Doing business for heavens sake

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Doing Business for Heaven's Sake

Studies on the Relationship between Religiosity and Socially Responsible Business Conduct

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Doing Business for Heaven's Sake

Studies on the Relationship between Religiosity and Socially Responsible Business Conduct

Proefschrift

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door

Cornelia Mazereeuw – van der Duijn Schouten
geboren op 4 oktober 1976 te Amsterdam.

Voor Wim

Acknowledgements

Contents

"With more people becoming open about their spirituality (…) it would make sense that, along with their briefcases and laptops, people would start bringing their faith to work."

(Business Week, November 1st, 1999, p.1)

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Study Design

Summary

In this chapter I introduce the subject of this thesis: the relationship between religion and corporate social responsibility. After an introduction, I present an overview of existing research on this relationship. In Section 1.3, I present a definition of the core concepts of this thesis: religion and corporate social responsibility. Following this, I develop the conceptual framework and related research questions that form the starting point for my empirical examination of the relationship between religion and corporate social responsibility. Section 1.4 describes the research samples and methodology. The closing section of this chapter presents an overview of the structure and contents of this thesis.

1.1   Introduction

In March 2009, in the midst of the financial and economic crisis, six experts in leading positions in Dutch society argued that Christian values might be a solution to the current crisis.[1] They made an appeal on Christian values such as modesty, solidarity and helpfulness. Immediately after the publication of this statement, many readers of the newspaper in question tumbled over each other to declare it is indecent to publicly proclaim this Christian opinion.[2] These readers particularly had difficulties with the combination of the leading public positions of the authors and the evident Christian belief they testified in the article concerned. In a response to all the comments of these readers, Bovenberg and Van der Donk argue: "In the Netherlands, it sometimes seems as if the field of sciences is reserved for freethinkers and atheists who consider us, as soon as we use the word God, as intruders in their territory".[3] This argument is illustrated by recent research of the Roosevelt Academy, in which researchers conclude: "Strict Calvinists feel themselves misunderstood in today's society: 87% of the respondents (strict Calvinists, CM) believe that in today's society, there is less and less understanding for the Christian lifestyle" (Oomen, Guijt, Meijvogel, Ploeg and Rijke, 2009).

The hostile response of the readers of the newspaper in question forms an illustration of the negative feelings towards religiosity that seem to be dominant within Dutch society nowadays. Especially since "9-11" and the murder of Van Gogh[4] in 2004, religion is associated chiefly with fundamentalism, violence and repression. This is also illustrated by the stance of Dooremalen (Dutch philosopher), who argues that religious belief leads to more evil than good.[5] On the other hand, a positive relationship between religion and societal issues is proclaimed by individuals, such as the six authors of the above mentioned article and others, such as Suk (chairman of CBMC The Netherlands), and Tiggelaar (independent researcher, writer and trainer).[6] A positive relationship between religion and societal issues such as a decrease in criminality, drug use and alcohol addiction has also been proved by scientists (Iannaccone, 1998). In his Lionel Robins Lecture, Layard states that one of the most robust findings of happiness research is the fact that people who believe in God are happier.[7] Thus the influence of religion on society is probably more nuanced compared to the public opinion within Dutch society on this relationship.

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[1] A. Bakas (Trend watcher), M. Barth (Chairman of Mental Health The Netherlands), L. Bovenberg (Professor of economics), J. Hol (Director communications), D. Terpstra (Chairman of the Council for Higher Vocational Education) and W. van der Donk (Chairman of the Scientific Council for Government Policy) in NRC Handelsblad, 2009 March 23.

[2] www.nrcnext.nl/blog/2009/03/25/jezus-loodst-ons-de-crisis-door.

[3] NRC Handelsblad, 2009 March 30.

[4] T. (Theo) van Gogh was a Dutch film director, film producer, columnist, author and actor. Van Gogh produced the film Submission, about the treatment of women in Islam. Some claimed the film was critical of Islam. On November 2nd 2004, he was assassinated by Mohammed Bouyeri, a Dutch-Moroccan Muslim.

[5] NRC Handelsblad, 2008 December 20.

[6] www.volkskrant.nl/archief_gratis/article989731.ece/Christen_ben_je_overal,_ook_op_het_werk and www.refdag.nl/artikel/1404799/Ons+gedrag+draait+om+ik+hier+en+nuquot.html.

[7] http://cep.lse.ac.uk/events/lectures/layard/RL050303.pdf.

Another important issue within Dutch society since the nineties, concerns the social role of companies. By now, many companies share the view that they should conduct their business in a manner that demonstrates consideration for the broader needs of society. This is commonly labeled "corporate social responsibility" (CSR). In 2001, the Dutch State Secretary of Economic Affairs, Ybema, stated: "In the Netherlands and elsewhere on the Continent then, CSR is definitively a current trend" (Social and Economic Council, 2001, p.1). And it still is. As reported by 'CSR the Netherlands', in 2008 CSR was *again* a well known notion among Dutch entrepreneurs.[8] Nowadays, there is a growing interest in renewable energy, energy savings, sustainable purchasing, transparency, and the concept of 'cradle to cradle'. Another example of CSR is the continuing trend of sustainable savings and investments. Within the Netherlands, sustainable savings increased 26 percent in 2007, compared to 2006, resulting in ten billion sustainable savings. In the same period, regular savings increased six percent, indicating a relative rise in sustainable savings. In the same period, sustainable investments increased 17 percent, while regular investments decreased five percent.[9]

There is a broad interest in CSR. Governmental institutions, both at the national and the international level, non-governmental organizations, trade unions, individual companies and consumers; all seem to be interested in CSR. But although the interest in and valuation of CSR may be impressive, when it comes to the effective implementation of CSR in business practices, there seems to be a large gap.[10] Therefore, governments and social groups try hard to advance CSR. When it comes to motivating executives to contribute to CSR, there are three main motives that can be addressed (Social Economic Council, 2001).[11] First, a legal motive, addressing what an executive *must* do because of legislation, regulations, and public expectations. Secondly, a financial motive, addressing what an executive *finds profitable* to do, hence serving the interest of the own company, for instance by improving its reputation. Thirdly, an idealistic or intrinsic motive, expressing what an executive *should* do from personal conviction or for ethical reasons.

The third motive provides a link between CSR and the societal role of religion discussed above. For religious executives, the idealistic motive to contribute to CSR will, among other things, be based on their religious belief. For example, Jewish executives may contribute to CSR because God has obligated people to, while Protestant executives may contribute to CSR because that is the appropriate way to respond to what God is doing to sustain the world (Herman, 1997). In general, religion provides specific reinforcements and punishments in order to foster moral behavior (Pichon, Boccatto and Saroglou, 2007). Religious texts often include values, laws and norms with respect to economic life that stimulate executives to behave socially responsible. For example, the Torah proclaims tenets requiring fairness, equal treatment, and honesty, such as: "You shall not falsify measures of length, weight, or capacity. You

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[8] www.mvonederland.nl/nieuwsteontwikkelingen/standvanzakenvanmvo/2008.

[9] Duurzaam Geld Gids 2008, goed sparen, beleggen, verzekeren en lenen in Nederland (Sustainable Money Guide 2008, good saving, investing, assurance and lending within the Netherlands) retrieved at www.duurzaam-ondernemen.nl/detail_page.phtml?page=dggids.

