



## Religion, social class, and entrepreneurial choice



David B. Audretsch<sup>a</sup>, Werner Bönte<sup>b</sup>, Jagannadha Pawan Tamvada<sup>c,d,\*</sup>

<sup>a</sup> Institute for Development Strategies, Indiana University, Bloomington, IN, United States

<sup>b</sup> Schumpeter School of Business and Economics, and Jackstädt Center of Entrepreneurship and Innovation Research, University of Wuppertal, Germany

<sup>c</sup> Faculty of Business and Law, University of Southampton, United Kingdom

<sup>d</sup> Centre for India and Global Business, University of Cambridge, United Kingdom

### ARTICLE INFO

#### Article history:

Received 7 February 2011

Received in revised form 13 June 2013

Accepted 17 June 2013

Available online 2 August 2013

Field Editor: J.J. Chrisman

#### Keywords:

Religion

Social class

Entrepreneurial choice

Occupational choice

Entrepreneurship

### ABSTRACT

While considerable concern has emerged about the links between religion and economic growth, little is actually known about how religion and social class impact the decision making of individuals. Using institutional theory and social dominance theory, this paper examines the influence of religion and social class on individuals' occupational choices. Based on a large-scale database from India, this paper finds that while some religions are relatively conducive to self-employment, some others have a negative impact on self-employment choices. Furthermore, individuals belonging to social classes that are lower in the social hierarchy are less likely to be self-employed. The role of both religion and social class in influencing the likelihood of choosing self-employment suggests an important link between religion, social class, and occupational decision-making.

© 2013 Elsevier Inc. All rights reserved.

### 1. Executive summary

This paper explores the relationship between religion, social class, and occupational choice. By linking the self-employment choice of individuals to their religion, the paper empirically investigates whether or not individuals adhering to different religions differ with respect to their probability of becoming self-employed. Furthermore, the paper examines whether individuals' self-employment choices depend on their social class, as recent studies show that social hierarchies are related to religion (Davidson and Pyle, 2011).

Referring to the institutional theory (Bruton et al., 2010; Scott, 1995, 2007), this paper argues that religion affects engagement in entrepreneurship in the form of self-employment. From an institutional theory perspective, even when the regulatory environment facing individuals of different religions is the same, the normative and cognitive dimensions differ significantly between the religions, and these give rise to institutional profiles that are either conducive or not conducive to self-employment. While some religions give rise to institutions that facilitate and promote self-employment, others give rise to institutions that have adverse effects on self-employment choice.

Furthermore, religion is closely associated with social stratification in a number of contexts, and the impact of religion on self-employment may differ across different social groups. In particular, individuals belonging to groups lower in the social hierarchy are more likely to be constrained from becoming self-employed if they are unable to access the networks and resources that are available to groups higher in the social hierarchy.

\* Corresponding author at: Faculty of Business and Law, University of Southampton, Highfield Campus, Southampton, SO17 1BJ, United Kingdom. Tel.: +44 023 8059 8968; fax: +44 023 8059 3844.

E-mail addresses: [jp.tamvada@soton.ac.uk](mailto:jp.tamvada@soton.ac.uk), [jptamvada@gmail.com](mailto:jptamvada@gmail.com) (J.P. Tamvada).

We develop a conceptual framework using institutional theory and social dominance theory, and derive hypotheses linking religion, social class, and occupational choice. We test the hypotheses using a large-scale database obtained from a nationally representative survey conducted in India. The empirical results presented in this paper provide several important insights that are of broad interest to the entrepreneurship literature on self-employment. The results strongly support the view that religion has an important role in shaping individual occupational decision-making. The role of religion in shaping the institutional environment and individuals' decisions is central to explaining these compelling results.

While the institutional profiles of some religions, like Hinduism and Buddhism, restrict self-employment, the institutional profiles of Islam and Jainism encourage self-employment activities. Furthermore, the results suggest that Christianity has no impact on self-employment. In the Indian context, this result may be attributed to large-scale religious conversions of individuals from socially backward classes of Hinduism to Christianity.

