classified into regulative, normative and culture-cognitive institutions. He argued that the powerful influence of each of these three dimensions of institutions is not the same. He

suggested that culture-cognitive institutions are more powerful, whereas economists argue regulative institutions are the most powerful institutions (Scott, 2014). Through using Scott's framework, the first paper introduces a new classification of Islamic institutions – *regulative normative* and *cognitive* – to study their influences on entrepreneurial behaviour independently. This paper argues that the effect of Islamic religious institutions on entrepreneurship is highly context-dependent and maintains that the relationship is not always negative. The regulative Islamic institutions might restrict particular entrepreneurial behaviour and constrain the choices of opportunity. However, the normative Islamic institutions are highly context-specific and exert more restriction on women entrepreneurs in conservative Islamic contexts. Importantly, we theorized that Islamic-cognitive institutions are positively related to entrepreneurial behaviour. This theoretical intuition was corroborated in papers 2 and 3, which elaborate the nuances of the complex interplay between cognitive institutions and entrepreneurial decision-making and sense-making.

The second paper contributes to the literature in several ways. It contributes to the theory of opportunity belief formation process (McMullen and Shepherd, 2006) and opportunity actualisation theory (Ramoglou & Tsang, 2016), making the first empirical application of the distinction between the doubt about opportunity-existence and the doubt about opportunity actualisation. The paper shows that under pure uncertainty (Dequech, 2000), religious Islamic cognitive institutions play an essential role in the process of overcoming doubt through creating the sense of "I *can* succeed" and I *will* succeed" within the cognitive belief-system of Muslim entrepreneurs. If the belief in predetermination sustains the sense of "*I can succeed*", it is the belief that pleasing Allah will ensure economic success (i.e. profit generation) the creates the sense of *"I will succeed"*, Moreover, we underscored the role of practical prayer, *Istikharah*, in bridging the two types of beliefs (i.e. the transition from "I can" to "I will").

The third paper also contributes to the literature of entrepreneurial failure coping strategies (Shepherd, 2003; Folkman and Moskowitz, 2004; Singh *et al.*, 2007; Patzelt and Shepherd, 2011a; Shepherd and Haynie, 2011) through an empirical investigation which shows that religious beliefs can be mobilised by entrepreneurs to cope with failure. The third paper also introduces to the study of entrepreneurial behaviour a new theoretical socio-psychological perspective, viz., *the self-enhancement and self-protection framework*. Through this perspective,

the paper argues that socio-psychological interests motivate coping strategies. In addition, religion can be used to develop strategies to cope with failure. Through using problem-focused strategies, Muslim entrepreneurs use their religion to interpret failure as protection from future losses, protection from missing future opportunity, and success from a religious perspective. On the other hand, they use emotion-focused strategies and interpret failure as a test from Allah and punishment for their sins. Using the social-psychologist perspective, the study suggests that Muslim entrepreneurs rely on the self-serving bias (SSB), better than the average effect (BTAE), and socially desirable responding (SDR) pillars of the self-enhancement and self-protection theory.

## 5.4 Future Research

This research has several limitations, which were discussed earlier in each paper. These limitations open avenues for future research opportunities. First, using the institutional theory perspective (paper 1), the study produced several propositions which be best tested in future using empirical research. Another opportunity for future study is to use the institutional theory perspective to study the influence of other religions within different contexts. Then a comparison between different religions and their influence on entrepreneurship can be drawn. The second paper, which mainly focuses on how Islamic cognitive belief (i.e. belief in predetermination of opportunity) affects the process of opportunity belief formation process, opens an opportunity to test other religious groups' beliefs on the process of opportunity belief formation.  The last paper has several limitations which create opportunities for future researchers. First, the study needs to be replicated in many different Islamic contexts and consider the different Islamic sects. In addition, future studies on coping strategies need to consider the actual economic cost of failure relating to the strategy used to cope with failure.  Moreover, the mobilisation of social resource in coping behaviour needs to be studied in different contexts, such as non-Islamic contexts. Last but not least, a future study can test the mobilisation of social resources to overcome social failure stigma.

## 5.5 Closing Summary

The influences of religion on entrepreneurial behaviour are undeniable. Although not many social scientists would question this thesis, the precise way through which religion influences entrepreneurial action has yet to receive the attention it deserves (Smith *et al.*, 2019). Contributing to this emerging field of scholarly interest, this thesis explored the complex interplay between Islam and entrepreneurial action. This aim was achieved through three essays guided by different scholarly objectives. Overall this study provides multiple contributions to the literature of religion and entrepreneurship and opens avenues for future research opportunities. Although this study has thoroughly covered the ways through which Islamic religious institutions and beliefs might influence entrepreneurial behaviour, more researches are needed to cover the gaps of this thesis and strengthen our knowledge about the interrelationship between religion and entrepreneurship.

# Appendices

## Appendix A: Quotes Analysis (Paper 2)

| Ref. | Illustrative Quotes | categories | Sub-Categories | Theme |
|---|---|---|---|---|
| Ent_1 | I identified this opportunity through my previous job. I was working in the oil-field company. I realised that there were restrictions imposed on foreign companies working oil-field sector by the Government. From this issue, I realise that there is a good opportunity for me to start my own business to work as an intermediary between foreign companies and local contractors.<br>My work experience, related knowledge, and strong networks help me to be successful in this opportunity. | • Work experience<br>• Government regulations<br>• Opportunity contact<br>• Knowledge<br>• Strong networks | **Factors influencing opportunity identification:**<br>• Human Capital<br>• Social networks<br>• Market institutions<br>• Market demands | **Opportunity belief formation** |
| Ent_2 | We come to know about this opportunity for the first time through our voluntary work in media production. At that time, we were just students doing voluntary work and training with different companies. During that time, we received many demands for our services (media production). Thus, we realised that there is huge demand for media production and there is a market shortage in this area. Then, we thought this is a good business opportunity, and we did it.<br>Our experience in media production, creativity, knowledge, and most importantly the market is not saturated, and there is lots of demand for media production. All these factors helped us to be successful. | • Opportunity recognition<br>• Voluntary work experience<br>• Student training<br>• Demands<br>• Market shortage<br>• Knowledge and creativity<br>• Unsaturated market | | |
| Ent_3 | My love and passion for perfumes made me invent new perfumes that have a good and long-lasting smell. I feel that I can make a good opportunity if people like my perfumes. I started very small and distributed to my relatives and dearest friends, and slowly I started to get more demand.<br>My love of good perfume-making and my experience makes me feel that I can make a good business out of this. Also, the feedback that I got from my relatives and friends encouraged me more and gave me the trust that there is a good opportunity for this kind of business. | • Love and passion of the work<br>• Good networks<br>• Talent<br>• The importance of Customer feedback | **Market orientation** | |

| Ent_4 | I realise this opportunity from market demands. I was a customer myself looking for this kind of software, and there are only a few dealers in the market. The market was monopolised, and the price is too high for this software. Thus, I said to myself; this is a good opportunity to start a business. I can outsource this software and sell it at a better price to compete in the market.<br>This type of opportunity requires good software skills, communication skill, and good networks. I had the required knowledge and skills to enter this market. My specialisation in computer science helped me to realise this opportunity. | • Opportunity realisation<br>• Customer perspective<br>• Market monopolisation<br>• Arbitrage<br>• Software and communications skills<br>• Networks<br>• Formal education | | |
|---|---|---|---|---|
| Ent_5 | I started thinking about this opportunity when I was working with my friend in a company. He has a good experience in business, and we share lots of ideas. I learned from him, and we started our first business together.<br>I feel the most important things for success is the availability of market demand. If you can make sure that your business idea has lots of demands, then you can be sure of success. Also, you need to have strong belief in your idea along with good knowledge and experience. | • Idea sharing<br>• The importance of market demands success<br>• Strong belief in the idea<br>• Knowledge and experience | | |
| Ent_7 | I am a programmer, and I was ambitious to use my expertise to do something good. I started to do small apps that can help people in their life. Then, when I finished my study in college, I started to think of doing business using my good knowledge of programming. Thus, I started to look at the problems that are facing companies and solve these issues by using the technology by developing software or apps to solve these issues. Sometimes, there are no problems, but I always develop new software for improving the job and reduce waste of resources. I always look at how the job can be done more effectively and efficiently. I see opportunities within the problems facing companies like people's behaviour, or the company following an old system and wasting resources. Sometimes, I need to convince these companies that they have a problem with their system, and I have a solution for it using technology. Being able to persuade customers is an important skill for me. | • Being ambitious<br>• Knowledge and expertise<br>• Solving firms' issues through developing new software<br>• Developing new effective and efficient ways (means) to do the job<br>• Being persuasive | | |

| Ref. | Illustrative Quotes | categories | Sub-Categories | Theme |
|---|---|---|---|---|
| Ent_6 | I believe that opportunities are available, but individuals need the foresight to realise these opportunities. Foresight comes from Allah to people, and not all people can realise these opportunities. We need to make use of our knowledge and experience to get these opportunities. | • Opportunities are available<br>• Knowledge and experience are important for recognising opportunities<br>• Not all people can recognise opportunities<br>• Doing market research is important | • **Rationality**<br>• **Building confidance** | |
| Ent_4 | I did not pray because I was hesitating to start the business or not. I depended on my knowledge experience and market research before making any decision. | | | |
| Ent_18 | *"I feel doing market research before taking a decision is more important."* | | | **Opportunity belief** |
| Ent_28 | I depend more on my knowledge, skills and market research. I don't say that I can always be right, and I don't know better than Allah, but this is what Allah asks us to do, to work hard and do my job before entering the market. | | | |
| Ent_7 | Opportunities are available. Every child before with his/her opportunities in this life, and if you fail to get one opportunity for sure you will get the other one, but this should not make us lazy; rather we should work hard because work is like worshipping Allah. | • Opportunities are secured for everyone<br>• Opportunities are prewritten by Allah<br>• Work is important and is like worshipping Allah | **Religious beliefs**<br>• Opportunities are available for everyone. | |
| Ent_8 | Opportunity is an unquantifiable term, and thus we do not know exactly what Allah had written for us. Therefore, we need to work hard to get more, and we should not stop working and say that this is my opportunity because we don't know.<br>I believe that not only opportunities are written, but everything is written even in your action. I mean everything is known by Allah before it happens, but this belief should not let us sit and do nothing. Allah orders us to work to work hard to get our opportunities. | • Opportunities are predetermined, but people don't know what is determined for them<br>• Everything is predetermined every people behaviour is predetermined and known by Allah | • Predetermination is related to success/failure on the opportunity<br>• Predetermined opportunity is unknown<br>• Predetermination of opportunities is the Islamic faith | |
| Ent_10 | For me, it is not only the business opportunities are given by Allah, but everything is given by Allah like your power, money, and mind all are given by Allah, like opportunities.<br>We believe that opportunity is prewritten by Allah but working towards the opportunity is like worshipping Allah and we must do it. | • Everything is given by Allah including the skills and abilities<br>• Work is important and is considered like worshipping | | |

| | | Allah | | |
|---|---|---|---|---|
| Ent_11 | I believe that opportunities are predetermined by Allah, but we must work for them. Opportunity will never come without work.<br>Everything is written by Allah before it happens. What we will get is already written and known by Allah, but we must move and work to get what is written for us. | • Opportunities are predetermined, but work is necessary to get what is written by Allah | | |
| Ent_12 | For me, though I believe in predetermination, I never think of opportunity as predetermined. I always am more logical and try to work hard to make my business successful.<br>I believe in predetermination, but I do not know what is determined for me, so I must work to find out what is written for me. | • Business success needs more work than just to believe in predetermination | | |
| Ent_18 | Sometimes it happens that you get an opportunity without doing anything, but this is rare, and it happened to me. I said this is from Allah, but I cannot prove it. I believe this opportunity is from Allah because I might have done something right before, so Allah rewards me with this opportunity. In this case, I will not bother myself looking for the reason for how this happens to me. But if I got the opportunity through my effort, then I will look for the reason for how I achieved it.<br>I feel there is a logic in this life; if you do a good thing for people for sure, you will get some better rewards from Allah for that. | • Opportunity (resources) are given by Allah<br>• There is a logic behind every success<br>• Doing good things to people helps to get opportunities | | |
| Ent_28 | I believe that opportunities are not predetermined in a way that is limited to a specific option. Opportunities are available to everyone in this life. Those who work hard they will get their opportunity. If I have not worked at this opportunity I'm sure there will be someone else who will think of it and take it. Allah does not limit the opportunities to Muslims, but all people can get their opportunities in this life. | • Opportunities are not predetermined in a specific way<br>• Opportunity is available for everyone<br>• Opportunity for Muslims and non-Muslims | | |
| Ent_4 | I think the belief in predetermination gives sustainability to work. It makes me continue working even if I face difficulty because I know Allah will help me. | • Predetermination beliefs develop trust on success | | |
| Ent_14 | Anything that is forbidden by Allah cannot be an opportunity even if there is high demand for this opportunity like selling alcohol. I don't see it as an opportunity because it will have many costs on society. | • Islamic regulations<br>• Opportunity should be Halal | | |

| | | | | |
|---|---|---|---|---|
| | Forbidden opportunities exist, and if people pursue them, they can make lots of money. But for me, I don't see it as an opportunity. | | | |
| Ent_1 | I believe that opportunities are given by Allah. This is one of our Islamic tenets, to believe that whatever Allah has written for us will happen regardless of the efforts we made. However, Allah also said in the Quran "And those who strived in our (cause) we will certainly guide them to our paths; for surely Allah is with those who do right" | • Predetermination is an Islamic tenet<br>• Whatever written will happen regardless of the efforts produced<br>• Allah helps those who work hard to achieve success | | |

| Ref. | Illustrative Quotes | categories | Sub-Categories | Theme |
|---|---|---|---|---|
| Ent_5 | Success or failure indicate what had been written for me. But failure does not make me work less; rather it induces me to work hard to find my opportunity. | • Success and failure are outcomes | | |
| Ent_2 | I believe that everything is written for us, but we don't know what is exactly written. It could be good or bad, and we don't know how much has been written. | • What is written by Allah is unknown | | |
| Ent_4 | Allah gives success, but we need to consider the means leading to success. This makes me more positive and optimistic about what will happen in the future. | • The action is necessary to make success<br>• Being optimistic about what Allah has written | | |
| Ent_10 | Success is not in my hand; it is with Allah's hand. For me, I have only to work hard as Allah ordered me to do and success is the rewards of my work. Depending on Allah to get success means to take the reason that Allah has provided you to achieve success. Allah has given us mind and resources, and we must use them.<br>Success is the outcome of your work. This outcome you cannot be sure about it 100%, but Allah knows what you will get. Predetermination means that Allah knows what you will get but you don't know and therefore you need to work according to Allah's guidance to get success. | • Success is in the hand of Allah<br>• Working to achieve success is necessary<br>• Success is an outcome that requires hard work<br>• Pleasing Allah is a way to achieve success | • Success and failure are predetermined by Allah<br>• Success is subjectively and religiously measured<br>• Economic return does not necessarily means success<br>• Business success and religious success are related | **The Islamic concept of success** |
| Ent_21 | I believe that success and failure are predetermined and known by Allah, but we have to work and find out a good opportunity. We must take the reasons that lead us to success, and one of these reasons is to pray to Allah and ask Him to help you | • Praying and asking Allah help is one way to success | | |
| Ent_1 | Pleasing Allah is important for success. We need to understand that our worships and prayers could change the fate. Our fate is in the hand of Allah. | • Prayers and worshipping Allah could change our fate | | |
| Ent_6 | We should also look at success from a religious perspective. Success is to please Allah. To be successful, you need to start with simple means that can guide to success like praying to Allah. | • Success is to please Allah<br>• Prayer is a guide to success | | |
| Ent_11 | The relationship with Allah could affect your business indirectly without you noticing. If you please Allah, He will give you guidance and Tawfeeq in your business. | • The relationship with Allah influences business.<br>• Getting profit without | | |

| | | | | |
|---|---|---|---|---|
| | Sometimes getting profit might be an exam from Allah to you. If you fail to please Allah, He can make your business unsuccessful. We should always thank Allah. | pleasing Allah is not a success | | |
| Ent_13 | My relationship with Allah has helped me to be successful. When you please Allah, this will help you get rid of risks. | • Pleasing Allah reduces risks | | |
| Ent_14 | Whenever your relationship with Allah is strong, and you do all worships that Allah ask you to do, Allah will help you to succeed. But if you fail to please Allah, whatever you do you will never be successful even you feel that you got profit. Success depends on how strong one's relationship with Allah is. If you have strong faith in Allah and you please him, He will make you successful in your life. | • Making profit without pleasing Allah might not make you feel happy<br>• A good relationship with Allah make a success | | |
| Ent_29 | I'm sure that if I'm pleasing Allah, I will be successful in my business, If I please Allah and ` my parents, Allah will make me successful in everything not only business. | • Pleasing Allah and parents influence your business success | | |
| Ent_26 | We cannot say we are successful without acknowledging Allah's guidance and Tawfeeq. Success does not mean that your relationship with Allah is good. Sometimes Allah makes you successful, and you are not worshipping him, and this is tested from Allah. For non-Muslims, Allah may make them successful in this life and give them all that they want, but at the end, on the day of judgment, they might be the losers. Tawfeeq can only happen when Allah know that the things that you are doing are good for you and others. | • Tawfeeq is more important than getting profit<br>• Success in business should not exclude success on the day of judgment | | |
| Ent_16 | I prayed Istikharah before I quit my job and before I started my business. In fact, I had three choices at that time. So, I prayed and then I decided to quit and start the business. Istikharah prayer made me confident in the decision that I took and reduced the doubt that I was having. Praying Istikharah does not necessarily mean you will be successful. You might lose. In the end, your success and failure depend on your efforts. I'm committed to prayers, and I feel this helps me to reduce pressure and make me feel comfortable. | • Istikharah prayer is used for taking a decision<br>• Istikharah increases confidence in the decision made<br>• Istikharah reduce doubts about the success | | |
| Ent_14 | It is not important to pray Istikharah. However, it gives you good feeling and confidence. But if you do not have doubt, you don't need to pray Istikharah. I prayed Istikharah and prayed to Allah to help me before I decided to quit my job and start my business. I felt good after prayer. It makes you feel confident about success because you depend on Allah. | • Istikharah proper is not necessary<br>• Istikarah is performed when there are doubts about making a decision | | |

125

| | | | |
|---|---|---|---|
| Ent_15 | My relationship with Allah makes me feel comfortable. For example, when I read Quran, I feel relaxed. If you have trust in Allah your relationship with Him is good, Allah will make things easy for you even when you are in big troubles. For my business, I prayed Istikharah and asked a religious scholar if my business is legitimate or not from an Islamic point of view. Prayers help me reduce the doubt and pressures on my head. | • Relationship with Allah increases level of confidence about success<br>• Starting a legitimate business is important | **Religious cognitive Institutions for Dealing with doubts:**<br>• Istikharah prayer<br>• Strengthen the relationship with Allah through prayers and good deeds.<br>• Consulting experts and religious scholars.<br>• Connecting good dreams positively to the business success |
| Ent_1 | Istikharah prayer is important because our prophet said, those who pray Istikharah will never fail, and those who consult experts will never regret it. However, those who do not pray does not mean that they will fail in their business. | • Istikharah prayer come from Prophet (Sunnah) | |
| Ent_9 | Certainly, prayers help you get the confidence in what you are planning to do. I have also consulted many expert people and my family before I quit my job and start my new venture. | • Consulting experts is also important | |
| Ent_17 | Prayers reduce your doubts, and you feel more comfortable to work hard and energetically. But If one day I forget to pray, or I delay my prayer I feel that day I'm not active, and things are messed up. I have trust in Allah, and I feel that even if I forget to pray Istikharah Allah will not make me fail. I don't think if someone forget to pray Istikharah will fail. Even if I forget but I always have a good relationship with Allah. All worships have a connection with your business. It influences your success and failure and your confidence and trust. sometimes when I forget to pray Istikharah and lost the opportunity, I regret, and I say to myself I wished I have prayed to Allah before taken the decision. | • Forgetting prayers may negatively affect the business<br>• The strong connection between Istikharah prayer and success | |
| Ent_3 | Istikharah prayer is important in everything you do. I have prayed, and I believe that even prayer makes me feel comfortable regardless if I am successful or not. I do not mean that I will fail if I did not pray but the prayer gives me more confidence and relaxation in what I'm doing. | • Praying increases satisfaction regardless of the result | |
| Ent_6 | It is not enough to pray Istikharah and then do nothing to make your business successful. You must work hard to make your business successful. Prayers make your inner self comfortable and relax. This feeling helps you to think properly and focus on your business and be successful. | • Praying is not enough, hard work is necessary | |

The column "Dealing with doubts" (theme) spans the rightmost cells:

**Dealing with doubts**

| Ent_20 | I prayed Istikharah more than once e before I started my company and every time I got the same dream, and I was confident that this is the opportunity that I am looking for. | • Istikharah prayer connected with a good dream has more influence on confidence and trust about success | | |
|---|---|---|---|---|
| Ent_25 | Once you pray Istikharah and you feel that option is good for you, then go ahead and do it. For me, I have not got a dream, but I was feeling comfortable about doing this business. | • The dream is not necessary | | |
| Ent_29 | After Istikharah prayer I felt that I must continue in this business and I felt comfortable and confident that I'm doing the right things. I always dream that there are rains coming and green trees in my house. This makes me feel happy and comfortable with my business. | • Dreams give more hope in success | | |
| Ent_31 | I prayed Istikharah, and I have dreamed that I am going to Omrah (Pilgrimage) and this gives me a good positive feeling of what I'm doing now in my business. | • Good dreams always interpreted positively about business | | |

# Appendix B: Quotes Analysis (Paper 3)

| Ref | Interview quotes (Did you experience failure and how you explain it? | First-order Coding | Second-order Coding |
|---|---|---|---|
| Ent _01 | Our old project was a failure, and we didn't continue it. There were many reasons for that failure, such as financial problems, drop in market prices, and drop in consumers' purchasing power. However, we also believe that all these causes are under the will of Allah. | External market causes | |
| Ent _01 | The relationship with Allah could affect business success or failure, at least to some extent. But Allah will not fail you because you are not worshipping Him but maybe because you are not doing a good and honest business. There are other successful business people who are not Muslim because they are good and honest. | Sins cause failure /failure is punishment | |
| Ent _01 | Religion might not directly influence the business, but it might influence your psychology. When the individual feels comfortable and satisfied with what he is doing that will reflect in the business. | The indirect influence of religion | Indirect relationship |
| Ent _01 | I believe that failure can have many consequences and could cause psychological and health problems. However, when we believe in Allah, we believe that failure is not the end of life. If you look around the world, you can see many examples of people who failed and then commit suicide because they don't believe in Allah and they don't believe that failure could be the start not the end of life. | Consequences of failure | |
| Ent _02 | Business failure can happen to anyone, not only Muslims and could happen for many reasons, not only because of a bad relationship with Allah. | Excluding religion as a cause of failure/success | |
| Ent _02 | I don't think that Muslims will fail in their business if they don't pray or worship Allah, but they can fail if they didn't do the business properly. There are many examples of successful Muslim entrepreneurs, and they are not strictly following Islamic rules. | Excluding religion as a cause of failure/success | Indirect relationship |
| Ent _02 | We failed in the business because there was no proper planning and bad | Internal causes | |

| | | | |
|---|---|---|---|
| | management. Also, there were many conflicts between my partner, which I think was the main reason for the failure and me. | | |
| Ent _02 | I didn't feel that our failure was due to a bad relationship with Allah. I think that we failed because we didn't do the job properly. | Internal causes excluding religion as a cause of failure/success | Indirect relationship |
| Ent _02 | It could be that failure is a test from Allah for us. But that does not mean to blame Allah for failure. We should always blame our self and think of the reasons to rectify them in future business. | Excluding religion as a cause of failure/success | |
| Ent _02 | After failure, I started a new business, but I think that the previous opportunity was excellent. However, it requires a lot of investment. That is why I changed the business. | After failure | |
| Ent _02 | It is difficult to say that if someone who did not pray or did not work according to Islamic rules and regulations will fail. There are many big companies outside, and they are successful. We can't say that they will fail because they are not practicing Islam. | No relationship between religion and failure | |
| Ent _02 | I felt good after thinking about our failure. I felt that Allah wanted us to fail because it was a costly project, and we don't know it would be a financial crisis for us if we continued to invest more in that project. So, I consider this failure from a positive side, and I thank Allah that I didn't lose a lot in that failed project. Allah has closed that opportunity and opened this one for me because for sure he wants the good one for me. | Protection from further loses /protecting from missing good opportunities | |
| Ent _03 | I don't think that someone will fail because he took a loan from a bank (usury), but he put himself in a risky situation. For me, I feel there is no need to risk your business by doing something that Allah prohibited. | Sins cause failure | Indirect relationship |
| Ent _03 | The person who do not follow Allah's orders might not fail, but life will be very difficult for him. He might face a lot of troubles. | Sins cause failure | |
| Ent _03 | Failure has many reasons; it could happen because of poor planning or | External market causes | |

129

| | | | |
|---|---|---|---|
| | because of external market issues. It is not necessary that failure happen because of your bad relationship with Allah. | | |
| **Ent _03** | Breaking Islamic rules and regulations in business does not necessarily lead to failure but following Islamic rules is one of the success factors. | Practicing religion could cause success | |
| **Ent _03** | Failing one time does not mean a person is a loser. The loser is the one who loses hope in Allah. I have a good trust in Allah that I will be successful at the end even if I lost one time. | Protecting from missing a good opportunity | |
| **Ent _03** | The one who does not practice Islam (i.e. praying, fasting, etc.) is a loser from the religious side even if his business is successful. When we think about success and failure, we should not exclude this success and failure in business from success and failure in the hereafter. | Redefining failure/success | |
| **Ent _03** | Non-Muslims can be successful in business because they believe in their abilities. Also, Muslims can be successful without praying or following Islamic rules, but they deeply understand that they will lose in the hereafter. | Redefining failure/success | |
| **Ent _03** | I see failure in this life as a test from Allah, and we should not lose the hope in success. We should always keep trying with the sincere belief that Allah will make us successful at the end. | Failure is a test | |
| **Ent _04** | I believe that Allah predetermines everything. This belief made me positive and optimistic. In this way, I consider failure is a small step to future success. Also, failure is a good learning opportunity for me that helps me to be successful in future. | Failure is a good learning point | |
| **Ent _04** | When I did all could to to succeed, and then I failed, I knew that failure is Allah's wish and I should accept it and try not to blame myself and in my deep belief I knew that there would be something good happens for me in future. | Protection from missing future opportunities | Defining failure |
| **Ent _04** | Failure could happen for many reasons, and it is important for me to understand all the logical reasons for failure because that will help me to do better in future. However, in my deep belief, I also | Allah intervenes in failure/success | Reason for failure |

| | | | |
|---|---|---|---|
| | connect this failure to Allah, and I always take it in a good sense and positive way. | | |
| Ent_04 | My belief in predetermination provides me sustainability in a way that if I lost my business, I would not be broken down, but that belief helps me to continue trying because I truly believe that Allah will make me successful. | Allah intervenes in failure/success | Strategy of recovering |
| Ent_04 | I failed because I thought that there was an opportunity based on my belief, but later, I found that the consumer wants something else. I didn't feel much grief because it was at the beginning and I didn't lose much. Second, I had another business which helped me to recover fast. | Internal accusation/economic perspective | Reason for failure |
| Ent_04 | I never thought that this failure was because of a bad relationship with Allah. It was mainly because I didn't do market research. | Internal accusation/economic perspective | Indirect relationship |
| Ent_04 | Islam does not tell us to skip the logical reasons for failure and Islam does not also ask us only to fix our relationship with Allah. As Muslims, we also must be rational and logical when looking at the reasons for failure. | Economic perspective | |
| Ent_04 | When we make our best effort to succeed but we failed then we can relate this to unknown reasons, and one of these reasons could be related to your relationship with Allah or you have done something illegal from the Islamic perspective. | Hidden/unknown reasons can be related to Allah | Reason for failure |
| Ent_04 | In my view, failure could be a good stopping point where you need to revise all your steps, including your Islamic values. | Failure is a good learning point | Defining failure |
| Ent_05 | When failure happens, I believe that could be not my opportunity, and Allah wants something better than the one I lost. I believe that success and failure are from Allah. | Protection from missing better opportunity | Self-protection strategy |
| Ent_05 | My failure is not the end of life. As I said before, when you fail in one opportunity, you should know that there will be another better opportunity for you. So, if you believe in predetermination, then you should always believe that there will be a better | Protection from missing better opportunity | Self-protection strategy |

| | | | |
|---|---|---|---|
| | opportunity coming soon. | | |
| **Ent _05** | Some people do Haram business, and they are successful, but I think that success will not stay for a long time. Even if they are successful in this life, they will not be successful in the hereafter. | Redefining success from religion point of view | Defining success |
| **Ent _05** | I failed because I was not having enough experience and knowledge about the business, and I felt that I am going to fail because of shortages. | Internal accusation/economic perspective | Direct relationship |
| **Ent _05** | I don't think that Allah made me fail because He wants to punish me for my sins, but I am sure Allah made me fail for good reasons. | Protection form missing better opportunity/further loses | Self-protection strategy |
| **Ent _05** | Allah is merciful, and for sure He failed me for good reasons. Who knows, it could be for protecting me from bad luck if I were continuing in that business. | Protection from further loses | |
| **Ent _05** | The opportunity is still available, but it is not for me, it could be for someone else. | Opportunity is not written for me | |
| **Ent _06** | I failed in many projects, and my failures were mostly because of limited experiences and ignorance. | Internal accusation/economic perspective | |
| **Ent _06** | When I look back at my failure now, I feel good about it because if I were continuing in those projects, it would be a disaster for me at the end. I thank Allah for that, and I am sure failure was good for me. | Protection from further loses | Direct relationship |
| **Ent _06** | We should not relate business prospering to the ultimate success. Sometimes a beginning success could lead to a disaster. We should always thanks Allah for everything because He knows what is good for us. | Redefining success | |
| **Ent _06** | The guidance from Allah, Tawfeeq, whether be it success or failure, is more important. Anyone can make money, but if that money did not lead to doing good things for humanity or made you forget Allah then that is a failure. | Redefining success/failure | |
| **Ent _06** | I was about to rent a very expensive office and sign a contract. At that time, there were no sales. I was doing my best to get the business successful, but in the end, I failed. That failure helped me. I could have gone to prison if I was still running that business because of the debt. Thanks, Allah, that business didn't | Protection from further losses | |

| | | | |
|---|---|---|---|
| | work. | | |
| **Ent _06** | I failed, and that failure cost me a lot. However, I didn't panic; instead, I was feeling satisfied. I surely knew that what is come next is much better for me. | Protection form missing the better opportunity | |
| **Ent _06** | I lost many opportunities because of ignorance, but in my deep heart, I thank Allah and say maybe this is better for me. | Protection form missing the better opportunity | |
| **Ent _06** | Belief in Allah and predetermination make you very strong when any bad things happen like a failure. But this should not lead us away from considering the logical reasons behind the failure and fixing the problems. | explanation of dealing with failure | |
| **Ent _06** | I consider failure like reminders from Allah for us. Allah wants us always to praise and thank him for all his bounties. Sometimes we forget Allah, and we don't pray, and then failure could happen to remind us of Allah. | Failure is a reminder from Allah | |
| **Ent _06** | Success is not good if it does not lead to inner self-satisfaction. I knew some people who have billions, but they are not comfortable at all. | Redefining success | |
| **Ent _06** | Opportunity is always there and available even if failure happens. We fail because we sometimes either did something wrong or we tried at the wrong time. | Opportunity always available | |
| **Ent _06** | Sometimes I feel that Allah made us fail because He wants something better for us in the future, but we can't rely on this fact until the time is passing and see how the thing is changing for good. | Protection from missing a better opportunity | |
| **Ent _07** | Everyone is born with his/her opportunities in this life. You might see many successful businesses, but no one knows if the owner is truly successful in his/her life. They might have money, but surely, they lack many things which cannot be bought with money. | Redefining success | |
| **Ent _07** | I failed many times during my career, and whenever I fail, I said to myself tomorrow will be a better day and Allah will make it good. This helps me to continue with the ambition of success. | Protection from missing the better opportunity | |
| **Ent _07** | Failure can happen because of improper planning and misuse of the available | Economic perspective | Reason for failure |

| | | | |
|---|---|---|---|
| | resources. | | |
| Ent _07 | I feel that when failure happens, we should go back and check our relationship with Allah first then study the other reasons for failure. I feel that your relationship with Allah affects the business. When you are near Allah, you will be successful, and when you are away from Him, you will fail. | A bad relationship with Allah leads to failure | Direct relationship |
| Ent _07 | Your relationship with Allah increases spiritual energy, which helps to reduce failure shock. Also, your relationship with Allah helps in opening new doors for you. | A bad relationship with Allah leads to failure | Reason for failure |
| Ent _07 | Opportunity is always there, and when fail, it still exists. We fail to reach it, but we need to think of another way to reach this opportunity. | Opportunity is always available | |
| Ent _07 | When I fail, I never let the grief take over me. Yes, I feel sad, but I knew there would be something good at the end. | Protection from missing the better opportunity | |
| Ent _07 | You never know, sometimes, failure is good. This happened to me, I failed, and I was unfortunate, but after some time, I realised that I was not ready for that venture. It was good that I didn't continue on that path. I thank Allah for that. | Protection from further losses | |
| Ent _08 | Success is not just about making money. Success should also combine happiness and satisfying your religious values. | Redefining success | |
| Ent _08 | I call failure a trial unless you stop trying to be successful then it is a failure. I experienced this; my venture failed at the first stage because of financial problems. I never stopped believing in success and tried to find an investor. I searched and found one investor; then my business becomes successful. For me, the first failure was leading me to success in the end. | Learning from failure | Redefining failure |
| Ent _08 | To avoid failure, you need to truly believe in Allah and then put in all your effort to make your business successful. | A good relationship with Allah leads to success | |
| Ent _08 | My current business is a dangerous situation which may lead us to failure, but I have strongly believed in Allah that I will be successful at the end. | A good relationship with Allah leads to success | Direct relationship |
| Ent _08 | To overcome the sadness and grief of failure, first, you need to return to Allah | Grief recovery | |

| | | | |
|---|---|---|---|
| | and strongly believe that whatever happens is good. Second, you always stick with positive people and avoid negative ones. | | |
| **Ent _08** | Failure could be a sort of punishment from Allah, but I consider it as a test from Allah because in this life, Allah only tests us. | Failure is a test from Allah | |
| **Ent _08** | For non-Muslims success and failure are a sign and test from Allah of his/her beliefs. | Success can be tested from Allah also | |
| **Ent _08** | Prayers and practicing Islam make you feel happy and comfortable and this good for your work and business. | Grief recovery | |
| **Ent _08** | Failure should not be considered as a mistake in the relationship with Allah. We should consider failure as a test from Allah. The way of success in this life is to pass this test. | failure is a test from Allah | |
| **Ent _08** | Practicing Islam is adding a positivity feeling and spirit that help to succeed. In contrast, not practicing Islam might affect your performance and lead to failure. | A bad relationship with Allah leads to failure | |
| **Ent _09** | I strongly believe that your relationship with Allah affects your business. I have seen many successful businessmen, but truly they are not happy at all. | redefining success | |
| **Ent _09** | Nnot practicing Islam may not lead to failure but will influence your spiritual feeling and consequently influence your business success. | A bad relationship with Allah leads to failure | Direct relationship |
| **Ent _09** | The strategies to avoid the bad grief feeling after failing is not to put your all investment in one basket. The diversification of investment gives you relief from pain when you know that you have other successful businesses. | Grief recovery | |
| **Ent _09** | Another way is to consider failure as a learning point and have deep belief that Allah might make you fail now to be successful in future with another opportunity. | Protection from missing the better opportunity | |
| **Ent _09** | For me, after failure, first, I revise my duties to Allah. Did I forget to pray, fast, or have I done any bad things that made me fail? I always ask myself these questions because I believe that this could affect my business success. Then I try to see other reasons that could have | A bad relationship with Allah leads to failure | Reasons for failure |

| | | | |
|---|---|---|---|
| | led to failure. | | |
| Ent _09 | Those who do not pray or do not practice Islam might be successful in their business and making a high profit, but for me, this is not enough to call it a success. Success should always combine with pleasing Allah. | Redefining success | |
| Ent _09 | Sometime failure might happen because the opportunity is not written for you. But no one can know what is written and what is not written. Thus we must try every opportunity we think of. Also, failure does not mean that opportunity is not available or is written for someone else. We should try all possible ways to achieve what we believe in. | Opportunity is not written | |
| Ent _10 | For me, a failure starts when you do not consider Islamic rules to generate profits. Many people start their business by taking bank loans, paying bribes and doing many Haram things. For me, these are losers even if they make lots of profits. | Redefining success/failure | |
| Ent _10 | I had a failure experience, and I see failure could happen for many reasons, but sometimes when you think of it, you will find good things if you truly believe in Allah. | Considering failure in a positive sense | |
| Ent _10 | The failure that happens to me was protecting me from further losses. My partners decided to put me out of the company, and I was sad to end my partnership with them. It was a failure for me, and I agreed to take my share and leave the company. A few months later, the company failed, and they incurred high losses. I thanked Allah that I got out of this partnership. | Protection from further loses | |
| Ent _10 | For me, also, failure could happen because of your relationship with Allah. Each person must fix his relationship with Allah because it influences your business in this life and you hereafter. | A bad relationship with Allah leads to failure | |
| Ent _10 | When I think about my previous failures now, I feel all lead to better things. It opens many doors for me. | Protection from missing the better opportunity | |
| Ent _10 | We always relate the failure to logical reasons, and that is because we don't have a strong faith to believe that Allah | Relate failure to Allah | |

| | | | |
|---|---|---|---|
| | is controlling everything in this life. Yes, we must consider the logical reasons, but we also should not forget that above these reasons is Allah, and He is controlling everything. | | |
| **Ent _10** | In view, failure and success are related to what Allah has written for us. We don't know what is written, but we must work hard to get our predetermined opportunities. | Opportunities are predetermined | Direct relationship |
| **Ent _10** | I consider not practicing Islam as reasons to failure like other logical reasons because they are all related in somehow. | A bad relationship with Allah leads to failure | |
| **Ent _11** | Failure could be a test from Allah to see our trust and believe in Him. You might pray and practice Islam, but in the end, you fail. Others might not practice Islam and never pray, but they are successful. This a test from Allah to see if you trust Him and have a strong faith or will you change your belief in Him. | Failure is tested by Allah | |
| **Ent _11** | We are in this life for a test. I consider anything good and bad are tests from Allah. If something good happens to me, I should thank Allah and if something terrible happens. I should also thank Allah for making me powerful and patient. | Failure is tested by Allah | |
| **Ent _11** | I consider the relationship with Allah is significant, and its effects on business success/failure. The strong relationship with Allah is also essential to recover from failure. | Grief recovery | Direct relationship |
| **Ent _12** | I don't believe there is a relationship with my practicing of religion and my business performance. Business success or failure depends only on one's performance. | No relationship between religion and failure | |
| **Ent _12** | I feel religion is something personal and should not be involved in the business. I cannot talk about my religion and business success/failure. I feel religion is something private. | Religion is private and has no relationship with failure | Secular/no relationship |
| **Ent _13** | I failed, and I lost my money and time in that business, but I consider that experience was good for me to learn | Failure is a good learning point | |
| **Ent _13** | Failure could be a punishment from Allah, but it is not always like that, and we cannot generalise this meaning of | Not all failure is punishment | |

| | | | |
|---|---|---|---|
| | failure to all incidents. Failure can happen because of many other reasons such as lack of experiences or external market reasons. | | |
| **Ent _13** | In my belief of predestination, I feel failure could be good, and maybe you will get worse if you were continuing in the business. | Protection from further losses | |
| **Ent _13** | I consider your relationship with Allah as one of the reasons that could lead to success/failure. | A bad relationship with Allah leads to failure | Direct relationship |
| **Ent _13** | Sometimes when I fail and could not exactly know the reasons for my failures, I thought that this opportunity is not written for me. Then I look for another opportunity. | As predetermined | |
| **Ent _14** | The first reason for failure is your bad relationship with Allah. If you don't pray or do good deeds, then this will lead you to failure. | Bad relationship with Allah lead to failure | Direct relationship |
| **Ent _14** | People define failure differently. They might see you as a failure, but you might not see yourself as a failure. For me, if I had done all that is required from me and worked hard to make the business successful, but if it didn't work, then I don't consider myself as a failure. I feel that I had done my job, and I learn from it. I don't care what people think about me. | Redefining failure | |
| **Ent _14** | The failure, in my perspective, is to stop try something new or not to learn from your mistake. Repeating the error is a failure. I failed, but I never stop trying to succeed. | Redefining failure | |
| **Ent _14** | Non-Muslims measure their success based on the profit they made. They are capitalist-oriented, and prosperity for them is to make a high profit. For us, success in business first is to meet your religious values, and second is to make a profit. Otherwise, it is not a complete success. | Redefining success | |
| **Ent _14** | I believe that everything is predetermined and when I fail to get one opportunity, it could be that it is not written for me. I should not blame myself, and I should continue working hard to get my opportunity. | Predetermination of opportunity/ opportunities is written | |
| **Ent** | I believe in Allah very strongly that if I | Protection from missing the better | |

138

| | | | |
|---|---|---|---|
| **_14** | failed in one opportunity, it is because He wrote something good for me in future. | opportunity | |
| **Ent _15** | If it were not a failure in my previous business, I would not be standing here now. | Learning from failure | |
| **Ent _15** | Not pleasing Allah is one of the reasons that could lead to failure. | | Direct relationship |
| **Ent _15** | Opportunity is always available, and if it is not there, we must create it. It is always there even if failure happens. Sometimes failure makes you stronger and successful. | Learning from failure | |
| **Ent _15** | Not all Muslims can be successful in business. Business experience is essential for success. Many people fail because they lack the experiences. | Lack of experience can lead to failure | Reason for failure |
| **Ent _15** | I have lost a lot, but later I got much better than what I lost. I feel that Allah sometimes want me to fail to get something bigger. | Protecting from missing a good opportunity | |
| **Ent _18** | I failed in my previous business, but now when I look at it, I say thank Allah that I failed. | | |
| **Ent _18** | I felt terrible after failing, and I lost. Then I just quit my office and stayed at home for a long time to forget. I prayed and asked Allah to help me to overcome that problem. | Grief recovery | |
| **Ent _18** | Prayers and pleasing Allah make you feel comfortable and less stressed. I believe that whatever happens to my business will be good for me because I always pray to Allah to help me. | Grief recovery | Indirect relationship |
| **Ent _18** | I don't think the failure was a punishment from Allah to me. I did investigate the reasons for failure, and I don't see it as punishment from Allah. | Failure is not punishment | |
| **Ent _18** | Failure could be a test from Allah but not a punishment. In this life, we are only tested, and the penalty is in the hereafter. | Failure is a test from Allah | |
| **Ent _18** | No one knows what is written for us. We must work according to what we know and leave the rest to Allah. | Not knowning what is prewritten by Allah | |
| **Ent _18** | I feel the relationship with Allah is significant. It makes me relax and concentrate on what I am doing. | Grief recovery | |
| **Ent _19** | The reasons for failure can be related to not practicing religion. If you mistreat | Sins cause failure/bad relationship with Allah leads to failure | Direct relationship |

| | | | |
|---|---|---|---|
| | your parents' goods or took an interest-based-loan from a bank, this could lead to failure. | | |
| **Ent _19** | I don't see failure as punishment, but I see it as a good thing. It might that Allah wants you to fail to get something better in the future. Sometimes if you stayed in the same business, you might not be successful. This is all related to the predetermination of opportunities. | Protection from missing the better opportunity | |
| **Ent _19** | When failure happens, I first try to understand where the mistake was. I search for all reasons, including my relationship with Allah. | A bad relationship with Allah leads to failure | |
| **Ent _19** | When I lose one opportunity to make a good profit, I say to myself this is not written for me. But that does not mean I don't try to develop myself for future opportunity and learn from my mistakes. I believe everyone will get his opportunity at a specific time in his life. | Opportunity is predetermined (prewritten) | |
| **Ent _19** | Opportunity is available, but maybe there was a mistake that has been done that led to failure. | Opportunity is available | |
| **Ent _19** | Failure is not a punishment from Allah. But it could be a test of your faith, and patience. | Failure is a test | |
| **Ent _19** | I believe that opportunity is predetermined (prewritten), and if I lost one opportunity that will not make me feel sad. But I should work hard to get another opportunity. | Is predetermined | |
| **Ent _19** | When failure happens, I always look at the reasons that lead to failure. I don't just say that this was not written for me. I try my best to learn from the failure causes for future trials. Yes, I do believe in predetermination, but that does not mean I should not search for the reasons behind failure to learn. | Learning from failure | |
| **Ent _19** | As a Muslim, I feel that there is a relationship between practicing Islam and business failure. But I don't think there is a direct influence. It might influence indirectly through your inner self-satisfaction. | Bad relationship with Allah lead to failure | |
| **Ent _20** | I only employ good Muslims because I believe that it could affect my business success if some of my employees are not good Muslims. | Recruiting policy | |

| | | | |
|---|---|---|---|
| Ent _20 | Islamic rules and regulations can influence my business because I am working on creating multimedia and animation. These animations should follow Islamic law. Otherwise, my customers, who are mostly Muslim, will not accept my services. | Following religion leads to success | |
| Ent _20 | I try my best to be a good Muslim not only with myself but with customers. | Following religion lead to success | |
| Ent _20 | I failed in my previous project because we didn't work correctly, and there was a lack of finance. | | |
| Ent _20 | I always relate the failure to logical reasons first. I don't directly connect that to Allah or religious belief. | Logical reasoning | Indirect relationship |
| Ent _20 | Religion could help in overcoming some problems by praying to Allah and ask his help. But to succeed you need to work logically by considering all reasons that lead to success | Logical reasoning | |
| Ent _20 | When failure happens, and we are sure there is no apparent reason for failure then we could relate that to Allah wish and well and we take it in a positive sense. | A bad relationship with Allah leads to failure | |
| Ent _21 | I consider failure as a decisive factor that pushes me to work better in future. | Learning from failure | |
| Ent _21 | I also look at failure from a religious perspective as a test, not a punishment. But we should also look at actual reasons for failure. | Failure is a test from Allah | |
| Ent _21 | Not practicing Islam could indirectly influence your success. Some Muslim people are not practicing Islam, and they are successful in their business, but that success is not complete. They will not be happy about it. | Redefining success | Indirect relationship |
| Ent _21 | Sometimes failing to get an opportunity is better. I remember I lost one opportunity but later I discovered that I wasn't ready to take that big opportunity. I could have lost lots of investment in that project. | Protection from further losses | |
| Ent _21 | Opportunity is there, and failure is happening because you were not successful in actualising that opportunity. | Opportunity is always available | |
| Ent _21 | Once a failure happens, I have the feeling like "this might be good for me", but later I start searching for the reasons | Grief recovery | |

141

| | | | |
|---|---|---|---|
| | for failure. | | |
| **Ent _22** | I believe failure is a temporary incident that teaches us many things for future success. | Learning from failure | |
| **Ent _22** | Opportunity is 100% available, and failure is a trial error. From the perspective, we should learn from our mistakes to be successful in future trials. | Opportunity is always available | |
| **Ent _22** | I don't consider failure is a punishment and as I said it is an opportunity to learn from. | Learning from failure | |
| **Ent _22** | Both success and failure can be tested by Allah. | | |
| **Ent _22** | I never say that this opportunity is not written for me and that is why I failed. No one knows what is written so we should always keep trying even if we fail many times. | Opportunity is written but not a reason for failure | |
| **Ent _22** | I don't see there is a relationship between practicing Islam and success and failure in business. I don't like to mix between religion and business. In business failure, we only look at the actual logical reasons that lead to failure if we need to learn and develop ourselves. Relating failure to religion might not benefit you much in your business. | No relationship between practicing Islam and business failure | Secular/ no relationship |
| **Ent _23** | I had experienced failure many times, but I always try to prove that I am not a failure. I learn many things from all my failure experience, and that helps me to continue working as successful now. | Learning from failure | |
| **Ent _23** | I feel prayers have an influence in the business. When I pray, I feel more comfortable and that day I perform better at work. Sometimes when I see my partner very lazy and coming late to work, I knew that he didn't pray that day. | Learning from failure | Indirect relationship |
| **Ent _23** | I get over the bad feeling of failure because I worked in something that I genuinely like, and it is within my knowledge. I consider failure like a competition for me and that makes me more enthusiastic to work and learn to prove my success. | Overcoming grief/ learning from failure | |
| **Ent _23** | One reason for my previous failure was because I was insisting that I am not wrong. Just two years before I | Reasons for failure | |

| | | | |
|---|---|---|---|
| | discovered that I was stupid, and I was wrong. | | |
| Ent _23 | There are many religious interpretations of failure, but for me, failure is a competition that I learn from. I don't say that failure is predetermined. If I failed, then that means I have done something wrong in the business. | logical reasoning | |
| Ent _23 | Religion could have an indirect relation to business success or failure through influencing your psychological comfort which might affect your working. | The indirect influence of religion | Indirect relationship |
| Ent _23 | I don't think of opportunity as predetermined in the way that most people believe. This belief leads me to stop trying to make my failure business successful. | Opportunity is not predetermined | |
| Ent _23 | Religion could provide excellent relief of failure pain through prayers. Many ways could help to reduce the bad feeling of failures like socialising with your family and friends | Grief recovery | |
| Ent _23 | I don't see failure as punishment from Allah. I see it as misjudgment about the business opportunity. | Failure is not punishment | |
| Ent _24 | There are many reasons for failure, and one of these might be that you are not practicing Islam. In this way, failure is a punishment from Allah. But it also can be because your business is not doing justice to community and Allah wants it to fail because it is better for the community. In addition, from a logical perspective, an unjust business will fail because of no community support for this kind of business. | Allah made unjust business fail | Direct relationship |
| Ent _24 | Another example; Allah made an unjust business owner fail. From a logical perspective, employees will get out of this company because they are not getting their rights. Thus, the business fails. | Allah made unjust business owner fail | reasons for failure |
| Ent _24 | Thus, I think when you are not practicing Islamic rules and regulations, you will fail. | Not practicing Islam leads to failure | |
| Ent _24 | I believe that if Allah made you fail that is better because He wants something better for you. | Protection from not missing the better opportunity | |
| Ent _24 | Failure can also be a test from Allah, and we know that Allah test those people | Failure can be a test | |

| | | | |
|---|---|---|---|
| | who have good faith. | | |
| Ent _24 | I believe that a person who fails should go back and check his relationship with Allah and check how his relationship with his parents and other people is. If there is any mistake in this relationship, then he should fix it. | A good relationship with Allah leads to success | |
| Ent _24 | Failure is not necessarily to happen to all those who are not praying, or have a bad relationship with Allah. They might be successful because their success is beneficial for all people who are working under this business. Allah will make someone fail because he is a bad person and then other people lose their jobs. | Practicing Islam not necessary lead to failure | |
| Ent _25 | I have many failure experiences, and I lost my investments, but I have learnt many things. Most of the failure experiences have taught me something new. | Learning from failure | |
| Ent _25 | I never say that this is not my opportunity and it is not written for me. I will try to find out what went wrong and discover my mistakes. | Opportunity is written is not reasons for failure | |
| Ent _25 | Failure could be punishment, and it could be a test from Allah unless there is an obvious reason to call it punishment or test. I don't know what my failure was. For this, I should only care about the logical reasons for failure, and that will make me more satisfied. | Failure is not known whether it is punishment or test | |
| Ent _25 | Praying and fasting have no relation to business. Many people are not Muslims, and they are successful. | Rituals that have no relation to failure/success | |
| Ent _25 | We need to split between my identity as a Muslim and my company. Success for me as a Muslim is to make a good profit as well as being a good Muslim. The company success is only measured in how much profit does it make. The company is not related to Islam. | Splitting between owner identity and company identity | Secular view/no relationship |
| Ent _26 | I had two failure experiences. From my experience, I feel there is a relationship between not practicing Islam and your failure | Bad relationship with Allah lead to failure | Direct relationship |
| Ent _26 | I sometimes feel, when I miss a big opportunity to gain high profit, it is the end of my business life and feel bad about it. But later I discover that loss | Protecting from missing a good opportunity | |

| | | | |
|---|---|---|---|
| | was good for me to gain a better opportunity. | | |
| **Ent _26** | I believe that everyone has his own prewritten opportunity. No one can take your opportunity when the time comes. But you need to take the reason to get your opportunity. | Opportunity is predetermined | |
| **Ent _26** | I always feel contented with what Allah had given me. Because I believe that what is written for will happen. No one can get more or less than what is written for him. | Religious belief brings satisfaction/grief to recover | Fatalistic view |
| **Ent _26** | Success is to have a good relationship with Allah and practice Islam. Then this will lead to business success. | Redefining success | |
| **Ent _27** | I don't think that failure is a punishment from Allah. Failure can be a reminder to you that you have done something wrong and you need to be careful. It could also be a test from Allah. | Failure is not a punishment | Defining failure |
| **Ent _27** | Sometimes you don't have any reasons why that failure happens. In this case, I believe it is related to that opportunities are prewritten. | Opportunity is prewritten | Indirect relationship |
| **Ent _27** | Not all Muslims who have a good relationship with Allah will be successful. They might fail. This failure is trial and it good for learning and development. | Failure is a good learning point | |
| **Ent _27** | Sometimes you see business is successful, but you don't know this success can turn to failure at the end. No success or failure can be forever. | Redefining success | |
| **Ent _28** | I have experienced big failure in my life, but that failure did not stop me from trying again and again. I enjoy learning from my mistakes. | Learning from failure | |
| **Ent _28** | I don't consider failure is a punishment and if failure happens then I should only blame myself not others. | Failure is not punishment | |
| **Ent _28** | I don't also consider failure as a test from Allah. There is no relationship between my worshipping of Allah and my performance in business. | No relationship between practicing Islam and business failure | |
| **Ent _28** | I also don't believe that opportunities are prewritten. If I lost an opportunity, then it is my mistake only not because opportunity is not written for me. | Opportunity is not written | Secular view/no relationship |
| **Ent _28** | Yes, religion could help in recovering from sadness after failure. Religion can | Religion has no direct ties to failure | In direct relationship |

| | | | |
|---|---|---|---|
| | rectify your psychological comfort, but it does not have direct relations with failure or success. | | |
| Ent_28 | Everyone should have high demands to be successful. If you think that everything is predetermined, then you are limiting yourself. | Opportunities are not predetermined | |
| Ent_28 | Practicing region, whether be it Islam or other religions, provides mental and psychological stability, which is very helpful for thinking and concentration in business. | The indirect influence of religion | |
| Ent_29 | I believe that there is a strong relationship between practicing Islam and success. If you don't practice Islam, you will fail. | Bad relationship with Allah leads to failure | Direct relationship |
| Ent_29 | I think one reason that made me fail in my previous business is that I started that business with Haram money. I took a loan from a bank to finance a business. Then immediately after a few weeks, there was an accident in the company, and I lost many things in that accident. I could not relate this to any reasons. Why does that happen to me? When I think about it now, I feel that sin, taking a loan from a bank, caused the failure. | Sins cause failure / Bad relationship with Allah leads to failure | |
| Ent_29 | Failure can be a punishment for the sins that you have done. I feel everything that is started with Haram will not be successful. | Sins cause failure | |
| Ent_30 | I had an experience of failure, and through that experience, I learnt many things. | Learning from failure | |
| Ent_30 | One important lesson that I learnt from my previous failure is I should never think of making any sins because Allah is watching me. He can punish me at any time and make me fail. | Sins cause failure | Direct relationship |
| Ent_35 | Life experiences are teaching me many things. I was not caring about my relationship with Allah, and I have made many sins in my life. For this reason, I have failed in many businesses that I tried to start. After I repented to Allah and started being a good Muslim, my situation started to become better. | Bad relationship with Allah leads to failure | Direct relationship |
| Ent_35 | I can explain that failure happens because of our choices we have in this life. I see life is full of pathways where | Life is pathways | |

| | | | |
|---|---|---|---|
| | we have selected one that might lead to success. No one can know what the end of the chosen pathway will be, only Allah knows. | | |
| **Ent _35** | Sometime Allah wants you to fail because He knew what the end of your pathway is bad. Thus, failing is better for you. Allah might block your pathway because He wants a better pathway for you. | Protecting from future losses/ missing opportunity | |

# Appendix C: Interview Questions

**Interview questions**

**Study Title:** Studying the influence of Islamic Religious institutions on entrepreneurial activities and opportunity belief formation.

**Researcher**:   Salim Al Rashdi                    **Ethics number**: 26400

**Interview purpose:**

The purpose of this interview is to study the influence of Islam on individual's cognitive processes regarding opportunity existence. The study will try to uncover how Muslim entrepreneurs in Oman form entrepreneurial beliefs.

| Section 1: Introductory Questions (ice breaking questions): (1-3 minutes) |
|---|
| 1- How long have you been running this venture? |
| 2- كم من المدة التي قضيتها وانت تعمل في هذه التجارة؟ |
| 3- Is this your first entrepreneurial project? |
| 4- هل هذه التجارة هي أول فكرة تجارية بدأتها؟ |
| 5- Do you have any other entrepreneurial venture or occupation? |
| 6- هل تملك أي مشروع تجاري اخر أو ظيفة؟ |

| Section 2: Opportunity (Success) form interviewee's perspective: (5-10 minutes) |
|---|
| 1-  How do you define success? |
| 2-   كيف تعرف الفكرة التجارية الناجحة من غيرها؟ |
| 3-  What makes success possible? (i.e. what are the essential ingredients of success?) |
| 4-  ما هي العوامل الأساسية لنجاح الفكرة التجارية حسب نظرك؟ هل تعتقد أن وجود الفرصة المناسبة عامل مهم، ام أن الإنسان يستطيع بنفسه صنع الفرصة المناسبة؟ |
| 5-  Do you feel that you have been successful? If yes, how was your success possible? |
| 6-  من خلال تجربتك، هل ترى أنك قد حققت النجاح الذي كنت قد رسمته لنفسك قبل بدأ المشروع؟ ان كان نعم، كيف |

حققت النجاح؟ بمعنى اخر هل انت من صنعت النجاح رغم كل الصعوبات، ام ان الفكرة في حد ذاتها كانت جيدة والظروف مناسبة لتحقيق النجاح؟

7- Do you believe that success is given by Allah or is it the result of hard work?

8- هل تؤمن ان النجاح هو هبة من الله وحده؟ ام أن النجاح يتحقق فقط بالجد والإجتهاد؟

9- Do you believe that if Allah did not wish you to succeed, you would never succeed?

10- هل تؤمن أن الله لو لم يرد لك النجاح في مشروعك التجاري، لن تنجح ابدا مهما بذلت من جهد ومهما انفقت من أموال؟

11- Do you think that pleasing Allah is an important ingredient for the success of entrepreneurial ventures?

12- هل تؤمن أن رضى الله هو أهم حاجة في نجاح أي مشروع تجاري؟

---

## Section 3: Coping with uncertainty and doubt: (5-10 minutes)

1- How did you identify your business idea?

2- كيف بدأت فكرة مشروعك التجاري؟

3- Did you have any doubts about the success prospects of the project prior to venturing?

4- عندما تولدت في عقلك فكرة المشروع هذ، هل كان لديك اي شك في نجاح هذا المشروع قبل بدأ المشروع؟ اشرح لي

5- If yes, how did you overcome the doubts? If not, what made you so confident?

6- اذا نعم كان لديك شك في نجاح المشروع، كيف تغلبت على الشك وأيقنت أن المشروع سوف ينجح؟

7- وأن كان ليس لديك أي شك في نجاح المشروع، مالذي جعلك تكون واثق كل الثقة في نجاح المشروع؟

8- Did you pray to Allah to help you succeed?

9- هل استخرت الله ودعوت الله حتى يساعدك في نجاح مشروعك؟ هل استخارة الله أمر ضروري لنجاح أي مشروع؟ هل تظن أن من لم يستخر ويدعوا الله ان يسهل عليه قد يخسر في مشروعه مهما بذل من مجهود؟

10- Do you believe that breaching religious rules will be a cause of economic failure?

11- هل تظن أن عدم التقيد بالدين والأخلاق الإسلامية يمكن أن يؤدي إلى فشل أي مشروع تجاري؟

12- Do you find praying for Allah's help is an important strategy in overcoming any doubts?

13- هل تحس أن التقيد بالدين وإقامة الشعائر الدين كالصلاة والصوم والزكاة تساعد في التغلب على الشكوك التي تنتاب صاحب الفكرة قبل البدأ في المشروع التجاري، وهل تظن أن إقامة الفرائض أمر ضروري لنجاح المشاريع التجارية؟

14- Do you believe that success has already been assigned by Allah to people, regardless of

the effort invested?

<div dir="rtl">

15- هل تعتقد أن الأرزاق مقسومة بين العباد وأن النجاح في المشروع التجاري هو رزق من الله وحده ولا دخل للانسان فيه؟

</div>

## Section 4: Should I succeed?  (5-10 minutes)

1- From your perspective, what are the basic conditions that must be available to pursue an opportunity?

<div dir="rtl">

2- من خلال تجربتك وفهمك لريادة الأعمال, ماهي الشروط الأساسية التي يجب توفرها في الفرصة التجارية لتكون ناجحه.؟

</div>

3- If one of the Islamic conditions related to the perceived opportunity is not met, would do you consider that opportunity? If yes, how would you legitimise your act to satisfy your religious needs? If not, would you deny the existence of that opportunity?

<div dir="rtl">

4- اذا لم تتوفر الشروط الإسلامية في الفرصة التجارية، هل ستتقدم على تطبيقها والعمل بها؟ اذا نعم، ماذا ستفعل لإرضاء ضميرك ودينك؟ اذا لن تفكر في الإقدام على هذه الفرصة، هل تعتقد أن الفرصة التي لا تنطبق عليها الشروط الإسلامية هي ليس فرصة تجارية من الإساس ولا وجود لها على أرض الواقع؟

5- كيف تفسر، وجود رواد اعمال يقومون بأعمال ريادية لا تنطبق مع الشريعة الإسلامية وحققوا نجاح وعوائد مالية كبيرة؟

</div>

6- What is your priority in pursuing opportunity; achieving an economic success and maximising profit or satisfying your religious values?

<div dir="rtl">

7- ماهي أولويات عند البدء في أي مشروع تجاري، هل تحقيق النجاح والربح أو الإلتزام بالدين وارضاء ربك؟

</div>

## Section 5: Making sense of and coping with failure (10-20 minutes)

1- Have you had an experience of failure? Can you briefly talk about your experience?

<div dir="rtl">

2- هل مررت خلال مشاريعك التجارية، بتجربة فاشلة؟  هل ممكن تشرح لي تجربتك؟

</div>

3- From your experience, can you explain the main factor(s) responsible for the failure?

<div dir="rtl">

4- من خلال تجربتك، هل بإمكانك ان تشرح العوامل الأساسية التي ادت للفشل؟

</div>

5- What did you do after the experience of failure? How did you cope emotionally with failure?

<div dir="rtl">

6- ماذا فعلت بعد الفشل؟ كيف استطعت ان تتغلب على مشاعر الإحساس بالفشل؟

</div>

7- Do you believe that failure happens because Muslim entrepreneurs breach some Islamic rules (e.g., miss prayers, do not pay Zakat, sell illegitimate products/services,

or cheat customers)?

<div dir="rtl">

8- هل تظن أن أحد الأسباب الرئيسية للفشل في المشاريع التجارية هو البعد عن طاعة الله والتقصير في اداء الشعائر الدينية كالصلاة والصوم والزكاة؟

</div>

9- How do you explain the success of non-Muslim entrepreneurs, who do not follow Islamic rules?

<div dir="rtl">

10- أن كنت تعتقد أن البعد عن طاعة الله هو أحد الأسباب الرئيسية للفشل، كيف يمكنك أن تفسر نجاح الكثير من المشاريع التجارية التي يقوم بها أناس لا يؤمنون بوجود الله أو غير مسلمين؟ ماهو النجاح في نظرك؟

</div>

11- After the experience of failure, did you still believe that the opportunity existed but was not successfully actualised? Or do you think instead that this opportunity was non-existent and that you should have not believed in it in the first place?

<div dir="rtl">

12- بعد الفشل في الفكرة التجارية التي بدأت العمل بها، هل مازلت تؤمن أن الفكرة مازلت موجودة في الواقع ولكنك لم تستطع في الوصل إليها لأسباب ظرفية أو مادية، أم أنك تيقنت بعد الفشل أن الفكرة التي بدأت بها هي في الأساس غير موجودة على أرض الواقع؟

</div>

13- Has this failure(s) affected your decision to engage in other entrepreneurial projects?

<div dir="rtl">

14- هل كان للفشل اثر ايجابي أم سلبي على معنوياتك وتفكيرك في المشاريع المستقبلية؟

</div>

15- Do you believe that Allah has prevented you from success because he wants something better for you in future?

<div dir="rtl">

16- هل تؤمن أن الله أراد لك الفشل ومنعك من النجاح في هذا المشروع لأنه يريد لك ماهو أفضل من هذا المشروع في المستقبل؟

</div>

# List of References

Abduh, M. and Azmi Omar, M. (2012) Islamic banking and economic growth: the Indonesian experience. *International Journal of Islamic and Middle Eastern Finance and Management,* 5 (1), 35-47.

Abdul-Majid, M., Saal, D.S. and Battisti, G. (2010) Efficiency in Islamic and conventional banking: an international comparison. *Journal of Productivity Analysis,* 34 (1), 25-43.

Abuznaid, S.A. (2009) Business ethics in Islam: the glaring gap in practice. *International Journal of Islamic and Middle Eastern Finance and Management,* 2 (4), 278-288.

Acs, J.Z. and Audretsch, D.B. (1989) Patents as a Measure of Innovative Activity. *Kyklos,* 42 (2), 171-180.

Acs, Z. (2006) How is entrepreneurship good for economic growth? *Innovations,* 1 (1), 97-107.

Acs, Z.J., Audretsch, D.B. and Evans, D.S. (1994) *Why does the self-employment rate vary across countries and over time?*

Acs, Z.J., Desai, S. and Hessels, J. (2008) Entrepreneurship, economic development and institutions. *Small Business Economics,* 31 (3), 219-234.

Adams-Kane, J. and Lopez, C. (2019) Global Opportunity Index 2018: Emerging G20 Countries and Capital Flow Reversal. 1 (1), 1-26. Available from: https://www.milkeninstitute.org/sites/default/files/reports-pdf/010919-Global-Opportunity-Index-2018-FINAL%20%281%29.pdf.

Adas, E.B. (2006) The making of entrepreneurial Islam and the Islamic spirit of capitalism 1. *Journal for Cultural Research,* 10 (02), 113-137.

Ahmad, K. (1980) Economic Development in Islamic Framework IN: Ahmad, K. (ed.) *Studies in Islamic Economics*. Leicester: The Islamic Foundation and Jeddah: : International Centre for Research in Islamic Economics, King Abdul Aziz University.

Al-Sadr, M. (1984) *Our Economics (Iqtisaduna)*. Tehran: World Organization for Islamic Services.

Al Habtoor, K. (2001) An Alternative to Globalized Economy-Islamic Economics. *Thinking Clearly: A Collection of Essays and Research on Regional and Global Issues Affecting the Arab World,* 42.

Al Qasemi, M.A. (2012) The relationship of Muslim with Allah and other people, How it should be? *(Elakat Al Muslim ma Allah wa ma Ibadh, Kayfa Yanbaghi un Takoon) Al Daei,* 7. Available from: http://www.darululoom-deoband.com/arabic/magazine/tmp/1339674134fix4sub3file.htm [Accessed 07/05/2019].

Alatas, S.F. (2005) Islam and modernization.

Aldrich, H.E. and Fiol, C.M. (1994) Fools rush in? The institutional context of industry creation. *Academy of management review,* 19 (4), 645-670.

Aldrich, H.E. and Ruef, M. (2018) Unicorns, gazelles, and other distractions on the way to understanding real entrepreneurship in the United States. *Academy of Management Perspectives,* 32 (4), 458-472.

Ali, S.R., Yamada, T. and Mahmood, A. (2015) Relationships of the Practice of Hijab, Workplace Discrimination, Social Class, Job Stress, and Job Satisfaction Among Muslim American Women. *Journal of Employment Counseling,* 52 (4), 146-157.

Alicke, M.D. and Govorun, O. (2005) The better-than-average effect. *The self in social judgment,* 1, 85-106.

Alicke, M.D. and Sedikides, C. (2009) Self-enhancement and self-protection: What they are and what they do. *European Review of Social Psychology,* 20 (1), 1-48.

Alicke, M.D. and Sedikides, C. (2011) Introduction: Self-enhancement and Self-Protection: Historical overview and conceptual framework IN: Alicke, M.D. and Sedikides, C. (eds.) *Handbook of self-enhancement and self-protection*. New York, London: The Guilford Press.

Altinay, L. and Altinay, E. (2008) Factors influencing business growth: the rise of Turkish entrepreneurship in the UK. *International Journal of Entrepreneurial Behavior & Research,* 14 (1), 24-46.

Alvarez, S.A. and Barney, J.B. (2007) Discovery and creation: Alternative theories of entrepreneurial action. *Strategic entrepreneurship journal,* 1 (1-2), 11-26.

Alvarez, S.A., Barney, J.B. and Young, S.L. (2010) Debates in Entrepreneurship: Opportunity Formation and Implications for the Field of Entrepreneurship IN: Acs, Z.J. and Audretsch, D.B. (eds.) *Handbook of Entrepreneurship Research: An Interdisciplinary Survey and Introduction*. New York, NY: Springer New York, 23-45.

Anderson, A.R., Drakopoulou-Dodd, S.L. and Scott, M.G. (2000) Religion as an environmental influence on enterprise culture-The case of Britain in the 1980s. *International Journal of Entrepreneurial Behavior & Research,* 6 (1), 5-20.

Anderson, J.N.D. (1959) *Islamic law in the modern world*. New York University Press.

Armour, J. and Cumming, D. (2008) Bankruptcy law and entrepreneurship. *American Law and Economics Review,* 10 (2), 303-350.

Arrow, K.J. (1990) Economic theory and the hypothesis of rationality *Utility and Probability*. Springer, 25-37.

Arslan, M. (2001) The work ethic values of protestant British, Catholic Irish and Muslim Turkish managers. *Journal of Business Ethics,* 31 (4), 321-339.

Ashforth, B.E. and Mael, F. (1989) Social identity theory and the organization. *Academy of management review,* 14 (1), 20-39.

At-Twaijri, M.I. and Al-Muhaiza, I.A. (1996) Hofstede's cultural dimensions in the GCC countries: An empirical investigation. *International Journal of Value-Based Management,* 9 (2), 121-131.

Audretsch, D.B., Boente, W. and Tamvada, J.P. (2007) Religion and entrepreneurship. *Jena Economic Research Paper,* (2007-075).

Audretsch, D.B., Bönte, W. and Tamvada, J.P. (2013) Religion, social class, and entrepreneurial choice. *Journal of Business Venturing,* 28 (6), 774-789.

Badawi, A.A. (2006) Islam and development. *Global Agenda*, 208-209.

Balog, A.M., Baker, L.T. and Walker, A.G. (2014) Religiosity and spirituality in entrepreneurship: a review and research agenda. *Journal of Management, Spirituality & Religion,* 11 (2), 159-186.

Bandura, A. (1996) Failures in self-regulation: Energy depletion or selective disengagement? *Psychological Inquiry,* 7 (1), 20-24.

Barley, S.R. and Tolbert, P.S. (1997) Institutionalization and structuration: Studying the links between action and institution. *Organization Studies,* 18 (1), 93-117.

Barnes, M.H. (1997) Rationality in religion. *Religion,* 27 (4), 375-390.

Baron, R.A. (2006) Opportunity recognition as pattern recognition: How entrepreneurs "connect the dots" to identify new business opportunities. *The Academy of Management Perspectives,* 20 (1), 104-119.

Barro, R.J. and Mccleary, R. (2003) *Religion and economic growth*.

Bartke, S. and Schwarze, R. (2008) Risk-averse by nation or by religion? Some insights on the determinants of individual risk attitudes. *Some Insights on the Determinants of Individual Risk Attitudes (October 2008). SOEPpaper,* (131).

Basu, A. and Altinay, E. (2002) The interaction between culture and entrepreneurship in London's immigrant businesses. *International small business journal,* 20 (4), 371-393.

Baumol, W.J. (1986) Entrepreneurship and a century of growth. *Journal of Business Venturing,* 1 (2), 141-145.

Baumol, W.J. (1996) Entrepreneurship: Productive, unproductive, and destructive. *Journal of Business Venturing,* 11 (1), 3-22.

Beck, T., Demirgüç-Kunt, A. and Merrouche, O. (2013) Islamic vs. conventional banking: Business model, efficiency and stability. *Journal of Banking & Finance,* 37 (2), 433-447.

Beckert, J. (1996) What is sociological about economic sociology? Uncertainty and the embeddedness of economic action. *Theory and Society,* 25 (6), 803-840.

Bernard, L. (2002) What went wrong? Western impact and middle eastern response. New York, NY: Oxford University Press.

Beugelsdijk, S. (2007) Entrepreneurial culture, regional innovativeness and economic growth. *Journal of Evolutionary Economics,* 17 (2), 187-210.

Bhappu, A.D. (2000) The Japanese Family: An Institutional Logic for Japanese Corporate Networks and Japanese Management. *The Academy of Management Review,* 25 (2), 409-415.

Bhaskar, R. (1989) *Reclaiming reality: A critical Introduction to Contemporary Philosophy*. London: Verso.

Blum, U. and Dudley, L. (2001) Religion and economic growth: was Weber right? *Journal of Evolutionary Economics,* 11 (2), 207-230.

Boettke, P.J. and Coyne, C.J. (2009) *Context matters: Institutions and entrepreneurship*. Now Publishers Inc.

Brockhaus, R.H. (1980a) Psychological and Environmental Factors Which Distinguish the Successful from the Unsuccessful Entrepreneur: A Longitudinal Study  *Academy of Management Proceedings*. Academy of Management, 368-372.

Brockhaus, R.H. (1980b) Risk taking propensity of entrepreneurs. *Academy of Management Journal,* 23 (3), 509-520.

Brooks, J., Mccluskey, S., Turley, E. and King, N. (2015) The utility of template analysis in qualitative psychology research. *Qualitative research in psychology,* 12 (2), 202-222.

Brown, A.D. (1997) Narcissism, identity, and legitimacy. *Academy of Management Review,* 22 (3), 643-686.

Brown, J.D. (2012) Understanding the better than average effect: Motives (still) matter. *Personality and Social Psychology Bulletin,* 38 (2), 209-219.

Brunstein, J.C. and Gollwitzer, P.M. (1996) Effects of failure on subsequent performance: The importance of self-defining goals. *Journal of personality and social psychology,* 70 (2), 395.

Bruton, G.D. and Ahlstrom, D. (2003) An institutional view of China's venture capital industry: Explaining the differences between China and the West. *Journal of Business Venturing,* 18 (2), 233-259.

Bruton, G.D., Ahlstrom, D. and Li, H.L. (2010) Institutional theory and entrepreneurship: where are we now and where do we need to move in the future? *Entrepreneurship theory and practice,* 34 (3), 421-440.

Bryman, A. (2016) *Social research methods*. Oxford university press.

Buenstorf, G. (2007) Creation and pursuit of entrepreneurial opportunities: An evolutionary economics perspective. *Small Business Economics,* 28 (4), 323-337.

Busenitz, L. (2003) Entrepreneurship Research in Emergence: Past Trends and Future Directions. *Journal of Management,* 29 (3), 285-308.

Busenitz, L.W. (1996) Research on entrepreneurial alertness. *Journal of Small Business Management,* 34 (4), 35.

Busenitz, L.W., Gomez, C. and Spencer, J.W. (2000) Country institutional profiles: Unlocking entrepreneurial phenomena. *Academy of Management Journal,* 43 (5), 994-1003.

Bushman, B.J. and Baumeister, R.F. (1998) Threatened egotism, narcissism, self-esteem, and direct and displaced aggression: Does self-love or self-hate lead to violence? *Journal of personality and social psychology,* 75 (1), 219.

Byrne, O. and Shepherd, D.A. (2015) Different strokes for different folks: Entrepreneurial narratives of emotion, cognition, and making sense of business failure. *Entrepreneurship Theory and Practice,* 39 (2), 375-405.

Camerer, C. and Lovallo, D. (1999) Overconfidence and excess entry: An experimental approach. *American economic review,* 89 (1), 306-318.

Cardon, M.S. and Mcgrath, R. (1999) When the going gets tough... Toward a psychology of entrepreneurial failure and re-motivation. *Frontiers of entrepreneurship research,* 29 (4), 58-72.

Cardon, M.S., Stevens, C.E. and Potter, D.R. (2011) Misfortunes or mistakes?: Cultural sensemaking of entrepreneurial failure. *Journal of Business Venturing,* 26 (1), 79-92.

Carland Iii, J.W., Carland Jr, J.W., Carland, J.a.C. and Pearce, J.W. (1995) Risk taking propensity among entrepreneurs, small business owners and managers. *Journal of Business and Entrepreneurship,* 7 (1), 15.

Carswell, P. and Rolland, D. (2004) The role of religion in entrepreneurship participation and perception. *International Journal of Entrepreneurship and Small Business,* 1 (3-4), 280-286.

Carswell, P. and Rolland, D. (2007) Religion and entrepreneurship in New Zealand. *Journal of Enterprising Communities: People and Places in the Global Economy,* 1 (2), 162-174.

Chang, H.-J. (2011) Institutions and economic development: theory, policy and history. *Journal of Institutional Economics,* 7 (04), 473-498.

Chapra, M.U. (1992) *Islam and the economic challenge*. IIIT.

Chapra, M.U. (2000) Is it necessary to have Islamic economics? *The Journal of Socio-Economics,* 29 (1), 21-37.

Chapra, M.U. (2001) Islamic economic thought and the new global economy. *Islamic Economic Studies,* 9 (1), 2.

Chapra, M.U. (2007) The case against interest: Is it compelling? *Thunderbird International Business Review,* 49 (2), 161-186.

Collis, J. and Hussey, R. (2013) *Business research: A practical guide for undergraduate and postgraduate students*. Macmillan International Higher Education.

Cooper, A. (2003) Entrepreneurship: The past, the present, the future *Handbook of entrepreneurship research*. Springer, 21-34.

Cope, J. (2011) Entrepreneurial learning from failure: An interpretative phenomenological analysis. *Journal of business venturing,* 26 (6), 604-623.

Cope, J., Cave, F. and Eccles, S. (2004) Attitudes of venture capital investors towards entrepreneurs with previous business failure. *Venture Capital,* 6 (2-3), 147-172.

Corbin, J.M. and Strauss, A. (1990) Grounded theory research: Procedures, canons, and evaluative criteria. *Qualitative Sociology,* 13 (1), 3-21.

Coyne, C.J. and Boettke, P.J. (2007) Context Matters: Institutions and Entrepreneurship. *Foundations and Trends® in Entrepreneurship,* 5 (3), 135-209.

Creswell, J.D., Welch, W.T., Taylor, S.E., Sherman, D.K., Gruenewald, T.L. and Mann, T. (2005) Affirmation of personal values buffers neuroendocrine and psychological stress responses. *Psychological science,* 16 (11), 846-851.

Crocker, J. and Wolfe, C.T. (2001) Contingencies of self-worth. *Psychological Review,* 108 (3), 593.

Dacin, M.T., Goodstein, J. and Scott, W.R. (2002) Institutional theory and institutional change: Introduction to the special research forum. *Academy of management journal,* 45 (1), 45-56.

Dana, L.-P. (2010) *Entrepreneurship and religion*. Edward Elgar Publishing.

Dana, L.P. (1987) Entrepreneurship and venture creation: an international comparison of five commonwealth nations IN: Churchill Nc, H.J. and Kirchhoff Ba, K.D., Vesper Kh (eds.) *Frontiers in entrepreneurship research*. Babson College: Wellesley (MA), 573 – 583.

Dana, L.P. (1995) Entrepreneurship in a remote sub-Arctic community. *Entrepreneurship Theory and Practice,* 20, 57-72.

Dana, L.P. (1997) A contrast of Argentina and Uruguay: the effects of government policy on entrepreneurship. *Journal of Small business management,* 35 (2), 99.

Dana, L.P. (2009) Religion as an explanatory variable for entrepreneurship. *The international journal of entrepreneurship and innovation,* 10 (2), 87-99.

Davidsson, P. (1995) Culture, structure and regional levels of entrepreneurship. *Entrepreneurship & Regional Development,* 7 (1), 41-62.

Davidsson, P. (2015) Entrepreneurial opportunities and the entrepreneurship nexus: A re-conceptualization. *Journal of Business Venturing,* 30 (5), 674-695.

Davis, J. (1931) Capitalism and communism. *The ANNALS of the American Academy of Political and Social Science*, 62-75.

Davis, M.K. (2013) Entrepreneurship: an Islamic perspective. *International Journal of Entrepreneurship and Small Business,* 20 (1), 63-69.

Dawn Metcalfe, B., Rees, C.J. and Pio, E. (2010) Islamic sisters: spirituality and ethnic entrepreneurship in Sweden. *Equality, diversity and inclusion: an international journal,* 29 (1), 113-130.

De Carolis, D.M. and Saparito, P. (2006) Social capital, cognition, and entrepreneurial opportunities: A theoretical framework. *Entrepreneurship theory and practice,* 30 (1), 41-56.

Dechant, K. and Lamky, A.A. (2005) Toward an understanding of Arab women entrepreneurs in Bahrain and Oman. *Journal of Developmental Entrepreneurship,* 10 (02), 123-140.

Deneulin, S. and Rakodi, C. (2011) Revisiting religion: Development studies thirty years on. *World Development,* 39 (1), 45-54.

Dequech, D. (1999) Uncertainty, conventions and short-term expectations. *Brazilian Journal of Political Economy,* 19 (3), 75.

Dequech, D. (2000) Fundamental uncertainty and ambiguity. *Eastern Economic Journal,* 26 (1), 41-60.

Dequech, D. (2001) Bounded rationality, institutions, and uncertainty. *Journal of economic issues,* 35 (4), 911-929.

Dequech, D. (2011) Uncertainty: a typology and refinements of existing concepts. *Journal of economic issues,* 45 (3), 621-640.

Dimaggio, P. and Powell, W.W. (1983) The iron cage revisited: Collective rationality and institutional isomorphism in organizational fields. *American Sociological Review,* 48 (2), 147-160.

Dimaggio, P.J. (1988) Interest and agency in institutional theory. *Institutional patterns and organizations: Culture and environment,* 1, 3-22.

Dimaggio, P.J. and Powell, W.W. (1991) Introduction IN: Dimaggio, P.J. and Powell, W.W. (eds.) *The new institutionalism in organizational analysis*. University of Chicago Press Chicago, IL.

Dimov, D. (2010) Nascent entrepreneurs and venture emergence: Opportunity confidence, human capital, and early planning. *Journal of Management Studies,* 47 (6), 1123-1153.

Dodd, S.D. and Gotsis, G. (2007) The interrelationships between entrepreneurship and religion. *The international journal of entrepreneurship and innovation,* 8 (2), 93-104.

Dodd, S.D. and Seaman, P.T. (1998) Religion and Enterprise: An Introductory Exploration. *Entrepreneurship Theory and Practice,* 23 (1), 71-86.

Doi, A.R.I. and Clarke, A. (2008) *Shariah: Islamic Law*. Ta-Ha Publishers.

Dusuki, A.W. and Abdullah, N.I. (2007) Maqasid al-Shariah, Maslahah, and corporate social responsibility. *American Journal of Islamic Social Sciences,* 24 (1), 25.

Dutton, K.A. and Brown, J.D. (1997) Global self-esteem and specific self-views as determinants of people's reactions to success and failure. *Journal of personality and social psychology,* 73 (1), 139.

Eckhardt, G. (2002) Culture's Consequences: Comparing Values, Behaviors, Institutions and Organisations Across Nations. *Australian Journal of Management,* 27 (1), 89-94.

Edgar, I. and Henig, D. (2010) Istikhara: The guidance and practice of Islamic dream incubation through ethnographic comparison. *History and Anthropology,* 21 (3), 251-262.

Efrat, R. (2005) Bankruptcy stigma: Plausible causes for shifting norms. *Emory Bankr. Dev. J.,* 22, 481.

Efrat, R. (2006) The evolution of bankruptcy stigma. *Theoretical Inquiries in Law,* 7 (2), 365-393.

Essers, C. and Benschop, Y. (2009) Muslim businesswomen doing boundary work: The negotiation of Islam, gender and ethnicity within entrepreneurial contexts. *Human Relations,* 62 (3), 403-423.

Essers, C. and Tedmanson, D. (2014) Upsetting 'others' in the Netherlands: narratives of Muslim Turkish migrant businesswomen at the crossroads of ethnicity, gender and religion. *Gender, Work & Organization,* 21 (4), 353-367.

Faizal, P., Ridhwan, A. and Kalsom, A. (2013) The entrepreneurs characteristic from al-Quran and al-Hadis. *International Journal of Trade, Economics and Finance,* 4 (4), 191.

Fan, W. and White, M.J. (2003) Personal bankruptcy and the level of entrepreneurial activity. *The Journal of Law and Economics,* 46 (2), 543-567.

Fang, T. (2010) Asian management research needs more self-confidence: Reflection on Hofstede (2007) and beyond. *Asia Pacific Journal of Management,* 27 (1), 155-170.

Fayolle, A. (2013) Foreword IN: Ramadani, V. and Schneider, R.C. (eds.) *Entrepreneurship in the Balkans: Diversity, support and prospects*. Springer Science & Business Media.

Fernandez-Serrano, J. and Romero, I. (2014) About the interactive influence of culture and regulatory barriers on entrepreneurial activity. *International Entrepreneurship and Management Journal,* 10 (4), 781-802.

Fernando, M. and Jackson, B. (2006) The influence of religion-based workplace spirituality on business leaders' decision-making: An inter-faith study. *Journal of management & organization,* 12 (1), 23-39.

Fernando, M. and Jackson, B. (2015) The influence of religion-based workplace spirituality on business leaders' decision-making: An inter-faith study. *Journal of Management & Organization,* 12 (1), 23-39.

Fershtman, C. and Weiss, Y. (1993) Social status, culture and economic performance. *The Economic Journal*, 946-959.

Fischer, J. (2011) The Halal Frontier *The Halal Frontier: Muslim Consumers in a Globalized Market*. New York: Palgrave Macmillan US, 1-30.

Folkman, S. and Moskowitz, J.T. (2004) Coping: Pitfalls and promise. *Annu. Rev. Psychol.,* 55, 745-774.

Friedland, R. (2013) The Institutional logics Perspective: A new approach to culture, Structure, and Process. AIMS.

Friedland, R. and Alford, R.R. (1991) Bringing society back in: Symbols, practices and institutional contradictions IN: Powell;, W.W. and Dimaggio, P.J. (eds.) *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press, 232–263.

Gage, D. (2012) The venture capital secret: 3 out of 4 start-ups fail. *Small Business* 20. Available from: https://www.wsj.com/articles/SB10000872396390443720204578004980476429190 [Accessed 16/05/2019].

Gartner, W. (1988) Who is an entrepreneur? is the wrong question. *Entrepreneurship Theory and Practice,* (13), 4.

Gartner, W.B. (1989) Some suggestions for research on entrepreneurial traits and characteristics. *Entrepreneurship Theory and Practice,* 14 (1), 27-38.

Gartner, W.B. and Birley, S. (2002) Introduction to the special issue on qualitative methods in entrepreneurship research. Elsevier.

Gebauer, J.E., Sedikides, C. and Schrade, A. (2017) Christian self-enhancement. *Journal of Personality and Social Psychology,* 113 (5), 786.

Gebauer, J.E., Sedikides, C., Verplanken, B. and Maio, G.R. (2012) Communal narcissism. *Journal of Personality and Social Psychology,* 103 (5), 854.

Gebauer, J.E., Wagner, J., Sedikides, C. and Neberich, W. (2013) Agency-communion and self-esteem relations are moderated by culture, religiosity, age, and sex: Evidence for the "self-centrality breeds self-enhancement" principle. *Journal of Personality,* 81 (3), 261-275.

Gereffi, G. and Hempel, L. (1996) Latin America in the global economy: running faster to stay in place. *NACLA Report on the Americas,* 29 (4), 18-27.

Ghoul, W.A. (2010) Islam and entrepreneurship IN: Léo-Paul Dana (ed.) *Entrepreneurship and religion*. UK: Edward Elgar Publishing Limited, 269-280.

Gibson, W. and Brown, A. (2009) *Working with qualitative data*. Sage.

Goltz, S., Buche, M.W. and Pathak, S. (2015) Political Empowerment, Rule of Law, and Women's Entry into Entrepreneurship. *Journal of Small Business Management,* 53 (3), 605-626.

Goodrick, E. and Reay, T. (2011) Constellations of institutional logics: Changes in the professional work of pharmacists. *Work and Occupations*, 0730888411406824.

Granovetter, M. (1985b) Economic Action and Social Structure: The Problem of Embeddedness. *American Journal of Sociology,* 91 (3), 481-510.

Greenwood, R., Díaz, A.M., Li, S.X. and Lorente, J.C. (2010) The multiplicity of institutional logics and the heterogeneity of organizational responses. *Organization Science,* 21 (2), 521-539.

Greenwood, R., Oliver, C., Suddaby, R. and Sahlin-Andersson, K. (2008) Introduction IN: Greenwood, R., Oliver, C., Suddaby, R. and Sahlin-Andersson, K. (eds.) *The Sage handbook of organizational institutionalism*. London: Sage Publication Ltd.

Greenwood, R., Raynard, M., Kodeih, F., Micelotta, E.R. and Lounsbury, M. (2011) Institutional Complexity and Organizational Responses. *The Academy of Management Annals,* 5 (1), 317-371.

Grégoire, D.A., Barr, P.S. and Shepherd, D.A. (2010) Cognitive processes of opportunity recognition: The role of structural alignment. *Organization Science,* 21 (2), 413-431.

Grégoire, D.A. and Shepherd, D.A. (2012) Technology-market combinations and the identification of entrepreneurial opportunities: An investigation of the opportunity-individual nexus. *Academy of Management Journal,* 55 (4), 753-785.

Gruber, M., Kim, S.M. and Brinckmann, J. (2015) What is an attractive business opportunity? An empirical study of opportunity evaluation decisions by technologists, managers, and entrepreneurs. *Strategic Entrepreneurship Journal,* 9 (3), 205-225.

Guba, E.G. and Lincoln, Y.S. (1994) Competing paradigms in qualitative research. *Handbook of qualitative research,* 2 (163-194), 105.

Guiso, L., Sapienza, P. and Zingales, L. (2003) People's opium? Religion and economic attitudes. *Journal of monetary economics,* 50 (1), 225-282.

Gümüsay, A.A. (2015) Entrepreneurship from an Islamic perspective. *Journal of Business Ethics,* 130 (1), 199-208.

Habachy, S. (1962) Property, Right, and Contract in Muslim Law. *Columbia Law Review,* 62 (3), 450-473.

Hadaway, C.K., Marler, P.L. and Chaves, M. (1993) What the polls don't show: A closer look at US church attendance. *American Sociological Review*, 741-752.

Hamilton, R.T. and Harper, D.A. (1994) The entrepreneur in theory and practice. *Journal of Economic Studies,* 21 (6), 3-18.

Hammer, M. and Khelil, N. (2014) Exploring the different patterns of entrepreneurial exit: The causes and consequences  *59th Annual International Council for Small Business World Conference, Dublin, Ireland, 11-14 June 2014*.

Harris, S.G. and Sutton, R.I. (1986) Functions of parting ceremonies in dying organizations. *Academy of Management Journal,* 29 (1), 5-30.

Harrison, L.E. (2000) Introduction IN: Harrison, L.E. and Huntington, S.P. (eds.) *Culture matters: How values shape human progress*. Basic books.

Harrison, L.E. and Huntington, S.P. (2000) *Culture matters: How values shape human progress*. Basic books.

Hassan, M.K. and Hippler Iii, W.J. (2014) Entrepreneurship and Islam: an overview. *Econ Journal Watch,* 11 (2), 170-179.

Hassan, M.K. and Hippler, W. (2014) Entrepreneurship and Islam: an overview. *Available at SSRN 3263110*.

Hayes, J. and Allinson, C.W. (1998) Cognitive style and the theory and practice of individual and collective learning in organizations. *Human Relations,* 51 (7), 847-871.

Hayward, M.L., Shepherd, D.A. and Griffin, D. (2006) A hubris theory of entrepreneurship. *Management Science,* 52 (2), 160-172.

Heath, J. (2004) Liberalization, modernization, westernization. *Philosophy & social criticism,* 30 (5-6), 665-690.

Hindle, K. (2004) Choosing qualitative methods for entrepreneurial cognition research: A canonical development approach. *Entrepreneurship theory and practice,* 28 (6), 575-607.

Hodgson, G.M. (1988) Economics and institutions  *Journal of Economic Issues*. Citeseer.

Hofstede, G. (1984) *Culture's consequences: International differences in work-related values*. Sage.

Hofstede, G. (2003) *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. Sage publications.

Hofstede, G., Hofstede, G.J. and Minkov, M. (1991) *Cultures and organizations: Software of the mind*. Citeseer.

Hofstede, G., Noorderhaven, N.G., Thurik, A.R., Uhlaner, L.M., Wennekers, A.R. and Wildeman, R.E. (2004) Culture's role in entrepreneurship: self-employment out of dissatisfaction IN: Terrence E. Brown and Ulijn, J.M. (eds.) *Innovation, entrepreneurship and culture: The interaction between technology, progress and economic growth*. 162-203.

Huff, T.E. and Schluchter, W. (1999) *Max Weber and Islam*. Transaction Publishers.

Huggins, R. and Thompson, P. (2014) Culture, entrepreneurship and uneven development: a spatial analysis. *Entrepreneurship and Regional Development,* 26 (9-10), 726-752.

Huntington, S.P. (1996) The clash of civilizations and the remaking of world order. New York: Simon and Schuster.

Huntington, S.P. (1997) *The clash of civilizations and the remaking of world order*. Penguin Books India.

Iannaccone, L.R. (1998) Introduction to the Economics of Religion. *Journal of economic literature,* 36 (3), 1465-1495.

Itani, H., Sidani, Y.M. and Baalbaki, I. (2011) United Arab Emirates female entrepreneurs: motivations and frustrations. *Equality, Diversity and Inclusion: An International Journal,* 30 (5), 409-424.

Johnson, B. (2006) *The dream of Rome*. London: HarperCollins

Johnson, P. and Clark, M. (2006) Introduction: Mapping the Terrain: An overview of Business and management research methodologies IN: Johnson, P. and Clark, M. (eds.) *Business and Management Research Methodologies*. London: Sage, xxv-lv.

Joseph, S., Alex Linley, P. and Maltby, J. (2006) Positive psychology, religion, and spirituality. Taylor & Francis.

Kahf, M. (1980) A Contribution to the Theory of Consumer Behaviour in an Islamic Society IN: Ahmad, K. (ed.) *Economic Development in Islamic Framework*. Leicester: International Centre for Research in Islamic Economics, King Abdul Aziz University.

Karatas-Ozkan, M., Anderson, A.R., Fayolle, A., Howells, J. and Condor, R. (2014) Understanding entrepreneurship: challenging dominant perspectives and theorizing entrepreneurship through new postpositivist epistemologies. *Journal of Small Business Management,* 52 (4), 589-593.

Karim, N., Tarazi, M. and Reille, X. (2008) *Islamic Microfinance: An Emerging Market Niche*. Washington, DC.

Karlsson, C. and Acs, Z.J. (2002) Introduction to institutions, entrepreneurship and firm growth: The case of Sweden. *Small Business Economics,* 19 (2), 63-67.

Kayed, R.N. and Hassan, M.K. (2010) Islamic entrepreneurship: A case study of Saudi Arabia. *Journal of developmental entrepreneurship,* 15 (04), 379-413.

Keely, L. (2003) Comment on: People's opium? Religion and economic attitudes. *Journal of Monetary Economics,* 50 (1), 283-287.

Khan, F. (2010) How 'Islamic' is Islamic Banking? *Journal of Economic Behavior & Organization,* 76 (3), 805-820.

Khan, M.A. (1994) *An introduction to islamic economics*. International Institute of Islamic Thought (IIIT).

Khwaja;, Abu-Gabal; and Klinger; ( 2011) *Islamic Finance and Entrepreneurship: Challenges and Opportunities Ahead*. Kuwait.

King, N. (2012) Doing template analysis IN: Gillian, S. and Catherine, C. (eds.) *Qualitative organizational research: Core methods and current challenges*. 426-450.

Kirzner, I. (1979) Perception, opportunity, and entrepreneurship. Chicago, IL: University of Chicago Press.

Kirzner, I.M. (1997) Entrepreneurial discovery and the competitive market process: An Austrian approach. *Journal of Economic Literature,* 35 (1), 60-85.

Klein, P.G. (2008) Opportunity discovery, entrepreneurial action, and economic organization. *Strategic Entrepreneurship Journal,* 2 (3), 175-190.

Knight, F.H. (1921) Risk, uncertainty and profit. *New York: Hart, Schaffner and Marx*.

Koehler, B. (2011) Female Entrepreneurship in Early Islam. *Economic Affairs,* 31 (2), 93-95.

Koellinger, P., Minniti, M. and Schade, C. (2007) "I think I can, I think I can": Overconfidence and entrepreneurial behavior. *Journal of economic psychology,* 28 (4), 502-527.

Kostova, T. (1997) COUNTRY INSTITUTIONAL PROFILES: CONCEPT AND MEASUREMENT  *Academy of Management Proceedings*. Academy of Management, 180-184.

Koudstaal, M., Sloof, R. and Van Praag, M. (2015) Risk, uncertainty, and entrepreneurship: Evidence from a lab-in-the-field experiment. *Management Science,* 62 (10), 2897-2915.

Krueger, N.F. (2007) What lies beneath? The experiential essence of entrepreneurial thinking. *Entrepreneurship theory and practice,* 31 (1), 123-138.

Kruger, J. (1999) Lake Wobegon be gone! The" below-average effect" and the egocentric nature of comparative ability judgments. *Journal of personality and social psychology,* 77 (2), 221.

Krymkowski, D.H. and Martin, L.H. (1998) Religion as an Independent Variable: Revisiting the Weberian Hypothesis'. *Method & Theory in the Study of Religion,* 10 (2), 187-198.

Kuran, T. (1996) The discontents of Islamic economic morality. *The American Economic Review,* 86 (2), 438-442.

Kuran, T. (1997) Islam and underdevelopment: an old puzzle revisited. *Journal of Institutional and Theoretical Economics (JITE)/Zeitschrift für die gesamte Staatswissenschaft*, 41-71.

Kuran, T. (2004) *Islam and Mammon: The economic predicaments of Islamism*. Princeton University Press.

Kuran, T. (2005) The logic of financial westernization in the Middle East. *Journal of Economic Behavior & Organization,* 56 (4), 593-615.

Kuran, T. (2008) The scale of entrepreneurship in Middle Eastern history: Inhibitive roles of Islamic institutions. *Economic Research Initiatives at Duke (ERID) Working Paper,* (10).

Kuran, T. (2010) The scale of entrepreneurship in Middle Eastern history: Inhibitive roles of Islamic institutions IN: David S. Landes, Joel Mokyr and Baumol, W.J. (eds.) *The Invention of Enterprise: Entrepreneurship from Ancient Mesopotamia to Modern Times*. 62-87.

Kuran, T. (2012) *The long divergence: How Islamic law held back the Middle East*. Princeton University Press.

Landes, D. (1999) The Wealth and Poverty of Nations: Why Some Are So Rich and Some Are So Poor. New York: Norton.

Landes, D. (2000) Culture Makes Almost All the Difference IN: Harrison, L.E. and Huntington, S.P. (eds.) *Culture matters: How values shape human progress*. Basic books.

Landier, A. (2005) Entrepreneurship and the Stigma of Failure.

Lazarus, R.S. and Folkman, S. (1984) *Stress, appraisal, and coping*. Springer publishing company.

Leary, M.R., Cottrell, C.A. and Phillips, M. (2001) Deconfounding the effects of dominance and social acceptance on self-esteem. *Journal of personality and social psychology,* 81 (5), 898.

Lee, S.-H., Peng, M.W. and Barney, J.B. (2007) Bankruptcy law and entrepreneurship development: A real options perspective. *Academy of Management Review,* 32 (1), 257-272.

Lee, S.-H., Yamakawa, Y., Peng, M.W. and Barney, J.B. (2011) How do bankruptcy laws affect entrepreneurship development around the world? *Journal of Business Venturing,* 26 (5), 505-520.

Lee, S.M. and Peterson, S.J. (2001) Culture, entrepreneurial orientation, and global competitiveness. *Journal of world business,* 35 (4), 401-416.

Lewis, B. (1994) *Islam and the West*. Oxford University Press.

Lewis, B.E. and Churchill, B.E. (2008) *Islam: The religion and the people*. Pearson Prentice Hall.

Lim, D.S., Morse, E.A., Mitchell, R.K. and Seawright, K.K. (2010) Institutional environment and entrepreneurial cognitions: A comparative business systems perspective. *Entrepreneurship Theory and Practice,* 34 (3), 491-516.

Lincoln, Y.S. (2007) *Naturalistic inquiry*.

Lipshitz, R. and Strauss, O. (1997) Coping with uncertainty: A naturalistic decision-making analysis. *Organizational behavior and human decision processes,* 69 (2), 149-163.

Magnusson, P., Wilson, R.T., Zdravkovic, S., Xin Zhou, J. and Westjohn, S.A. (2008) Breaking through the cultural clutter: a comparative assessment of multiple cultural and institutional frameworks. *International Marketing Review,* 25 (2), 183-201.

Mair, J. and Marti, I. (2009) Entrepreneurship in and around institutional voids: A case study from Bangladesh. *Journal of Business Venturing,* 24 (5), 419-435.

Maltby, J. and Day, L. (2003) Applying a social identity paradigm to examine the relationship between men's self-esteem and their attitudes toward men and women. *The Journal of social psychology,* 143 (1), 111-126.

Manolova, T.S., Eunni, R.V. and Gyoshev, B.S. (2008) Institutional environments for entrepreneurship: Evidence from emerging economies in Eastern Europe. *Entrepreneurship Theory and Practice,* 32 (1), 203-218.

Mansoor Khan, M. and Ishaq Bhatti, M. (2008) Islamic banking and finance: on its way to globalization. *Managerial Finance,* 34 (10), 708-725.

Mantere, S., Aula, P., Schildt, H. and Vaara, E. (2013) Narrative attributions of entrepreneurial failure. *Journal of Business Venturing,* 28 (4), 459-473.

Maoz, Z. and Henderson, E.A. (2013) The World Religion Dataset, 1945–2010: Logic, Estimates, and Trends. *International Interactions,* 39 (3), 265-291.

March, J.G. (1978) Bounded rationality, ambiguity, and the engineering of choice. *The Bell Journal of Economics*, 587-608.

Marx, K. and Engels, F. ([1846] 1965) The german ideology. *London, England*.

Matza, D. (1969) *Becoming deviant*. NJ: Prentice Hall.

Mccleary, R.M. and Barro, R.J. (2006) Religion and economy. *The Journal of Economic Perspectives,* 20 (2), 49-72.

Mcclelland, D.C. (1961) The achieving society. Princeton, NJ: Van Nostrand.

Mcelwee, G. and Al-Riyami, R. (2003) Women entrepreneurs in Oman: some barriers to success. *Career Development International,* 8 (7), 339-346.

Mcelwee, G. and Al-Riyami, R. (2003) Women entrepreneurs in Oman: some barriers to success. *Career Development International,* 8 (7), 339-346.

Mcgrath, R.G. (1999) Falling forward: Real options reasoning and entrepreneurial failure. *Academy of Management Review,* 24 (1), 13-30.

Mcgrath, R.G., Macmillan, I.C. and Scheinberg, S. (1992) Elitists, risk-takers, and rugged individualists? An exploratory analysis of cultural differences between entrepreneurs and non-entrepreneurs. *Journal of business venturing,* 7 (2), 115-135.

Mchoskey, J.W. (1994) Factor structure of the Protestant work ethic scale. *Personality and Individual Differences,* 17 (1), 49-52.

Mcintosh, J.C. and Islam, S. (2010) Beyond the veil: The influence of Islam on female entrepreneurship in a conservative Muslim context. *International Management Review,* 6 (1), 102.

Mcmullen, J.S. (2015) Entrepreneurial judgment as empathic accuracy: A sequential decision-making approach to entrepreneurial action. *Journal of Institutional Economics,* 11 (03), 651-681.

Mcmullen, J.S., Plummer, L.A. and Acs, Z.J. (2007) What is an entrepreneurial opportunity? *Small Business Economics,* 28 (4), 273-283.

Mcmullen, J.S. and Shepherd, D.A. (2006) Entrepreneurial action and the role of uncertainty in the theory of the entrepreneur. *Academy of Management Review,* 31 (1), 132-152.

Medoff, M.H. and Skov, I.L. (1992) Religion and behavior: An empirical analysis. *The Journal of Socio-Economics,* 21 (2), 143-151.

Meek, K.R., Albright, J.S. and Mcminn, M.R. (1995) Religious Orientation, Guilt, Confession, and Forgiveness. *Journal of Psychology and Theology,* 23 (3), 190-197.

Metcalf, H., Modood, T. and Virdee, S. (1996) *Asian self-employment: The interaction of culture and economics in England*. Policy Studies Institute.

Metcalfe, B.D. (2008) Women, Management and Globalization in the Middle East. *Journal of Business Ethics,* 83 (1), 85-100.

Metwally, M.M. (1997) Economic consequences of applying Islamic principles in Muslim societies. *International Journal of Social Economics,* 24 (7/8/9), 941-957.

Meyer, J.W. and Rowan, B. (1977) Institutionalized organizations: Formal structure as myth and ceremony. *American journal of sociology*, 340-363.

Miller, A.S. (2000) Going to hell in Asia: The relationship between risk and religion in a cross cultural setting. *Review of Religious Research*, 5-18.

Mirels, H.L. and Garrett, J.B. (1971) The Protestant ethic as a personality variable. *Journal of consulting and clinical psychology,* 36 (1), 40.

Morgan, J. and Sisak, D. (2016) Aspiring to succeed: A model of entrepreneurship and fear of failure. *Journal of Business Venturing,* 31 (1), 1-21.

Mueller, B. and Shepherd, D.A. (2012) Learning from failure: How entrepreneurial failure aids in the development of opportunity recognition expertise. *Frontiers of Entrepreneurship Research,* 32 (6), 6.

Mueller, B. and Shepherd, D.A. (2013) An Exploration of The Cognitive Factors Involved in Learning from Failure  *Academy of Management Proceedings*. Academy of Management, 16111.

Mueller, B.A. and Shepherd, D.A. (2016) Making the most of failure experiences: Exploring the relationship between business failure and the identification of business opportunities. *Entrepreneurship Theory and Practice,* 40 (3), 457-487.

Najjar, F. (2005) The Arabs, Islam and globalization. *Middle East Policy,* 12 (3), 91-106.

Naser, K., Rashid Mohammed, W. and Nuseibeh, R. (2009) Factors that affect women entrepreneurs: evidence from an emerging economy. *International Journal of Organizational Analysis,* 17 (3), 225-247.

Neuman, W.L. (2000) The meanings of methodology. *Social research methods*, 60-87.

Neuman, W.L. (2013) *Social research methods: Qualitative and quantitative approaches*. Pearson education.

Noland, M. (2003) Religion, culture, and economic performance. *Institute for International Economics Working Paper,*  (03-8).

Noland, M. (2005) Religion and economic performance. *World Development,* 33 (8), 1215-1232.

Norris, P. and Inglehart, R. (2011) *Sacred and secular: Religion and politics worldwide*. Cambridge University Press.

North, D.C. (1990) *Institutions, institutional change and economic performance*. Cambridge university press.

Oman, G. (2019) Oman's Constitution of 1996 with Amendments through 2011. 1-28. Available from: https://www.constituteproject.org/constitution/Oman_2011.pdf?lang=en [Accessed 13/06/2019].

Oukil, M.S. (2016) *Wasta and Development in Arab and Muslim Countries*.

Papanek, H. (1982) Purdah in Pakistan: seclusion and modern occupations for women. *Separate worlds*, 190-216.

Park, C.L. (2013) Religion and meaning IN: Raymond F. Paloutzian and Park, C.L. (eds.) *Handbook of the psychology of religion and spirituality*. New York: The Guilford Press, 357-379.

Patton, M.Q. (2002) Two decades of developments in qualitative inquiry: A personal, experiential perspective. *Qualitative social work,* 1 (3), 261-283.

Patton, M.Q. (2005) *Qualitative research*. Wiley Online Library.

Patzelt, H. and Shepherd, D.A. (2011a) Negative emotions of an entrepreneurial career: Self-employment and regulatory coping behaviors. *Journal of Business Venturing,* 26 (2), 226-238.

Patzelt, H. and Shepherd, D.A. (2011b) Recognizing opportunities for sustainable development. *Entrepreneurship Theory and Practice,* 35 (4), 631-652.

Peng, M.W., Yamakawa, Y. and Lee, S.H. (2010) Bankruptcy Laws and Entrepreneur- Friendliness. *Entrepreneurship Theory and Practice,* 34 (3), 517-530.

Pistrui, D. and Fahed-Sreih, J. (2010a) Islam, entrepreneurship and business values in the Middle East. *International Journal of Entrepreneurship and Innovation Management,* 12 (1), 107-118.

Pistrui, D. and Fahed-Sreih, J. (2010b) Towards an Understanding of Islam and Muslim Entrepreneurship in the Middle East IN: Wojciech W. Gasparski and Stefan Kwiatkowski (eds.) *Entrepreneurship: values and Responsibility*. New Brunswick, USA Transaction Publisher 221-235.

Pope, H. (2002) For Saudi women, running a business is a veiled initiative. *Wall Street Journal,* 2.

Pryor, F.L. (1985) The Islamic economic system. *Journal of Comparative Economics,* 9 (2), 197-223.

Pryor, F.L. (2007) The economic impact of Islam on developing countries. *World Development,* 35 (11), 1815-1835.

Pyszczynski, T., Greenberg, J., Solomon, S., Arndt, J. and Schimel, J. (2004) Why do people need self-esteem? A theoretical and empirical review. *Psychological Bulletin,* 130 (3), 435.

Rafiq, M. (1992) Ethnicity and enterprise: A comparison of Muslim and non-Muslim owned Asian businesses in Britain. *New Community,* 19 (1), 43-60.

Ramadani, V., Dana, L.-P., Gërguri-Rashiti, S. and Ratten, V. (2016) Entrepreneurship and Management in an Islamic Context.

Ramadani, V., Dana, L.-P., Ratten, V. and Tahiri, S. (2015) The context of Islamic entrepreneurship and business: concept, principles and perspectives. *International Journal of Business and Globalisation,* 15 (3), 244-261.

Ramirez, R., Mukherjee, M., Vezzoli, S. and Kramer, A.M. (2015) Scenarios as a scholarly methodology to produce "interesting research". *Futures,* 71, 70-87.

Ramoglou, S. (2013) Who is a 'non-entrepreneur'?: Taking the 'others' of entrepreneurship seriously. *International Small Business Journal,* 31 (4), 432-453.

Ramoglou, S. and Tsang, E. (2016) A realist Perspective of Entrepreneurship: Opportunities as Propensities. *Academy of Management Review*.

Ratten, V., Ramadani, V., Dana, L.-P. and Gerguri-Rashiti, S. (2017) Islamic Entrepreneurship and Management: Culture, Religion and Society *Entrepreneurship and Management in an Islamic Context*. Springer, 7-17.

Reda, A. (2014) Weber and Baqir as-Sadr: The Paradox of Economic Development in Islamic Societies. *American Journal of Economics and Sociology,* 73 (1), 151-177.

Rice, G. (1999) Islamic ethics and the implications for business. *Journal of business ethics,* 18 (4), 345-358.

Rizzo, H., Abdel-Latif, A.-H. and Meyer, K. (2007) The relationship between gender equality and democracy: A comparison of Arab versus non-Arab Muslim societies. *Sociology,* 41 (6), 1151-1170.

Roberts, P. (1999) The development of NEdSERV: quantitative instrumentation to measure service quality in nurse education. *Nurse education today,* 19 (5), 396-407.

Roberts, P. (2000) Alternative methods of gathering and handling data: maximising the use of modern technology. *Nurse Researcher (through 2013),* 8 (2), 84.

Roberts, P., Priest, H. and Traynor, M. (2006) Reliability and validity in research. *Nursing standard,* 20 (44).

Robson, C. (1994) Analysing documents and records IN: Bennett N, Glatter R and R, L. (eds.) *Improving educational management through research and consultancy*. London: Paul Chapman, 237-247.

Rogers, T.M. (2012) Bank market structure and entrepreneurship. *Small Business Economics,* 39 (4), 909-920.

Roomi, M.A. and Parrott, G. (2008) Barriers to development and progression of women entrepreneurs in Pakistan. *Journal of Entrepreneurship,* 17 (1), 59-72.

Ropega, J. (2011) The reasons and symptoms of failure in SME. *International Advances in Economic Research,* 17 (4), 476-483.

Rothbaum, F., Weisz, J.R. and Snyder, S.S. (1982) Changing the world and changing the self: A two-process model of perceived control. *Journal of personality and social psychology,* 42 (1), 5.

Saadawi, N.E. (1982) Woman and Islam. *Women's Studies International Forum,* 5 (2), 193-206.

Sait, S. and Lim, H. (2006) *Land, law and Islam: property and human rights in the Muslim world*. Zed Books.

Sala-I-Martin, X., Doppelhofer, G. and Miller, R.I. (2004) Determinants of long-term growth: A Bayesian averaging of classical estimates (BACE) approach. *American economic review*, 813-835.

Saldaña, J. (2015) *The coding manual for qualitative researchers*. Sage.

Sarasvathy, S.D. (2001) Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency. *Academy of Management Review,* 26 (2), 243-263.

Sarasvathy, S.D. and Venkataraman, S. (2011) Entrepreneurship as method: Open questions for an entrepreneurial future. *Entrepreneurship theory and practice,* 35 (1), 113-135.

Saroglou, V. and Cohen, A.B. (2011) Psychology of culture and religion: Introduction to the JCCP special issue. *Journal of Cross-Cultural Psychology,* 42 (8), 1309-1319.