[10] www.mvonederland.nl/nieuwsteontwikkelingen/standvanzakenvanmvo/2008.

[11] Throughout this thesis, I will use the term 'executives', denoting CEO's, director owners, and other managers at senior positions within the organization.

shall have an honest balance, honest weights, an honest ephah, and an honest hin" (Dorff, 1997).[12] The Bible calls people to love their neighbors, also in business. This means "to do justice, to love kindness, and to walk humbly with your God" (Chewning, Eby and Roels, 1990).[13] The Koran condemns cheating and lying and commands businessmen to be honest in all their dealings and transactions (Mushtaq, 1995). Thus, religion may be an important motivational driver of CSR. The core research question of the studies presented in this theses, is *whether and how religion influences CSR*. In Section 1.3, this research question will be addressed in more detail.

Answering the question whether and how religion influences CSR is not only important because both issues are topical, but also for three other reasons. First, for religious executives themselves it is important to see how their religion influences their own business behavior. Religion constitutes such an interwoven part of a person, that executives might not see what influence their religion has on their behavior. This influence can be inspiring as well as provoking. On the one hand, religion may inspire executives to bring in practice religious values, such as stewardship, charity, clemency, and righteousness. On the other hand, religious values such as honesty, fairness, and moderation may be not in accord with business values, such as profit maximization, resulting in business dilemmas. Besides, some executives may encounter difficulties in translating their "belief-on-Sundays" into acting at their workplace. For those, who find it difficult to translate their religion into business behavior, it might be helpful to get more insight into the relationship between religion and CSR, because CSR forms a unique chance for just these executives. The principles of CSR correspond with central values of the main religions, such as justice and integrity. Therefore, CSR might offer valuable clues for religious executives to translate their religious values into business values and practices. Secondly, as mentioned above, for governments and social groups it is important to know whether and how religion influences CSR. Governments and social groups try to advance CSR, but it seems to be difficult to reach the decision making heart of the company. For those executives who are religious, their religion may form a portal to advance their contribution to CSR. If religiosity influences executives' CSR, governments and social groups may search for opportunities to motivate executives to contribute to CSR in terms of their religion. Thirdly, as stated before, there is a negative attitude towards religiosity within (Dutch) society nowadays. Religiosity seems to be associated chiefly with fundamentalism, violence and repression, although others proclaim a positive relationship between religion and societal issues. Clarifying the relationship between religion and CSR may affirm the negative public perception of religion, but may also reveal a positive influence of religion, rehabilitating the value of religion for society as a whole, including businesses.

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[12] Leviticus 19: 35-36.
[13] Micah 6: 8.

1.2   Review of Existing Research

As argued before, religion may be an important motivational driver of CSR. In order to position my research in the field of existing research, I first present a review of existing research on the motives for CSR. Next, I will discuss the findings of existing empirical research on the motives for CSR. The review of existing research on the motives for CSR shows that religion has not been discerned as an explicit motive for CSR. Nevertheless, quite a lot of research has been done on the influence of religion on business conduct. In the last part of this section, I present an overview of this field of research.

Motives for CSR

Locket, Moon and Visser (2006) present a magnificent overview of existing research in the field of CSR. Based on a sample of 176 articles, they find that 53 percent of the articles has been based on empirical research. This empirical research has been overwhelmingly of a quantitative nature. Most of those empirical inquiries focus on the effects of CSR, such as the relationship between CSR and financial performance. The question why executives might contribute to CSR remains underexposed. Also Campbell (2007) argues that little attention has been paid to understanding why or why not corporations act in socially responsible ways. The strong focus of existing empirical research on the relationship between CSR and its (financial) effects, seems to suggest that executives are primary driven to CSR by financial motives: engaging in CSR because of a direct impact on profitability. But, although many researchers contend that financial reasons are important motives for CSR, others argue that intrinsic motives are still powerful drivers of CSR (Hahn and Scheermesser, 2006; Heslin and Ochoa, 2008).

In a recent article, Brown, Vetterlein and Roemer-Mahler (2010) categorize the various existing theoretical explanations for answering the question why corporations do engage in social and environmental initiatives. They present four categories of explanations: the external structure of the firm (competitive landscape, national institutions, global institutions and public norms), external actors (pressure from NGOs, pressure from international organizations and actions of competitors), the internal structure of the firm (organizational structure, corporate culture and nature of the firm's business) and internal actors (managers' values and beliefs, manager's leadership and manager's abilities). My research focuses on the fourth set of explanations: the influence of executives on CSR. Individual executives are important to explain CSR since decisions about social activities are made by individuals within the company. Formal ethics policies are often ineffective if they are not supported by leaders of the organization, both on the executive and supervisory level (Trevino, Hartman and Brown, 2000). As argued by Handy (2003), the best way to get companies to behave in socially responsible ways, is to motivate their executives to do so.

Of the three aspects of agency distinguished by Brown, Vetterlein and Roemer-Mahler (managers' values and beliefs, manager's leadership, and manager's abilities), I particularly focus on executives' values and beliefs. Personally held values and beliefs of executives influence CSR in two ways. First, they inform the decision of the managers themselves. McWilliams and Siegel (2001) illustrate how the business strategies of companies that are well known for their social engagement (i.e. Ben and Jerry's

Ice Cream, The Bodyshop, and others) were both informed by market considerations *and* the personal values of senior managers. Secondly, personal values of managers influence the CSR of the company by changing the corporate culture and the attitudes and values of employees. Collier and Esteban (2007) find, for example, that the commitment of employees strongly depends on the extent to which social activities are championed by the organization's management.

Empirical Findings

One of the few empirical studies on the motives for CSR has been carried out by Brønn and Vidaver-Cohen (2009). They examined a sample of 1644 Norwegian companies with over 50 employees. They asked executives what they perceive as the primary reasons for their company's engagement in activities that benefit society from a list of sixteen motives. They find that the company's long-term interest and image feature among the most frequently three reasons. Nevertheless, many other extrinsic motives rank very low, such as creating financial opportunities (rank 12), meet shareholder demands (rank 14) or avoid regulation (rank 15). Intrinsic motives are often ranked high, such as be recognized for moral leadership (second rank) and personal satisfaction (fourth rank). These findings indicate that both extrinsic as well as intrinsic motives do influence company's engagement in CSR, but with a predominance of extrinsic motives.

Also Lougee and Wallace (2008) indicate that companies use CSR mainly as a strategic instrument. They examined two samples of companies, the S&P 500 and Domini 400, and used quantitative measures of corporate social performance for a period of 15 years. These measures cover both strengths (strong social performance) and concerns (weak social performance) for each company. In order to disentangle the influence of intrinsic and extrinsic motives, they make an important assumption, namely that companies that are intrinsically motivated are more likely to make investments in both increasing their strengths and decreasing their concerns with respect to their social performance. In contrast, companies that approach their social responsibility from a strategic point of view, would only be concerned with maximizing the profit from their social investment. According to Lougee and Wallace, this suggests giving priority to extending their strong social performance, while subordinating their efforts to address their social performance concerns, because the latter is likely to be very costly. A correlation analysis shows that social performance strengths are positively related to the social performance concerns, suggesting that most companies are extrinsically motivated to invest in CSR.

A third empirical study on motives for CSR has been carried out by Graafland and Van de Ven (2006). They examined a sample of 110 Dutch companies, of which 48 large companies (more than 100 employees) and 62 small companies. In this study the extrinsic motive for CSR is measured on a five points Likert scale based on the response to the proposition: "Our firm's efforts with respect to CSR will have a positive influence on our financial results in the long term". The intrinsic motive is measured with the respondents' response on the proposition: "To behave in a responsible way is a moral duty of businesses towards society". Graafland and van den Ven correlate these responses with the respondents' self-perceived contribution to CSR. They find that the contribution to CSR is positively related to the

intrinsic motive, but no significant relation is detected between CSR and the extrinsic motive. After specifying several dimensions of CSR, i.e. five stakeholder dimensions (employees, customers, suppliers, competitors and society) and an instrumental dimension (the use of corporate social responsibility instruments such as a code of conduct, ISO certification and social reporting), they find that the strategic motive has a significant positive influence on employee and customer related aspects of CSR, but none of the other dimensions. Considering the specified dimensions of CSR, the intrinsic motive has a significant positive influence on employee and customer related aspects, and on the use of CSR-instruments.

The inconsistencies between the results of these three studies on the motives for CSR may well be explained by differences in measures for motives as well as for CSR, by differences in samples (the three cited empirical researches with respect to motives for CSR have been carried out in Norway, the U.S., and the Netherlands respectively), and differences in, or lack of, control variables in the quantitative analysis. On account of the existing empirical examinations of the motives for CSR, I conclude for now that both, extrinsic as well as intrinsic motives, drive CSR, although it is not clear what motive has the strongest influence. Religion can be seen as an intrinsic motive for CSR, but has not explicitly been discerned as a motivational driver of CSR in existing research.

Religion and CSR
During the last decade, a multitude of scholars has published about religion in business (e.g. Angelidis and Ibrahim, 2004; Cash and Gray, 2000; Epstein, 2002; Garcia-Zamor, 2003; Giacalone and Jurkiewicz, 2003; Siu, Dickinson and Lee, 2000; Uddin, 2003). The journals Business Ethics Quarterly (1997, iss. 1) and Organization (2003, iss. 2) dedicated a special issue to this topic. Nyenrode Business University instituted a Business Spirituality Chair in May 2006 and in 2000, the Academy of Management started a new interest group "Management, Spirituality and Religion".

Despite of all these efforts, the relationship between religion and CSR is rarely investigated. Research on the influence of religion on business typically addresses legal and ethical aspects of the expression or suppression of religion in organizations, normative works applying religious principles to questions of business ethics, analysis of religious institutions that invoke elements of organizational sociology, or the relation of religion to extra-organizational categories of economic activity (Weaver and Agle, 2002). As stated by these authors: "Missing is any thorough understanding of how religiosity actually might affect a manager's ethical behavior".

One of the scarce studies explicitly examining the relationship between religion and CSR results in the finding that religion *may play* a significant role in shaping individual perceptions of CSR (Brammer, Williams and Zinkin, 2007). The conclusion is only tentative and the research focuses on perceptions and not on behavior. If we expand CSR to the more general field of business ethics, much more academic research can be found. But the outcomes form an indistinct picture, mainly because there are major contradictions in the results of empirical research. Some researchers find a positive influence of religion on business ethics, others find no evidence of the influence of religion on business ethics, and again others find a negative influence of religiosity (Weaver and Agle, 2002).

Weaver and Agle (2002) mention three reasons for these widely different findings. First, most empirical research has been performed with undergraduate or MBA students. Using a sample of students yields unreliable data, since students cannot reliably evaluate their actual business behavior in the future. They can only make hypothetical projections of their future business behavior as if they had occupied the position of an executive. Sonnenfeld (1981) also suggested that those who are distant from the pressures of the marketplace attribute differently compared to those who are close to it. Secondly, most scholars focus on attitudinal measures of business ethics. These measures may suffer from social desirability bias, which can be reduced by using behavioral measures. Thirdly, scholars make use of widely varying definitions and measures of religion. Some of them measure religion in terms of affiliation, others in terms of more general categories of religion, again others in behavioral terms, and others focus on the motivational orientation a person takes towards a religion. Guiso, Sapienza and Zingales (2003) add a fourth reason for the widely different findings: most research about religion and business ethics has been done by cross-country studies, in which the impact of religion is confounded by differences in other institutional factors.

Overlooking the existing literature on the relationship between religion and business ethics, it is hard to create a coherent view. A lot of research has been done, but the outcomes contradict each other. Focusing on the relationship between religion and CSR yields hardly any academic research outcomes until now. *This thesis tries to fill this gap in the existing academic literature and aims to unravel the relationship between religion and CSR.* In my research, I will make four improvements on existing academic research in this field. First, my empirical research will be based on samples consisting of executives from industry instead of students. Secondly, I will measure CSR not only in attitudinal, but also in behavioral terms. Thirdly, I will define and measure religion as a multidimensional concept. And fourthly, taking into account the remarks of Guiso, Sapienza and Zingales, my empirical study will be limited to one country, minimizing cultural and institutional differences within the sample. And although the findings based on a national sample may be not unpretentiously generalized to other countries, it is worth carrying out a particular study on the relationship between religion and CSR within one country. My study will be limited to the Netherlands, particularly because this country is characterized by considerable heterogeneity in religiosity. Moreover, the distinction between religious and non-religious people is not as blurred as in other countries: the members of a religious denomination in the Netherlands are usually true believers (Renneboog and Spaenjers, 2009).

1.3   Conceptual Framework

There are two core concepts in the central research question, i.e. religion and CSR. I define these concepts in this section. Following the definition of the core concepts, I present the conceptual framework and related research questions that form the starting point of my empirical research on the relationship between religion and CSR.

Defining Religion

The definition of religion has occupied the minds of scholars for a long time. As a result, there is a multiplicity of definitions of religion (Platvoet and Molendijk, 1999). Each definition highlights other aspects. While some definitions emphasize the relationship with (a) transcendental being(s),[14] other definitions emphasize the social,[15] psychological,[16] cultural,[17] or philosophical[18] character of religion.[19] As Berger (1967) argues, definitions of religion are neither "true" nor "untrue", but only are more or less useful. Molendijk (1999) also points in this direction, when he suggests that we should be suspicious of all universal definitions of religion. But, on the other hand, I cannot do without a frame of reference defining what is relevant and what is not relevant concerning my field of research. Following Molendijk (1999), I will take a pragmatic approach to the definition of religion, looking to the usefulness (and not the truth) of definitions of religion.

Religion is a way of thinking, acting, feeling and relating (Pargament, 1997). As stated by Pargament, religion is first and foremost a way of thinking. This is expressed by the definition of religion by Peterson (2001, p. 5) that I will take as a starting point in defining religion: "Religion is an orienting worldview that is expressed not only in beliefs, but also in narratives and symbols. More than this, religion orients action, and any genuine religious tradition necessarily is concerned with normative behavior, whether ethical or religious in character". This definition of religion is useful for my research because it explicitly relates religion to behavior, thereby covering the subject of my research, namely the relationship between religion and CSR. The emphasis of this definition is on the cognitive aspect of religion, but the aspects of acting, feeling and relating are missing. In the definition presented by Argyle and Beit-Hallahmi (1975, p. 1), religion is explicitly posed as a way of thinking and a way of acting, when they define religion as "a system of beliefs in a divine or superhuman power, and practices of worship or rituals directed to

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[14] E.g. "Religion is the function to overcome human finiteness by postulating something or someone that is assumed to be beyond this finiteness" (Borg, 1999 p. 403); and "Religion is the inner experience of the individual when he senses a Beyond, especially as evidenced by the effect of this experience on his behavior when he actively attempts to harmonize his life with the Beyond" (Clark, 1958, p. 22).

[15] E.g. "Religion is an institution consisting of culturally patterned interaction with culturally postulated superhuman beings." (Spiro, 1966 p. 96); and "A religion is a unified system of beliefs and practices relative to sacred things, that is to say, things set apart and forbidden – beliefs and practices which unite into one single moral community called a Church, all those who adhere to them" (Durkheim, 1912, cited from Hanegraaff, 1999, p. 344).

[16] E.g. "Religion is the realization of faith" (Zock, 1999, p. 454).

[17] E.g. "Religion is a system of symbols which acts to establish powerful, pervasive, and long-lasting moods and motivations in men by formulating conceptions of a general order of existence and clothing these conceptions with such an aura of factuality that the moods and motivations seem uniquely realistic" (Geertz, 1966 cited from Jensen, 1999, p. 410).

[18] E.g. "Religion is a set of coherent answers to the core existential questions that confront every human group, the codification of these answers into a creedal form that has significance for its adherents, the celebration of rites which provide an emotional bond for those who participate, and the establishment of an institutional body to bring into congregation those who share the creed and celebration, and provide for the continuity of these rites from generation to generation" (Bell, 1980, p. 333).

[19] For an overview and discussion of definitions of religion, I suggest "The pragmatics of Defining religion, contexts, concepts and contests" edited by Platvoet and Molendijk (1999).

such a power". In the definition by Peterson, action is oriented by religion. The definition by Argyle and Beit-Hallahmi includes religious actions as an aspect of religion. These actions are intertwined with the relational aspect of religion, as expressed by Hood, Hill and Spilka (2009, p. 19) when they state: "Religion connects individuals with each other and their groups; it socializes members into a community, and concurrently suppresses deviant behavior". The aspect of religion as a way of feeling refers to the experience of the sacred or some spiritual force that is expressed by the definition of religion by Clark (1958, p. 22): Religion is the inner experience of the individual when he senses a Beyond (…)". If I take the core of the definition by Peterson and add the aspect of acting, relating, and feeling, I can define religion as: *an orienting worldview that is expressed in beliefs, narratives, symbols, and practices of worship; it is an inner experience of the individual, connects individuals with each other and orients their actions*.

In the further elaboration of the concept of religion, I follow Cornwall, Albrecht, Cunningham and Pitcher (1986). These authors consider religion as a complex phenomenon consisting of cognitive (thinking), affective (feeling) and behavioral (acting) components. The cognitive component (the "worldview" in the definition by Peterson, that is also called "ideology", "orthodoxy" or "creedal assent") is about *what* someone beliefs. First, it covers a view on a transcendent being, its nature and character, and its interaction with humans (Baaren and Leertouwer, 1980). Secondly, the cognitive component of religion covers a view on human nature. People's expectations of others, as well as of themselves, will be influenced by their religious beliefs. For example, Calvinism, a movement within the Protestant religion, stresses the sinful nature of human beings. As a result, the relationship with God, other human beings and nature is disturbed and human beings will never realize a perfect society (Jongeneel, 1996). This pessimistic view on the ability of human beings to do well, may lower the expectations of good (business) conduct of other human beings. Thirdly, the cognitive component covers the eschatological expectations with respect to the final destination of human beings. The view on the final destination of human beings in a religious system has major ethical implications (Thakur, 1969). For example, if people believe that heaven can be 'earned' by acting in accordance with the principles prescribed by their religion, they will honor these principles to the best of their ability to earn the reward of eternal life (Voert, 1994).

The affective component encompasses the feelings towards religious beings, objects, or institutions. It reflects the degree to which people are committed to their religion (Praveen Parboteeah, Hoegl and Cullen, 2008). Weaver and Agle (2002) stress the importance of adherents' commitment towards their religion. If believers are highly committed to their religion, religious belief is more likely to be translated into conduct compared to believers who are only superficially committed to their religion.

The behavioral component of religion refers to the aspects of religion that are "acted out" (Cornwall et al., 1986). It is the manifestation of being religious through activities such as church attendance, praying in private, and participating in activities of the religious community. The intensity of religious behavior reinforces the influence of religious belief on business behavior. In religious communities, clergy and experts explain the meaning of sacred texts and communicate the implications of religious belief through shared religious rituals. Participation in a religious community therefore fulfils an important

role in translating religious belief into practice. Also other religious activities, such as private prayer and religious study, can affirm and reinforce expectations with respect to the behavior of believers.

The cognitive elements of religion are intertwined with normative beliefs. Normative beliefs are the values and norms that individuals have internalized and adhere to. When values and norms are internalized, this means that an individual has developed an internal sanction system (Coleman, 1990). If people do not act corresponding the internalized values and norms, they experience discomfort. Internalized values and norms can be obtained from various sources, such as, for example, the upbringing, social relations and someone's religion. A conception of God as just and merciful may generate corresponding values. Likewise, a conception of human beings as being equal to each other, may generate values such as solidarity and fairness.

As the definitions and description of religion presented above show, religion is a complex phenomenon consisting of cognitive, affective, behavioral and normative elements. By means of these elements one might describe the world religions such as Christianity, Islam and Buddhism. In my research, the focus will be on individuals and their personal belief systems that can also be described by these elements. To emphasize the focus on the individual executives and their personal religious beliefs, I will use the word *religiosity* instead of religion.

Corporate Social Responsibility

It is not easy to give a satisfying definition of CSR. In 1983, Goodpaster stated "The subject of corporate responsibility is both difficult and complex" and this is not any better now. As Matten and Moon (2008) state: "CSR is an essentially contested concept,(…) internally complex, and having relatively open rules of application". Since the second half of the 20th century, a long debate on CSR has been taken place. A multitude of terms has been introduced to describe the relationship between business and society. The most well known is CSR, but there are also other terms, such as corporate social performance, corporate citizenship, corporate sustainability, corporate social responsiveness, corporate social involvement, corporate accountability, and stakeholder theory. Each of these has been used to conceptualize the role of business in society, but each concept highlights different aspects. For example, corporate accountability has led to an emerging stream of literature examining the possibility for corporations to audit and report their social, ethical, and environmental performance through new accounting procedures (e.g. Livesey, 2002; Zadek, Pruzan and Evans, 1997). Stakeholder theory addresses the question which groups in society corporations should be responsible to (Donaldson and Preston, 1995). It forms a counter movement to the well known slogan of Friedman (1970): "The social responsibility of business is to increase its profits". Stakeholder theory replaces the shareholder as the only stakeholder of the company by a plurality of stakeholders, such as employees, customers, and suppliers besides the shareholders. The debate on corporate social performance, as a last example, has focused on the outcomes of CSR (Swanson, 1995; Wood, 1991).

The common idea put forward in various definitions of CSR is that companies should conduct their business in a manner which demonstrates consideration for the broader social environment in order

to serve constructively the needs of society. This is articulated by the definition of CSR as given by the Dutch Social and Economic Council (Social and Economic Council, 2001, p.17-18): "CSR is the conscious direction of business activities towards creating value in three dimensions in the longer term: not only in terms of financial-economic variables, such as profitability and share value, but also in ecological and social sense". Just like the definition of religion, I will not argue the truth of this definition. Taking a pragmatic approach again, this definition is very useful as a frame of reference defining what is relevant and what is not concerning my field of research. Moreover, this definition by the Social and Economic Council is authoritative and well known within the Netherlands.

The definition by the Dutch Social and Economic Council implies three important notions of CSR. First, CSR is not restricted to a small set of (philanthropic) activities, but encompasses the core business of a company. Second, no sharp distinction is made between what law requires and the other activities of the company. This is important because a major driving force behind CSR lies in compliance by the company with legal obligations (Social and Economic Council, 2001, p.16-17). A third crucial aspect of CSR, which remains implicit in the definition cited above (although the Social and Economic Council pays much attention to this in the further elaboration of this definition), is the relationship of the company with its stakeholders and society at large. Because of the importance of the notion of stakeholders, I will explicitly add this notion, leading to the following definition of CSR: *CSR is the conscious direction of business activities towards creating value in economic, ecological and social sense in the long term, while being accountable for their impact on all relevant stakeholders.*

Because the research I will carry out is empirical, the further elaboration of the concept of CSR is at least as important as the definition of CSR. Because I will measure CSR in attitudinal as well as in behavioral terms, it has to be elaborated at both levels. When it comes to the attitudinal level, one of the most well known elaborations is Carroll´s (1979) CSR model, distinguishing four types of responsibility for the corporation: the economic responsibility to be profitable; the legal responsibility to abide by the laws of society; the ethical responsibility to do what is right, just, and fair; and the philanthropic responsibility to contribute to various kinds of social, educational, recreational, or cultural purposes. This elaboration of CSR remains close to the definition of CSR as formulated by the Social and Economic Council. It includes philanthropic activities as well as the core business of companies (being profitable); it includes, but is not limited to the compliance to law; and it embraces a large group of stakeholders, such as shareholders, governmental institutions, and social groups, regarding their economic, legal, ethical and philanthropic responsibility respectively. I will use this elaboration of CSR at the attitudinal level. But, following the criticism of Weaver and Agle (2002), an attitudinal elaboration of the concept is not sufficient; I also need a behavioral elaboration of CSR. In this respect, I will make use of the stakeholder model, distinguishing behavioral measures with respect to the attendance of interests of the stakeholders of the company, such as employees, suppliers, customers, competitors, the government, and society at large.

The focus of the definition by the Social and Economic Council and of the elaborations of CSR is on the entity of the corporation. But, in order to be a socially responsible organization, corporations should model their decision-making on the responsible individual (Goodpaster, 1983). As argued in Section 1.2, individuals within the company are essential in realizing CSR. In my study on the relationship between religiosity and CSR, I will focus on executives, because of their high hierarchical level within the company. In most firms, the chief executive has the most power (Hambrick and Mason, 1984). Consequently, executives have a high level of discretionary authority to determine the social strategy of their firm (Buchholtz, Amason and Rutherford, 1999). Thus, executives have great potential to define and implement CSR within the organization. Therefore, I need a term that covers this focus on the individual social business conduct of executives. Nevertheless, because I will focus on individuals at a high hierarchical level within the organization, the individual business conduct of these executives can become part of, and contribute to the social performance of the entire organization. As stated by Goodpaster (1983): "Individuals make corporate policy decisions, of course, but these decisions are not merely personal – they are choices made for and in the name of the corporation". Therefore, I will use the term socially responsible business conduct (SRBC) instead of CSR. Whereas CSR can only be applied to corporations, SRBC can be applied to both, the individual as well as the organizational level (Bakker, Groenewegen and Den Hond, 2005; Frooman, 1997).

Conceptual Framework and Research Questions

After defining the concepts of religiosity and SRBC, my core research question can be reformulated as follows: *Does religiosity influence executives´ socially responsible business conduct and if so, how can this influence be specified?*

Because religiosity as well as SRBC is a complicated and multidimensional concept, this research question has to be refined into several sub-questions to create increasing insight into the relationship between religiosity and SRBC. Unraveling the concept of religiosity (see Figure 1.1), leads to a series of research questions. Concerning the first aspect of religiosity, the conception of God, one might ask what conception of God do executives have? Is there a relationship between executives' conception of God and their stand in business? Does the conception of God inspire executives to contribute to SRBC?

If one considers another cognitive aspect of religiosity, for example normative convictions, another set of research questions arises: Do religious values lead to business dilemmas? Are the religious values of executives compatible with their business values? If the religious values of executives collide with their business values, what values are given priority? Likewise, all other aspects of religiosity lead to a new set of detailed research questions.

But not only religiosity can be differentiated, I can also focus on aspects of SRBC (see Figure 1.2). If the religiosity of executives influences their SRBC, what kind of SRBC are we talking about? Does it influence their perception of SRBC? And if so, does religiosity lead to an emphasis on the financial, the legal, the ethical or the philanthropic attitude towards SRBC? And does religiosity (also) influence the actual behavior of business executives with respect to corporate social responsibility? And if it influences their actual behavior, what kind of SRBC is encouraged and what kind of SRBC is discouraged?

Figure 1.1   **Unraveling religiosity**
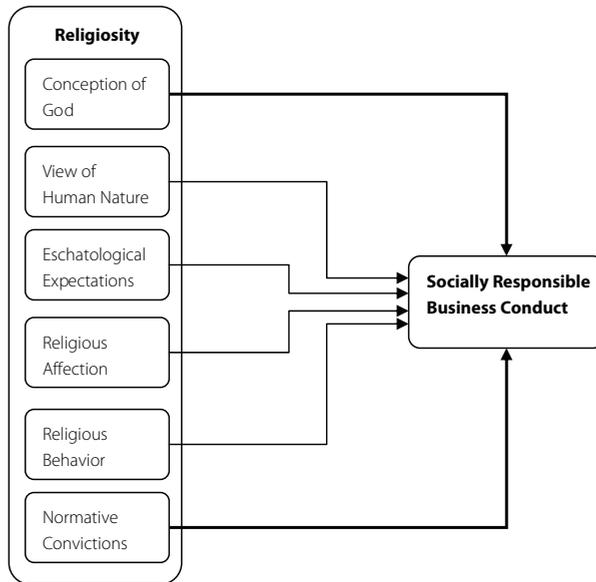
Figure 1.2   **Unraveling SRBC**
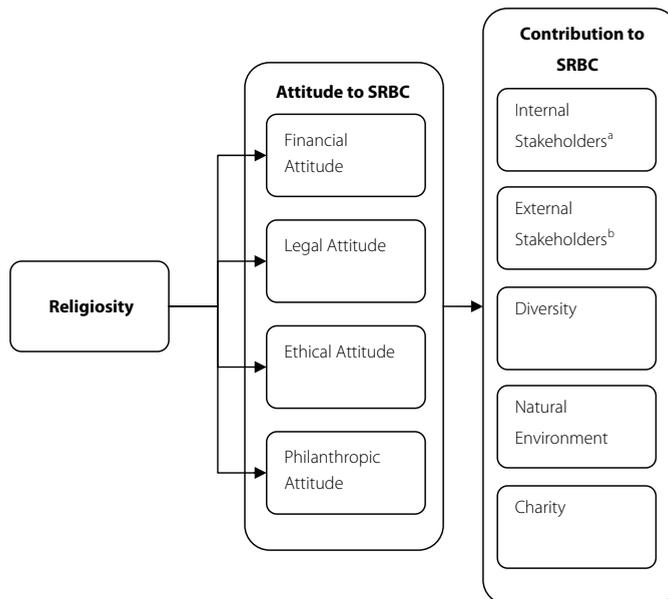
[a] Internal stakeholders are, for example, managers and employees.

[b] External stakeholders are, for example, customers, suppliers and competitors.

Finally, the research question can be differentiated based on the research sample. One might question whether Christianity influences an executives' SRBC. But what if I focus on Islamic executives? What does the Islamic religion teach about doing business? Are the principles of Islam reconcilable with the principles of the Western concept of SRBC? Does the Islamic belief inspire executives to contribute to SRBC? And if so, what sort of SRBC is most advanced by the Islamic belief? In the next chapters, these research questions will be answered, finally leading to an answer to the question whether and how religiosity influences executives' SRBC.

1.4   Samples and Methodology

In this section I describe the research samples and methodology I used to empirically examine the relationship between religiosity and SRBC. My empirical research started with a qualitative examination of the relationship between religiosity and SRBC. Next, I carried out a complementary study on the relationship between Islam and SRBC. The third part of my research concerns a quantitative examination of the relationship between religiosity and SRBC that will be described in the last part of this section.

Qualitative Examination of the Relationship between Religiosity and SRBC
As stated before, research on the relationship between religiosity and SRBC is quite new and cannot build on an existing coherent body of research. Therefore, the first step of my research is explorative in nature. I carried out in-depth interviews with twenty executives from different industries and with different religious backgrounds. The interviews were partially structured with the help of an interview protocol to increase their comparability. For the interviews, I selected executives because of two reasons. First, by interviewing practicing executives instead of undergraduate or MBA students, I collected reliable data, not based on hypothetical projections, but based on daily business practice. Secondly, I focused on executives because they have a high level of discretionary authority to determine the social strategy of their firm. This focus on executives enhances the validity of my research findings and increases the likelihood that it will receive serious consideration by policy makers and practitioners (Loe, Ferrell and Mansfield, 2000).

The aim of the interviews was twofold. On the one hand, it allowed me to explore the topic of research in practice in addition to the theoretical explorations. The interviews offered a rich qualitative insight into the role of religiosity in business for the interviewed executives, as will be described in Chapter 2 and Chapter 4. On the other hand, the interviews were a very valuable instrument for the development of a questionnaire in order to empirically investigate the relationship between religiosity and SRBC on a large scale. By means of the interviews, I had the opportunity to explore measures, scales and terms to be used to measure religiosity. If the interviewees did not understand the questions or measures used during the interview, I had the opportunity to seek, in interaction with the interviewees, for other formulations for the same concepts. In this way, I avoided the use of vague questions in the questionnaire that could lead to misinterpretation by the respondents.

Islam and SRBC

The in-depth interviews pointed out that Muslims use different concepts and expressions to express their religious belief compared to Christians. Therefore, I carried out a separate examination on the relationship between Islam and SRBC. Based on the in-depth interviews (where also two Islamic executives were included in the sample), I developed a questionnaire specifically suitable for Islamic executives. In particular, the questions with respect to the religious belief of the respondents were adapted. For example, Islamic executives do not speak about God, but about Allah. And instead of asking about visiting religious meetings, I asked them more specifically about visiting a mosque on Fridays.

Because Islamic executives have a low degree of organization, I decided to search for Dutch Islamic executives on the internet and to ask them in advance, before sending them a questionnaire, if they were willing to participate in this research. The executives who promised their cooperation, were sent a questionnaire. Finally, 48 Islamic executives completed a questionnaire. Based on this sample, a separate analysis of the relationship between Islam and SRBC was conducted (as described in Chapter 3).

Quantitative Examination of the Relationship between Religiosity and SRBC.

The quantitative examination of the relationship between religiosity and SRBC formed the last empirical step in my research. Based on the in-depth interviews, I developed a set of hypotheses about the relationship between religiosity and SRBC. In order to test these hypotheses, I needed a more comprehensive sample than could be attained by in-depth interviews, which are very time-consuming. Therefore, based on the interviews and by means of several existing scales to measure religiosity and SRBC, I developed a questionnaire. The questions regarding religiosity were based on Christian religion when it comes to terminology and expressions, because the main religion within the Netherlands is Christianity. Moreover, most people within the Netherlands who are otherwise religious or not religious at all, are familiar with Christian expressions because of the Christian tradition within the Netherlands. This was clearly illustrated by the in-depth interviews during which several Christian expressions, such as ´inclined to good or evil´, ´predestination´, and ´heaven, hell, and purgatory´ were fully understood by all interviewees. After developing the questionnaire, it was pre-tested with twelve executives as a final test before sending it to the aimed sample. The questionnaires were sent to the executive members of the three largest non-sector specific Dutch employers' organizations. Of the 2,500 distributed questionnaires, 473 were completed and returned.

The main religion within the Netherlands, as well as in the world, is Christianity (see Figure 1.1). This is reflected by my research sample consisting of 66% Christians, although the percentage of Protestants in my research sample is relatively high (48% while the other 18% percent Christians within my sample is Roman Catholic). This is due to the fact that two of the three employers' organizations in my research have a Protestant identity, thereby attracting Protestant members. The percentage of non-religious executives in my research sample is relatively low (11%). The remaining 23% of my research sample held other religions (e.g. Zen meditation) or combined aspects of several religions. The Christian identity of the employers' organizations thus has led to a bias in the research sample. This was intentionally done.

Not only because these organizations were among the three largest non-sector specific employers' organizations within the Netherlands, but also because my subject of research, the relationship between religiosity and SRBC, is better served by a religious sample to be analyzed, compared to a non-religious sample.

Figure 1.3   **Religions in the World and in the Netherlands[20]**
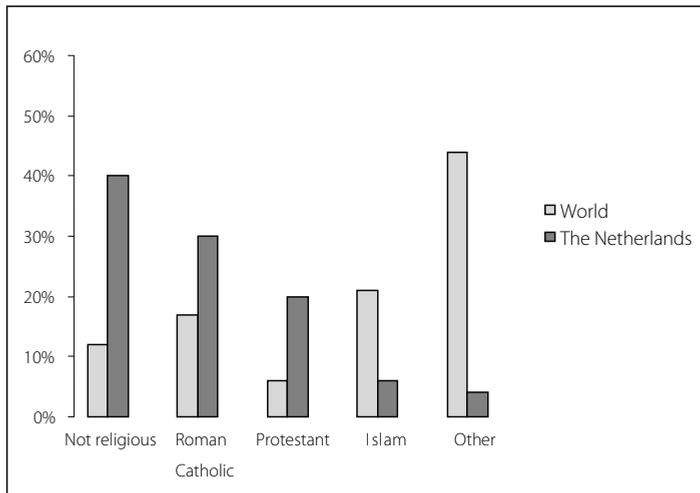
1.5   **Outline of this Dissertation**

This dissertation is a paper dissertation.[21] Therefore, each of the following chapters is based on a separate paper (see Table 1.1) and forms a complete entity that can be read on its own. The papers, although they all revolve around the common theme "religiosity and SRBC", do not explicitly build on each other. Nevertheless, each chapter answers some of the research questions, creating increasing insight into the relationship between religiosity and SRBC. The final chapter forms a discussion chapter, in which the findings are presented and discussed. Based on these findings, I offer recommendations both for practice and for further academic research. In this section I give a short description of each of the following chapters and the research questions they answer.

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[20] CIA The World Fact Book, retrieved on 2009 April 21.

[21] Because each chapter is based on an individual integral paper, there is some overlap between the different chapters.

Table 1.1 Chapters, Research Questions and Original Articles[a]

Chapter	Research Question	Original Title	Published
1 Study Design			
2 Conception of God and SRBC	Does the belief in a supreme power diminish or support SRBC?	Conception of God, Normative Convictions, and Socially Responsible Business Conduct: An Explorative Study among Executives	2007, *Business & Society*, vol. 43 (3), p. 331-369
3 Islam and SRBC	Does the Islamic belief influence executives' SRBC?	Islam and Socially Responsible Business Conduct: An Empirical Study among Dutch Entrepreneurs	2006, *Business Ethics: A European Review*, vol. 15 (4), p. 390-406
4 Religiosity and Business Dilemmas	Is there a relationship between religious belief and business dilemmas?	Business Dilemmas and Religious Belief: An Explorative Study among Dutch Executives	2006, *Journal of Business Ethics*, vol. 66 (1), p. 53-70
5 Religiosity and SRBC	Whether and how does religiosity influence executives' SRBC?	Unraveling the Relationship between Religiosity and Socially Responsible Business Conduct	In review process
6 Findings, Discussion, Implications and Further Research			

[a] For a complete list of publications as a result of this research, see Appendix A.

The next chapter offers a first inductive exploration of the relationship between religiosity and SRBC. Because religiosity is a complex phenomenon, in this phase of my research I focus on just one aspect of religiosity: the conception of God. Does the belief in a supreme power diminish or support SRBC? I analyze twenty in-depth interviews with executives with different religious backgrounds. I list their conceptions of God and relate these to their values and norms in business. As we will see, a relationship can be discerned between executives' conception of God and their normative convictions. I also find inductive evidence of a relationship between the normative convictions of the respondents and their SRBC, thus implying an influence of the conception of God on SRBC. A statistical analysis shows (under restriction of the small sample) that executives with a monotheistic conception of God display a stronger orientation towards and a higher contribution to SRBC compared to atheistic executives and executives with a pantheistic conception of God. There is only one exception: atheistic executives in this small sample display a higher level of engagement with SRBC in terms of the importance of internal stakeholders.

Chapter 3 presents a complementary study on the relationship between the Islamic religion and SRBC, based on theoretical research as well as empirical research among 48 Islamic executives who completed a questionnaire. In this study, I aim to answer two research questions. First, are the principles of Islam reconcilable with the principles of the Western concept of SRBC? Secondly, does the Islamic

belief influence an executives' contribution to SRBC? As the analysis shows, the economic principles of Islam are fairly comparable to the principles of SRBC, but do not lead to a higher contribution to SRBC by Islamic executives in practice.

In Chapter 4, I examine whether religiosity leads to business dilemmas. Many observers note a troublesome asymmetry between the moral demands made of corporate executives as individuals and the decision-making imperatives that a purely market-based ethics imposes on them in their work life (Goodpaster, 1983). If the values of religiosity are diverging from the common values of the business someone is in, religiosity may lead to business dilemmas. As Van Oord (chairman of a major dredging company in The Netherlands) argues: "Based on my belief, I would like to make other choices, but in practice these are not achievable".[22] These observations lead to the question whether there is a relationship between executives' religiosity and the business dilemmas they face. In order to answer this question, I first develop a framework for analyzing business dilemmas in terms of moral, religious and practical values. By means of this framework, I analyze twenty in-depth interviews with executives from diverse religious backgrounds. In particular, I list and analyze their business dilemmas and the way they handled these. As we will see, specifically religious values do seldom lead to business dilemmas.

The qualitative explorations lead to the conclusion that there seems to be a relationship between the religiosity of executives and their contribution to SRBC. To affirm these findings, I analyze a more extensive sample. Therefore, in Chapter 5, I focus on the main research question, does religiosity influence executives' SRBC, by analyzing a sample of 473 executives. The analysis will reveal that, although religiosity seems to have no influence on SRBC in general, there is a 'hidden' influence of religiosity on SRBC. This influence can be shown by analyzing different aspects of SRBC instead of treating SRBC as one factor. Considering SRBC at the attitudinal level, the analysis shows a negative influence of religiosity on the financial motive for SRBC and a positive influence of religiosity on the altruistic motive for SRBC. Considering SRBC at the behavioral level, the analysis shows a negative influence of religiosity on SRBC in terms of diversity (e.g. the integration of minorities into business) and a positive influence of religiosity on SRBC in terms of charity.

In the closing chapter, the findings are presented and discussed. Based on these findings, I offer some recommendations, both for practice and for further academic research.

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[22] Reformatorisch Dagblad (Reformed Daily), 2008 February 8, p. 13.

"God gave me my money. I believe the power to make money is a gift from God, to be developed and used to the best of our ability for the good of mankind."

(John D. Rockefeller, 1905)

2

Conception of God and Socially Responsible Business Conduct

Summary

This chapter focuses on the relationship between executives´ conception of God and SRBC. Based on in-depth interviews with twenty Dutch executives from different religious backgrounds, I find much inductive evidence of a relationship between their conception of God, values and norms, and SRBC. A statistical analysis shows (under restriction of the small sample) that executives with a monotheistic conception of God display a stronger orientation towards and a higher contribution to SRBC than atheistic executives and executives with a pantheistic conception of God. Although there is an exception: atheistic executives display a higher level of engagement with SRBC in terms of the importance of internal stakeholders.

2.1   Introduction

A growing body of literature can be found that emphasizes the importance of personal belief systems and values in business (Badaracco, 1997; Ciulla, 1998; Kaptein, 2005; Sims and Brinkmann, 2002; Treviño, Hartman, and Brown, 2000). Personal belief systems and values are often related to the religious background of business people (Abeng, 1997; Fort, 1996, 1998; Frederick, 1994; Fry, 2003; Mitroff and Denton, 1999). A number of empirical studies have been conducted to examine the relationship between religion and business ethics (Agle and Van Buren, 1999; Angelidis and Ibrahim, 2004; Giacalone and Jurkiewics, 2003). The findings suggest that religiosity does not necessarily lead to higher levels of ethical business behavior. Some studies show a negative correlation between religiosity and ethical business behavior, while others show a positive relationship (Weaver and Agle, 2002). Agle and Van Buren (1999), for example, found a slight, positive correlation between religious belief and the attitude towards SRBC.