We further examine the impact of one of the most rigid forms of social class structures found in the world, the Indian caste system, on occupational choice. Elements of the caste system like the superiority of some castes are found in the social hierarchies around the world. Caste is easier to identify empirically, while the heredity of caste ensures that it is exogenous. The empirical results suggest that individuals belonging to socially lower castes are least likely to become self-employed.

Hence, the results of this paper suggest that elements of religion and the social class need to be explicitly considered in understanding what influences entrepreneurship in the form of self-employment. Although the findings suggest that religion and social class have an impact on the probability of being a self-employed entrepreneur, the results should be interpreted as prima-facie evidence concerning this relationship. Future research can take this forward by investigating the role of religion in influencing the psychological traits of individuals, the role of geographic location, the impact of religious conversions, and the motivational or discriminatory nature of these effects.

## 2. Introduction

“And yet, for the most part, management researchers have stubbornly refused to engage meaningfully with religion and religious forms of organization, or to consider the effects of religious beliefs and practices on secular organizations. Of course, there are some important exceptions. .... However, these debates have largely taken place outside the major journals, and can hardly be said to have permeated thinking on management and organization. .... Moreover, the existing literature focuses overwhelmingly on Western Christianity, and seldom examines other faiths or parts of the world.” (Tracey, 2012, *Academy of Management Annals*, p. 88)

Although the life of a large proportion of the world's population is greatly influenced by religious beliefs, religion is only beginning to receive attention in top tier management journals (Tracey, 2012). Studying the consequences of religion has a long history in disciplines like sociology and economics. In *The Protestant Ethic and the Spirit of Capitalism*, Max Weber (1905) stated that the Protestant ethic was an important determinant of economic progress. In the *Wealth of Nations*, Adam Smith (1863) analyzed the economic consequences of religious beliefs. More recently, interest in the role of religion has found a wave of resurgence in scholarship (Iannaccone, 1998; Smith, 2008), and empirical studies increasingly suggest that economic outcomes are related to religious beliefs (Barro and McCleary, 2003; Guiso et al., 2006; McCleary and Barro, 2006).

A small but growing body of literature has started to examine the role of religion for self-employment (Minns and Rizov, 2005), and perceptions about entrepreneurs in different religions (Carswell and Rolland, 2007). The literature has also examined the role of religion in immigrant groups (Choi, 2010; Essers and Benschop, 2009), and the effect of religiosity on entrepreneurial attitudes (Drakopoulou Dodd and Spearman, 1998) and economic growth (Barro and McCleary, 2003; Galbraith and Galbraith, 2007). However, most of the studies are either purely anecdotal (Ryman and Turner, 2007), descriptive (Carswell and Rolland, 2007), restricted to one or two religions (Choi, 2010; Essers and Benschop, 2009; Minns and Rizov, 2005), historical (Minns and Rizov, 2005), or based on small databases (Drakopoulou Dodd and Spearman, 1998). This paper aims to provide a comprehensive understanding of the link between religion, social class, and self-employment, using the theoretical lens of institutional theory and social dominance theory, and a large-scale, nationally representative database of individuals.

We deal with two important questions here: Are some religions more conducive to entrepreneurship in the form of self-employment than others? Does social class influence an individual's decision to become a self-employed? Religion is closely associated with social stratification in a number of contexts. For example, Davidson and Pyle (2011) suggest that religion has played a compelling role in the formation of social class structures in America. In the Indian context, one of the most rigid forms of social class structures, the caste system, is closely linked to Hinduism. For these reasons, the impact of both religion and social class is examined here.

Self-employment is not synonymous with entrepreneurship, but it is often used as a proxy for entrepreneurship (Parker, 2009). Shane and Venkatraman (2000) define entrepreneurship as a process whereby “opportunities to create future goods and services are discovered, evaluated, and exploited”. Other scholars claim that the creation of new enterprises lies at the heart of entrepreneurship (Gartner, 1988; Low and MacMillan, 1988; Shook et al., 2003). However, more broadly defined, entrepreneurship also comprises self-employment and independent business ownership (Parker, 2009). This article contributes to the entrepreneurship literature on self-employment (Parker, 2009), and to the emerging body of literature linking entrepreneurship and religion (Drakopoulou Dodd and Spearman, 1998; Minns and Rizov, 2005).

متن کامل مقاله

دریافت فوری ←

**ISI**Articles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات