

The Impact of Religious Dimension on Entrepreneurial Intention by Using PLS Approach—Case Study

Souar Youcef

University Tahar Mouly of Saida, Saida, Algeria

Cherifi Djelloul

University Abou Bakr Belkaid of Tlemcen, Saida, Algeria

Idrissi Mokhtar

University Mustapha Stambouli of Mascara, Saida, Algeria

In a complex environment resulted from the economic and technological changes, and the emergence of the uncertainty cases, the entrepreneurial thought knows a development in the determinants of entrepreneurial spirit, that has become a mechanism and a dynamic of the competitiveness of international economies, starting by the construction of investment projects whether individual or collective, which are based on innovation and the use of technology as factors that have the ability to give business competitiveness and increase its economic efficiency, also that is through the creation of job opportunities and reaching the economic development. This research aims to study the effect of the religious dimension and the dimensions of entrepreneurial behavior on the entrepreneurial intention among youth who are interested in realizing entrepreneurial projects. The partial least squares approach (PLS) has been used in this study and it results that the religious dimension influences positively the entrepreneurial intention.

Keywords: entrepreneurial behavior, religious dimension, entrepreneurial intention, partial least squares approach (PLS)

Introduction

Entrepreneurship is considered as one of the mechanisms of the economic development that have an important role in creating labor and value which is the fundamental in reaching the economic development, in addition to varying economy by creating additional values through the investment projects that help in the construction of the economic structure. The entrepreneurial behavior is influenced by many factors that help also in growing it. Faiths, customs, and social situation impact individuals' choices and decisions in starting their economic projects. The development of the entrepreneurial thought in Algeria is seen in switching from the planned economy to the economy of market, what obliges the economic qualification of productive enterprises in order to adapt the internal and external competitive conditions. In this side, Algerian government

Souar Youcef, professor, Laboratory MIFMA, University Tahar Mouly of Saida, Saida, Algeria.

Cherifi Djelloul, doctor, Laboratory MECAS, University Abou Bakr Belkaid of Tlemcen, Saida, Algeria.

Idrissi Mokhtar, magister degree, University Mustapha Stambouli of Mascara, Saida, Algeria.

Correspondence concerning this article should be addressed to Souar Youcef, Faculty of Economics Sciences, University Tahar Mouly of Saida, Saida, Algeria. E-mail: Syoucef12@yahoo.fr.

has created institutions for the support in order to develop the enterprises especially small and medium size ones; but comparing with countries with long experience in entrepreneurship, all these efforts remain weak. Statistics showed that the total of entrepreneurs in Algeria is about 3.6 million, or 20% of new small and private enterprises in multiple economic activities (10 to 49 workers) (W. Guechtouli & M. Guechtouli, 2014).

The development of entrepreneurial dynamics involves the study of the factors that impact individuals' behaviors, wishes, and desires in creating their own enterprises and realizing their investment projects that are, most of time, influenced by social customs and privacies what lead to the problematic in the following sections.

Research Questions

The research questions addressed in this study are: To what extent does religious dimension impact the entrepreneurial intention in creating investment projects in Algeria?

Study Objectives

The study aims to show the importance of the religious dimension and the extent to which it influences the entrepreneurial intention in creating future investment projects. The study was made on a sample of students recently graduated from multiple disciplines, through a questionnaire which contained the entrepreneurial thought dimensions beside the religious one.

Literature Review

The aim of this section is to illustrate the important results from several studies about entrepreneurial intention that shows the importance of studying entrepreneurial intention and their determinant in business creation and its impacts on economic growth.

According to Jean-Pierre, Barthélémy, and Sandrin (2009), this study examined the impact of beliefs and attitudes on entrepreneurial intention for students and its importance, when they create activities of their own business, in this study relying on the model of planned behavior, which is based on three key elements to influence entrepreneurial intention: the perception of the seriousness in creating the enterprise, the degree of stimulus to create entrepreneurship perceived in the social environment, and the confidence of the ability of an individual to the entrepreneurial work. This study found that 61% of respondents have the idea to create attractive business therefore more variables of the importance of the entrepreneurial desire and the importance of training and education should encourage the behavior to create institutions.

Also, Koubaa (2011) in his study said that it will be addressed to entrepreneurial intention for students at university in Morocco which is based on social psychology theory, in particular, the theory of planned behavior (Ajzen, 1991) and the model of the formation of the entrepreneurial event (Shapero & Sokol, 1982). This study concluded with the existence of a positive influence of entrepreneurial capacity on the attitude and desirability. The author has proposed the establishment of the education to enable strengthening of entrepreneurial capacity of students for influencing positively. In other words, teachers should certainly provide the skills, but they must also be able to make the creation of "enterprise" entrepreneurship as an attractive career choice, desirable, for the "student".

Maâlej (2013) in his study indicated the importance of attitudes related to the behavior and the social norms in the entrepreneurial intention. In the contrary, financial constraints, training in business creation, and all

those things related to the perceptions of behavioral control have an insignificant effect on entrepreneurial intention.

Obschonka, Silbereisen, and Schmitt-Rodermund (2010) focused on the control of beliefs as one central mediator and showed that the mediating effect of the control of beliefs remained stable when including the other intention predictors as entrepreneurial competencies and entrepreneurial personality. This study concluded that entrepreneurial cognitions and policy schemes are important to promote entrepreneurial desire and the entrepreneurship but in early life in the society.

Theoretical Side

Concept of Entrepreneurship

It is a set of features and attitudes relied to the creation of enterprise by individual entrepreneurs and their abilities in creating projects.

It is considered as an important element in providing labor and wealth to countries. As studies showed, the researchers attempted to define entrepreneurship, but could not result with one precise definition, so they defined it from different paradigms, and each definition explained the relationship between person and the organization, and these paradigms (Verstraet & Fayolle, 2005):

- paradigm of opportunity: It is the ability of managing and exploiting the appropriate opportunities and forecasting the changes in the enterprise's environment;
- paradigm of creation of the enterprise: It is the act of working to reach the goals and ambitions through creating the enterprise and using resources;
- paradigm of value creation: The goal of the creation of the enterprise is to create value;
- paradigm of innovation by inventing and giving new ideas and thoughts.

In this side, the definitions of entrepreneurship are multiple, according to each model.

According to Gartner (1993), entrepreneurship is the organizational operation that leads to create a new organization.

It can be considered as the possession and management of human and material resources in order to create, develop, and execute solutions to satisfy individual's needs (Gasse & Richard-Marc, 2006).

According to Johannisson (2003), it can be considered as an operation that concerns the independent resources in its origin and that is organized in a new way to access the business opportunity.

According to Venkataraman and Shane (2000), entrepreneurship is the scientific study of how, made by whom, and what paths to follow in order to determine, study, and exploit opportunities to create products and services (Jaziri, 2009).

From these definitions, it can be said that entrepreneurship is the operation made by individuals, with their views, in order to use the available opportunities in the best way.

Concept of Entrepreneurial Culture

It is a set of gains that are expressed in entrepreneur's behavior, since he is dynamic in creating labor by invention. Also, it can be defined as the total of competences and information acquired by person or groups of people and the attempt to use all of that to create investments using new innovative ideas acquired from the environment. The development of the entrepreneurial culture can be the growing of the attitudes and behaviors and the emphasizing of the educational and training programs (Boudabbous, 2011), which must encourage the entrepreneurial act by the contribution of all concerned parts.

Entrepreneurial Intention Models

The concept of entrepreneurial intention means the behavior of individuals and their orientations in realizing and creating the projects, which relied on their orientations and forecasting it. The entrepreneurial intention plays a big role in creating organizations. The entrepreneurial behavior is influenced by many factors and these have a big impact on it, such as faith, customs, and the social situation in creating the organization. Moreover, a lot of studies processed the impact of these factors like Krueger (1993), Krueger and Carsrud (1993), Krueger and Brazeal (1994), Gasse and Richard-Marc (2006). A lot of models emerged and contributed to explaining individuals' orientations and the influencing elements, and some of the well-known models are in the following parts.

Shapero and Sokol Model

This model clarifies the elements that explain the entrepreneurial choice, which is the result of the relationship among the four variables determined in this model, which are negative, positive, and medium moves. It is the totality of events that happens in individual's life and what leads to the change in the evaluation system toward the creation of the organization:

- knowing the intention for the execution;
- the possibility of execution, with taking in consideration the economic environment and social variables.

Ajzen Model

Planned behavior theory supposed that the wish of the person is determined through three elements: the attitude toward the behavior, knowing the social criteria and control have been thought that they may affect the situation, in a way that factors compete to attract the behavior, they may be compared to the concept of intention that is used in entrepreneurship. The second element is knowing the behavior control which is an application of the concept of knowing the execution and competence of Shapero, in a reference to individual's faith about his ability to execute a precise task. The model showed that attitudes and behavior control are explained by individual's beliefs. The last is the information, either true or false (Jean-Pierre et al., 2009). This model was developed by Ajzen (1991) to explain how individual's attitudes affect his behaviors in executing procedures. Besides, personal criteria and behavioral control are precedents to the entrepreneurial orientation (Lee, Wong, Foo, & Leung, 2011).

Krueger Model

In this model, Krueger (1993) has studied the relationship between attitudes and entrepreneurial orientation using a measure that allows more elasticity in analyzing external variables, attitudes, and behaviors. According to this analysis, the creation of entrepreneurship is an entrepreneurial orientation that is influenced by attitudes and behaviors (Guerrero, Rialp, & Urbano, 2008). Krueger (1993) stated that knowing the intention is the degree of attractiveness in which a person is ready to start a business and projects.

Research Design

In this study, a survey is used as a fundamental tool to gather the necessary data to the subject being studied. It contained 54 graduated students who have entrepreneurial thoughts from Saida (Algeria). The simple and the multiple statistical analysis on the survey is used and given to the sample being studied to answer the problematic, where authors have chosen the statistical methods as follow: descriptive statistics, data analysis (ACP), and partial least squares approach (PLS). The study hypotheses are given as follows (Figure 1):

HA1: There is a significant direct effect to the religious dimension factor on the entrepreneurial intention factor;

HA2: Fear of entrepreneurship is an intermediate factor between the religious dimension and the entrepreneurial intention factor;

HA3: Seeking for job opportunities is an intermediate factor between the religious dimension and the entrepreneurial intention factor.

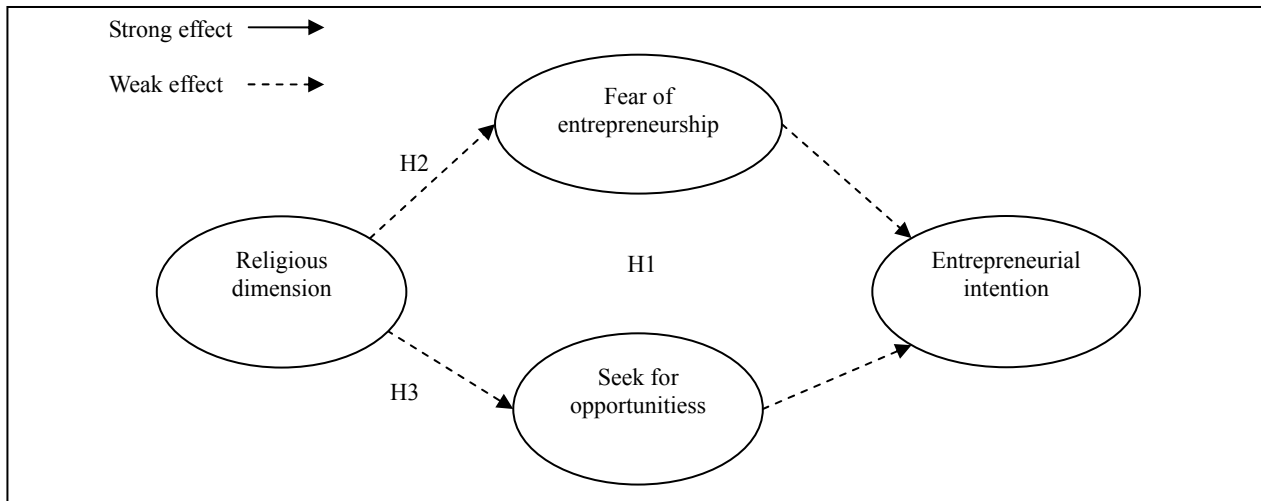


Figure 1. Model of the study and its hypotheses.

Research Method

Research Subject

To check the trust and stability of the questionnaire, Cronbach alpha is used, so its value was found 0.64. It means that the coefficient of stability is good. In order to check the trust, the square racing on Cronbach alpha coefficient is entered and its value was found 0.8. Table 1 bellow clarifies this.

Table 1

Stability Coefficient (Cronbach Alpha)

Questions number	Cronbach alpha
40	0.64
-	-

The Sample Features Analysis

The features of the sample were analyzed in order to define the demographic variables and how people of the sample are divided according to each variable. The results indicate that:

- Among 54 persons, 48.1% are bachelors, 27.8% have master degree, and 24.1% have doctorate degree;
- Among 54 persons, 57.4% are specialized in management/administration/business administration, 13% are specialized in applied science/engineering/science and technology, and 29.6% are from other disciplines;
- Among 54 persons, 14.8% have no professional experience, 16.7% have either temporary work, and 68.5% are permanent workers;
- Among 54 persons, 37% of their family possess a private enterprise and 63% said that none of their family belongs in enterprise.

Structural Equation Modeling (SEM)

To examine the hypotheses, the PLS methodology was used with graphical representation of the model studied and outcomes of this study.

Table 2

Quality Criteria

	AVE	Composite reliability	R square	Cronbachs alpha	LV index values
Seek for opportunities	0.55	0.59	0.12	0.77	0.55
Religious dimension	0.54	0.72		0.82	0.54
Fear of entrepreneurship	0.53	0.76	0.05	0.81	0.53
Entrepreneurial intention	0.69	0.84	0.10	0.89	0.69

It is clear, from Table 2 above, that all average of variation explained (AVE) are superior to 0.5 which expresses the quality of the suggested model; also the index values (LV) are between 2 and 5 which confirms the quality of the model used.

Table 3

Latente Variable Correlation

	Seek for opportunities	Religious dimension	Fear of entrepreneurship	Entrepreneurial intention
Seek for opportunities	1			
Religious dimension	-0.35	1		
Fear of entrepreneurship	0.37	-0.24	1	
Entrepreneurial intention	-0.03	0.31	-0.04	1

Table 3 above clarifies that the coefficient of correlation is significant: The coefficient of correlation: between the religious dimension and seek for opportunities is -0.35; between religious dimension and fear of entrepreneurship is -0.24; between religious dimension and entrepreneurial intention is 0.31; between seek for opportunities and fear of entrepreneurship is 0.37; between seek for opportunities and the entrepreneurial intention is -0.03; and between fear of entrepreneurship and entrepreneurial intention is -0.04.

Table 4

Path Coefficients

	Seek for opportunities	Fear of entrepreneurship	Entrepreneurial intention
Seek for opportunities	-	-	0.09
Religious dimension	-0.35	-0.24	0.0003

It is clear from Table 4 that the impact of the religious dimension on the entrepreneurial intention is 0.31, and It is significant which leads to the acceptance of the H1 hypothesis. The direct impact of religious dimension on seek for opportunities is -0.35 and the impact of this last on the entrepreneurial intention is 0.09, which makes the indirect impact (-0.03) and is insignificant, so H2 is rejected. The impact of the religious dimension on fear of entrepreneurship is -0.24 and the impact of this last on the entrepreneurial intention is 0.0003, which makes the indirect impact (0) and is insignificant, so the substitute hypothesis H3 is refused.

Limitations

The research studied the impact of the religious side on the entrepreneurial intention of students, but did not study the impact of other sides, such as environment, education, formation, training, and social factors in creating projects, which opens doors for future studies that may discuss the other sides of this study.

Conclusions

The study of the factors that have an impact of the entrepreneurial intention helps in the creation and development of the enterprise and the execution of projects that have a role in the construction of development, according to the privacies and the customs of the entrepreneurs. The religious dimension is considered as one of the factors that have a great impact on individuals' orientations and wishes towards realizing their own projects.

After authors have presented the most important results of the questionnaire passing by descriptive analysis till PLS methodology, they have arrived to a set of results, concerning the problematic of the research and its hypotheses which can be stated as follow:

- There is a direct, significant, and positive effect to the religious dimension on the entrepreneurial intention;
- Fear of entrepreneurship and seek for opportunities are not intermediate variables between religious dimension and the entrepreneurial intention.

The result of the study shows a positive impact of religious dimension on the entrepreneurial intention, which works with the reality, where a lot of the entrepreneurial projects that have a big impact and benefits on the development of societies may fail because of the contradiction of its conditions with the religious beliefs in Islamic societies (credit with interests, irreligious entrepreneurship contracts). So, in order to create more projects and encourage the entrepreneurial intention, government, in Arabic countries, should use substitute programs that work with the Islamic economy, other than classic models of capitalism, in the creation of enterprise.

References

- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50, 179-211.
- Boudabbous, S. (2011). L'Intention Entrepreneuriale Des Jeunes Diplomes. *Revue Libanaise de Gestion et d'Economie*, 4(6), 1-20.
- Gartner, W. B. (1993). Words lead to deeds: Towards an organizational emergence vocabulary. *Journal of Business Venturing*, 8(3), 231-239.
- Gasse, Y., & Richard-Marc, L. (2006). *Les Intentions Entrepreneuriales Des Étudiants Post-Secondaires De La Gaspésie Et Des Îles-De-La-Madeleine*. Retrieved from http://www.researchgate.net/profile/Yvob_Gasse/publication/237238681
- Guechtouli, W., & Guechtouli, M. (2014). *L'entrepreneuriat en Algérie quels enjeux pour quelles réalités?* Retrieved from http://www.ipag.fr/wp-content/uploads/recherche/WP/IPAG_WP_2014_150.pdf
- Guerrero, M., Rialp, J., & Urbano, D. (2008). The impact of desirability and feasibility on entrepreneurial intentions: A structural equation model. *Journal of International Entrepreneurship and Management*, 4, 35-50.
- Jaziri, R. (2009). Une vision renouvelée des paradigmes de l'entrepreneuriat: Vers une reconfiguration de la recherche en entrepreneuriat. *Colloque International sur Entrepreneuriat et Entreprise: Nouveaux enjeux et nouveaux défis*. Gafsa, Tunisie.
- Jean-Pierre, B., Barthélémy, C., & Sandrine, E. (2009). Les déterminants de l'intention de créer une entreprise chez les étudiants: Un test empirique. *Management*, 12(1), 28-51.
- Johannisson, B. (2003). La modernisation des districts industriels: Rajeunissement ou colonisation managériale? *Revue Internationale PME*, 16(1), 11-41.
- Koubaa, S. (2011). L'intention entrepreneuriale des étudiants au maro : Une analyse par l'approche pls. Proceedings from 7ème Congrès de l'Académie de L'Entrepreneuriat et de l'Innovation, Paris, France.

- Krueger, N. F. (1993). The impact of prior entrepreneurial exposure on perceptions of new venture feasibility and desirability. *Entrepreneurship, Theory and Practice*, 18(1), 5-21.
- Krueger, N. F., & Brazeal, D. (1994). Entrepreneurial potential and potential entrepreneurs. *Entrepreneurship, Theory and Practice*, 18(3), 91-104.
- Krueger, N. F., & Carsrud, A. L. (1993). Entrepreneurial intentions: Applying theory of planned behaviour. *Entrepreneurship and Regional Development*, 5(4), 315-330.
- Lee, L., Wong, P. K., Foo, M. D., & Leung, A. (2011). Entrepreneurial intentions: The influence of organizational and individual factors. *Journal of Business Venturing*, 26, 124-136.
- Maâlej, A. (2013). Les déterminants de l'intention entrepreneuriale des jeunes diplômés. *La Revue Gestion et Organisation*, 5(1), 33-39.
- Obschonka, M., Silbereisen, R. K., & Schmitt-Rodermund, E. (2010). Entrepreneurial intention as developmental outcome. *Journal of Vocational Behavior*, 77, 63-72.
- Shapiro, A., & Sokol, L. (1982). *Social dimensions of entrepreneurship*. Englewood Cliffs: Prentice-Hall.
- Venkatarama, S., & Shane, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25(1), 217-226.
- Verstraete, T., & Fayolle, A. (2005). Paradigmes et entrepreneuriat. *Revue de l'Entreprenariat*, 4, 33-52.