Saunders, M.N., Lewis, P. and Thornhill, A. (2012a) *Research methods for business students,*. Pearson Education India.

Saunders, M.N.K., Lewis, P. and Thornhill, A. (2012b) *Research methods for business students*, 6th ed. Harlow, England; New York: Pearson Education Limited.

Saxenian, A. (1994) Regional networks: industrial adaptation in Silicon Valley and route 128.

Schatzman, L. and Strauss, A.L. (1973) *Field research: Strategies for a natural sociology*. NJ: Prentice Hall.

Scott, W.R. (1991) Unpacking institutional arguments IN: Dimaggio, P.J. and Powell, W.W. (eds.) *The new institutionalism in organizational analysis*. University of Chicago Press Chicago, IL.

Scott, W.R. (1995) *Institutions and organizations*. Sage Thousand Oaks, CA.

Scott, W.R. (2014) *Institutions and organizations: Ideas, interests, and identities*, Fourth Edition ed.: Sage Publications.

Searle, J.R. (1995) *The construction of social reality*. Simon and Schuster.

Sedikides, C. and Alicke, M.D. (2012) Self-enhancement and self-protection motives IN: Ryan, R.M. (ed.) *The Oxford Handbook of Human Motivation*. Oxford: Oxford University Press, 303-322.

Sedikides, C. and Alicke, M.D. (2018) The five pillars of self-enhancement and self-protection IN: Ryan, R. (ed.) *Oxford handbook of motivation*, 2nd edition ed. NewYork, NY: Oxford University Press.

Sedikides, C., Gaertner, L. and Cai, H. (2015) On the panculturality of self-enhancement and self-protection motivation: The case for the universality of self-esteem *Advances in motivation science*. Elsevier, 185-241.

Sedikides, C. and Gebauer, J.E. (2010) Religiosity as self-enhancement: A meta-analysis of the relation between socially desirable responding and religiosity. *Personality and Social Psychology Review,* 14 (1), 17-36.

Sedikides, C. and Gebauer, J.E. (2013) Religion and the self IN: Saroglou, V. (ed.) *Religion, personality, and social behavior*. New York: Psychology Press, 46-70.

Sedikides, C., Rudich, E.A., Gregg, A.P., Kumashiro, M. and Rusbult, C. (2004) Are normal narcissists psychologically healthy?: Self-esteem matters. *Journal of personality and social psychology,* 87 (3), 400.

Sen, A. (2017) Rational behaviour. *The new Palgrave dictionary of economics*, 1-14.

Sen, A.K. (1977) Rational fools: A critique of the behavioral foundations of economic theory. *Philosophy & Public Affairs*, 317-344.

Serarols, C., Aldemir, Z. and Joo, H. (2011) Entrepreneurship and culture. *International Small Business Journal,* 29 (3), 296-298.

Shaheed, F. (1990) *Pakistan's women: an analytical description*. Women Living under Muslim Laws, Asia Region Office.

Shane, S. (2012) Reflections on the 2010 AMR decade award: Delivering on the promise of entrepreneurship as a field of research. *Academy of Management Review,* 37 (1), 10-20.

Shane, S. and Eckhardt, J. (2003) The individual-opportunity nexus *Handbook of entrepreneurship research*. Springer, 161-191.

Shane, S., Locke, E.A. and Collins, C.J. (2003) Entrepreneurial motivation. *Human resource management review,* 13 (2), 257-279.

Shane, S. and Venkataraman, S. (2000) The promise of entrepreneurship as a field of research. *Academy of management review,* 25 (1), 217-226.

Shane, S.A. (1992) Why do some societies invent more than others? *Journal of Business Venturing,* 7 (1), 29-46.

Shane, S.A. (2003) *A general theory of entrepreneurship: The individual-opportunity nexus*. Edward Elgar Publishing.

Shepherd, D.A. (2003) Learning from business failure: Propositions of grief recovery for the self-employed. *Academy of Management Review,* 28 (2), 318-328.

Shepherd, D.A. (2009) Grief recovery from the loss of a family business: A multi-and meso-level theory. *Journal of Business Venturing,* 24 (1), 81-97.

Shepherd, D.A. (2015) Party On! A call for entrepreneurship research that is more interactive, activity based, cognitively hot, compassionate, and prosocial. Elsevier.

Shepherd, D.A. and Haynie, J.M. (2011) Venture failure, stigma, and impression management: A self-verification, self-determination view. *Strategic Entrepreneurship Journal,* 5 (2), 178-197.

Shepherd, D.A., Mcmullen, J.S. and Jennings, P.D. (2007) The formation of opportunity beliefs: Overcoming ignorance and reducing doubt. *Strategic Entrepreneurship Journal,* 1 (1-2), 75-95.

Shepherd, D.A., Wiklund, J. and Haynie, J.M. (2009) Moving forward: Balancing the financial and emotional costs of business failure. *Journal of business venturing,* 24 (2), 134-148.

Sidani, Y. (2005) Women, work, and Islam in Arab societies. *Women in Management Review,* 20 (7), 498-512.

Siddiqi, M.N. (1972) *The economic enterprise in Islam*. Delhi: Markazi Maktaba Islami.

Simmons, S.A., Wiklund, J. and Levie, J. (2014) Stigma and business failure: implications for entrepreneurs' career choices. *Small Business Economics,* 42 (3), 485-505.

Simon, H.A. (1990) Bounded rationality *Utility and probability*. Springer, 15-18.

Singh, R., Hills, G.E., Hybels, R.C. and Lumpkin, G.T. (1999) Opportunity recognition through social network characteristics of entrepreneurs. *Frontiers of entrepreneurship research*, 228-241.

Singh, S., Corner, P. and Pavlovich, K. (2007) Coping with entrepreneurial failure. *Journal of Management & Organization,* 13 (04), 331-344.

Singh, S., Corner, P.D. and Pavlovich, K. (2016) Spirituality and entrepreneurial failure. *Journal of management, spirituality & religion,* 13 (1), 24-49.

Smallbone, D., Fadahunsi, A., Supri, S. and Paddison, A. (1999) The diversity of ethnic minority enterprises. *RENT XIII, London*, 25-26.

Smallbone, D. and Welter, F. (2010) Entrepreneurship and government policy in former Soviet republics: Belarus and Estonia compared. *Environment and Planning C-Government and Policy,* 28 (2), 195-210.

Smelser, N.J. and Swedberg, R. (2010) Introducing economic sociology IN: Smelser, N.J. and Swedberg, R. (eds.) *The handbook of economic sociology*, 2nd ed. New York: Princeton university press, 3-25.

Smith, B.R., Conger, M.J., Mcmullen, J.S. and Neubert, M.J. (2019) Why believe? The promise of research on the role of relgion in entrepreneurial action. *Journal of Business Venturing Insights,* 11, e00119.

Spencer, J.W. and Gómez, C. (2004) The relationship among national institutional structures, economic factors, and domestic entrepreneurial activity: a multicountry study. *Journal of Business Research,* 57 (10), 1098-1107.

Stark, R. (1999) Secularization, rip. *Sociology of religion,* 60 (3), 249-273.

Stavrova, O., Köneke, V. and Schlösser, T. (2016) Overfulfilling the Norm. *Social Psychology*.

Stephan, U. (2018) Entrepreneurs' mental health and well-being: A review and research agenda. *Academy of Management Perspectives,* 32 (3), 290-322.

Stiles, W.B. (1993) Quality control in qualitative research. *Clinical psychology review,* 13 (6), 593-618.

Suddaby, R., Bruton, G.D. and Si, S.X. (2015) Entrepreneurship through a qualitative lens: Insights on the construction and/or discovery of entrepreneurial opportunity. *Journal of Business venturing,* 30 (1), 1-10.

Sutton, R.I. and Callahan, A.L. (1987) The stigma of bankruptcy: Spoiled organizational image and its management. *Academy of Management journal,* 30 (3), 405-436.

Tambunan, T. (2009) Women entrepreneurship in Asian developing countries: Their development and main constraints. *Journal of Development and Agricultural Economics,* 1 (2), 027-040.

Tamvada, J.P. (2019) Indian election: Modi win delivered thanks to faith in economic growth pledges. *The Conversation*.

Tan, J. (1996) Regulatory environment and strategic orientations in a transitional economy: A study of Chinese private enterprise. *Entrepreneurship: theory and practice*, 31-44.

Taylor, S.E., Lerner, J.S., Sherman, D.K., Sage, R.M. and Mcdowell, N.K. (2003) Are self-enhancing cognitions associated with healthy or unhealthy biological profiles? *Journal of personality and social psychology,* 85 (4), 605.

Thornton, P.H. (1999) The sociology of entrepreneurship. *Annual review of sociology*, 19-46.

Thornton, P.H. and Ocasio, W. (2008) Institutional logics IN: Royston Greenwood, C.O., Roy Suddaby, Kerstin Sahlin-Andersson (ed.) *The Sage handbook of organizational institutionalism*. London: Sage Publication Ltd, 99-128.

Thornton, P.H., Ocasio, W. and Lounsbury, M. (2012) *The institutional logics perspective: A new approach to culture, structure, and process*. Oxford University Press on Demand.

Thurik, R. and Wennekers, S. (2004) Entrepreneurship, small business and economic growth. *Journal of Small Business and Enterprise Development,* 11 (1), 140-149.

Tiessen, J.H. (1997) Individualism, collectivism, and entrepreneurship: A framework for international comparative research. *Journal of Business Venturing,* 12 (5), 367-384.

Tlaiss, H.A. (2014) Women's Entrepreneurship, Barriers and Culture: Insights from the United Arab Emirates. *Journal of Entrepreneurship,* 23 (2), 289-320.

Tlaiss, H.A. (2015) How Islamic business ethics impact women entrepreneurs: Insights from four Arab Middle Eastern countries. *Journal of Business Ethics,* 129 (4), 859-877.

Tolbert, P.S., David, R.J. and Sine, W.D. (2011) Studying Choice and Change: The Intersection of Institutional Theory and Entrepreneurship Research. *Organization Science,* 22 (5), 1332-1344.

Tolbert, P.S. and Zucker, L.G. (1999) The institutionalization of institutional theory. *Studying Organization. Theory & Method. London, Thousand Oaks, New Delhi*, 169-184.

Touzani, M., Jlassi, F., Maalaoui, A. and Bel Haj Hassine, R. (2015) Contextual and cultural determinants of entrepreneurship in pre- and post-revolutionary Tunisia. *Journal of Small Business and Enterprise Development,* 22 (1), 160-179.

Trevelyan, R. (2008) Optimism, overconfidence and entrepreneurial activity. *Management Decision,* 46 (7), 986-1001.

Trzesniewski, K.H., Donnellan, M.B., Moffitt, T.E., Robins, R.W., Poulton, R. and Caspi, A. (2006) Low self-esteem during adolescence predicts poor health, criminal behavior, and limited economic prospects during adulthood. *Developmental psychology,* 42 (2), 381.

Tsang, E.W. (2004) Toward a scientific inquiry into superstitious business decision-making. *Organization Studies,* 25 (6), 923-946.

Turner, B.S. (1998) *Weber and Islam*. Psychology Press.

Ucbasaran, D., Shepherd, D.A., Lockett, A. and Lyon, S.J. (2013) Life after business failure: The process and consequences of business failure for entrepreneurs. *Journal of Management,* 39 (1), 163-202.

Ucbasaran, D., Westhead, P., Wright, M. and Flores, M. (2010) The nature of entrepreneurial experience, business failure and comparative optimism. *Journal of business venturing,* 25 (6), 541-555.

Ullah, M.M., Mahmud, T. and Yousuf, F. (2013) Women entrepreneurship: Islamic perspective. *EJBM-Special Issue: Islamic Management and Business,* 5 (11).

Van De Ven, A.H., Sapienza, H.J. and Villanueva, J. (2007) Entrepreneurial pursuits of self-and collective interests. *Strategic entrepreneurship journal,* 1 (3-4), 353-370.

Van Stel, A., Wennekers, S., Reynolds, P. and Thurik, R. (2004) Explaining variation in nascent entrepreneurship.

Vandor, P. and Franke, N. (2016) See Paris and… found a business? The impact of cross-cultural experience on opportunity recognition capabilities. *Journal of Business Venturing,* 31 (4), 388-407.

Vargas-Hernández, J.G. and Noruzi, M.R. (2012) A Literature Review on the Effects of Islam on Entrepreneurship in Muslim Countries; with focus on Iran. *Global Journal of Human-Social Science Research,* 12 (2).

Veciana, J.M. and Urbano, D. (2008) The institutional approach to entrepreneurship research. Introduction. *International Entrepreneurship and Management Journal,* 4 (4), 365-379.

Venkataraman, S. (1997) The distinctive domain of entrepreneurship research. *Advances in entrepreneurship, firm emergence and growth,* 3 (1), 119-138.

Verheul, I., Wennekers, S., Audretsch, D. and Thurik, R. (2002) An eclectic theory of entrepreneurship: policies, institutions and culture *Entrepreneurship: Determinants and policy in a European-US comparison*. Springer, 11-81.

Weber, C.S. (2013) Cultural differences in risk tolerance. *Institute of Economics*.

Weber, M. (1905 [1930]) *The Protestant Ethic and the Spirit of Capitalism*. London: Allen & Unwin.

Weber, M. (1981) *General economic history*. Transaction publishers.

Welter, F. (2011) Contextualizing entrepreneurship—conceptual challenges and ways forward. *Entrepreneurship Theory and Practice,* 35 (1), 165-184.

Welter, F. and Smallbone, D. (2011) Institutional perspectives on entrepreneurial behavior in challenging environments. *Journal of Small Business Management,* 49 (1), 107-125.

Wennberg, K., Pathak, S. and Autio, E. (2013) How culture moulds the effects of self-efficacy and fear of failure on entrepreneurship. *Entrepreneurship & Regional Development,* 25 (9-10), 756-780.

Wennekers, S. and Thurik, R. (1999) Linking entrepreneurship and economic growth. *Small business economics,* 13 (1), 27-56.

Wennekers, S., Van Stel, A., Carree, M. and Thurik, R. (2010) *The Relationship between Entrepreneurship and Economic Development: is it U-shaped?* Now Publishers Inc.

Wilson, R. (2006) Islam and business. *Thunderbird International Business Review,* 48 (1), 109-123.

Winton, A. and Yerramilli, V. (2008) Entrepreneurial finance: Banks versus venture capital. *Journal of Financial Economics,* 88 (1), 51-79.

Wood, M. and Williams, D.W. (2012) SEEING THE FOREST BY WAY OF THE TREES: OPPORTUNITY EVALUATION AS RULE-BASED PROCESSING. *Frontiers of Entrepreneurship Research,* 32 (6), 7.

Wood, M.S., Mckelvie, A. and Haynie, J.M. (2014) Making it personal: Opportunity individuation and the shaping of opportunity beliefs. *Journal of Business Venturing,* 29 (2), 252-272.

World Economic Forum (2018) *The global competitiveness report*. Geneva.

Wuthnow, R. (2010) New Directions in the Study of Religion and Economic Life IN: Smelser, N.J. and Swedberg, R. (eds.) *The Handbook of Economic Sociology*, 2nd ed. New York: Princeton university press, 603-626.

Yousafzai, S.Y., Saeed, S. and Muffatto, M. (2015) Institutional Theory and Contextual Embeddedness of Women's Entrepreneurial Leadership: Evidence from 92 Countries. *Journal of Small Business Management,* 53 (3), 587-604.

Zahra, S.A., Wright, M. and Abdelgawad, S.G. (2014) Contextualization and the advancement of entrepreneurship research. *International Small Business Journal,* 32 (5), 479-500.

Zeidan, S. and Bahrami, S. (2011) Women entrepreneurship in GCC: A framework to address challenges and promote participation in a regional context. *International Journal of Business and Social Science,* 2 (14), 100-107.

Zelekha, Y., Avnimelech, G. and Sharabi, E. (2014) Religious institutions and entrepreneurship. *Small Business Economics,* 42 (4), 747-767.

Zingales, L. (2006) Gods and mammon. *Global Agenda (14790289),* 4, 228.

Zinnbauer, B.J., Pargament, K.I., Cole, B., Rye, M.S., Butter, E.M., Belavich, T.G., Hipp, K.M., Scott, A.B. and Kadar, J.L. (1997) Religion and Spirituality: Unfuzzying the Fuzzy. *Journal for the Scientific Study of Religion,* 36 (4), 549-564.

Zucker, L.G. (1977) The role of institutionalization in cultural persistence. *American sociological review*, 726-743.