One explanation as to why religious belief might not enhance SRBC is that the belief in a supreme power affects organizations in a number of unhealthy and unproductive ways. Pava (2003), for example, argues that a belief in the supernatural (including the intervention of supernatural powers and reliance on miracles) leads to a passive attitude, radicalism (the ends justify the means since the ends are metaphysically ordained), and coercion (other individuals ultimately need to be converted). Instead, Pava argues for a pragmatic spirituality defined in exclusively human terms. It is a spirituality of becoming aware of who we are, how we came to be, who we are becoming, and how to get there. From this perspective, religious belief in the organizational context amounts to a belief in and commitment to the realization of the corporate vision. This type of spirituality allows one to look imaginatively at the world, from other peoples' perspective, and to focus on what is reasonably attainable rather than ideal. It enhances and deepens the ability to communicate with others. Pragmatic spiritual people find ways to bend the rules and regard compromise as the highest form of leadership and creativity.

In view of these arguments, the central research question of this chapter is formulated as follows: "Does the belief in a supreme power diminish or support SRBC?". This question is researched by exploring the relationship between executives' conception of God, their normative convictions (i.e. dominant end, values and norms), and SRBC. Including the conception of God as a component of religiosity, instead of restricting religiosity to standard parameters such as affiliation with a specific religious institution, attendance of religious services or gatherings, and time spent on private devotions, allows me to conduct a more thorough analysis of the complexity of religiosity among business people. As Weaver and Agle (2002) note, conceptualizing and measuring religiosity in terms of easily observable behavior such as church attendance, risks missing potential motivational and cognitive differences.

The methodology employed in this chapter differs in a number of respects from most other studies on the relationship between religiosity and business conduct. First, whereas most studies have been conducted in the US (e.g. Mitroff and Denton, 1999; Nash, 1994; Worden, 2003), the sample used in this chapter is from the Netherlands. Secondly, whereas the samples of most studies (e.g. Angelidis and Ibrahim, 2004; Conroy and Emerson, 2004; Kennedy and Lawton, 1998) consist of undergraduate

or MBA students, my sample comprises senior executives with a high level of discretionary authority to determine the social strategy of their firm. Thirdly, both interviews and questionnaires are used in this study. While the interviews focused on the participants' religiosity, the questionnaires concentrated on their view on and perceived contribution to SRBC. The advantage of interviews is that it is a flexible method that allows to probe the answers of respondents which in turn sheds light on underlying motives and perceptions (Emans, 2004). In order to limit social desirability bias, the questionnaires were circulated four months after the interviews.

The structure of this chapter is as follows. The next section presents the conceptual framework. Section 2.3 introduces the research methodology. Section 2.4 characterizes the religious belief of the interviewees and describes the relationship between their conception of God, normative convictions and business conduct. The final section of this chapter presents the main conclusions on the relationship between the conception of God and SRBC.

2.2   Conceptual Framework

Religious belief encompasses conceptions of God, man and his ultimate destination, as well as conceptions of nature (Brümmer, 1982). Because of the complexity of religious belief, this chapter focuses on one central component, namely the conception of God. Fry (2003) places the notion of God as a higher power on a continuum from atheism (God does not exist) to pantheism (God is everywhere; all is good and grounded in joy, peace and serenity). Monotheism, or theism, lies at the centre of this continuum. It differs from pantheism and atheism in that it conceives of both man and nature as dependent on God their creator and conceives of God as engaged in purposive combat with evil tendencies in the world. In monotheistic belief systems (Christianity, Judaism and Islam) there is only one God. God is perceived as a personal being. The human 'I' is confronted with the divine 'Thy'. In a pantheistic belief system God is not attributed human characteristics. Instead, God is perceived as a divine ectoplasm that permeates the whole world. According to the pantheist, the nature of God is diminished if he is personified. The pantheist believes that God transcends this human form. God does not shape the world from beyond, but permeates it from within.[23]

Besides descriptive elements, religiosity also contains normative elements; a dominant end, values and norms. Brümmer (1982) argues that norms and values are hierarchically structured. We justify each norm or value by referring to a higher value. For example, the norm to reduce the environmental impact of production processes can be justified by referring to the value of a healthy environment for present and future generations. The highest values cannot be justified by an appeal to even higher values. They refer to an entity or to an ideal – the so-called dominant end - that determines the lower values or norms. For example, Christians and Jews may ultimately invoke God's command that humans act as stewards of the environment, while Muslims may invoke Allah, Hindus Nirvana and non-religious humanists the autonomy of human beings. Accordingly, Rawls (1999) observes: "Thus Loyola holds that

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[23] Since none of the interviewees believed in polytheism, I did not pursue it within the context of this chapter.

the dominant end is serving God. He is consistent in recognizing that furthering the divine intentions is the sole criterion for balancing subordinate aims. It is for this reason alone that we should prefer health to sickness, riches to poverty, honor to dishonor, a long life to a short one, etc." (p. 486).

Normative convictions do not only consist of notions of the good and what should be done to attain the good, but also of perspectives on the type of character traits that should be developed to realize the good. Solomon (1992) defines these traits as virtues. For example, Roman Catholics may stress the virtue of generosity (to promote the value of community), while Protestants may stress the virtue of diligence (to promote the value of welfare) (Tropman, 1995). Virtues are sometimes also referred to as modal values (Jeurissen, 2000). Since the concepts of virtues and values are often highly intertwined I do not draw a distinction between the two.

In this chapter, I focus on the conception of God and analyze its relation to the dominant end, subordinate values and norms, and SRBC. Although the citation of Rawls may suggest that religious belief directly affects individual values and norms and hence conduct, there are several reasons to assume that this relationship is more diffuse in practice. First, the meaning of the dominant end is not entirely clear-cut as the divine revelations are not wholly accessible to natural reason. In other words, the will of God always remains shrouded in mystery. Secondly, in practice people do not always reflect on the coherence between their religious beliefs and values and are therefore not aware of the implications of their highest values for the lower values and concrete norms (Guth and Tagiuri, 1965). Thirdly, people may also lack the ability to apply values to different contexts. Often, people are capable of valuing something in a particular way only in a social setting that upholds norms for that mode of valuation, producing segmentation of different areas of life (Anderson, 1993). People develop different selves through participation in different kinds of social relations. According to symbolic interaction theory, people occupy multiple social positions, each with its own unique set of role expectations (Mead, 1981). The business context also has its own set of behavioral expectations (Donaldson and Dunfee, 1999; Kaptein and Wempe, 2002; Nash, 1990). The individual's self-identity will thus typically be multifaceted.

According to Weaver and Agle (2002), the influence of religious belief on behavior is moderated by identity salience. Identities can be ordered in a salience hierarchy, indicating the importance of a particular identity in the self's constitution. The more salient an identity, the more likely its activation in social situations, and the more likely that behavior will be guided by the role expectations associated with that identity. It is possible that the salience of the religious identity is related to the intensity of various kinds of religious practices, such as the intensity of praying and participation in communal religious activities. In religious communities, the implications of the highest value of the metaphysical being for lower values are often communicated through shared religious rituals and by clergy and experts explaining the meaning of sacred texts. The sacred texts often include general values or more concrete rules and laws which enable religious people to identify the nature and will of the metaphysical being. The community therefore fulfills an important role in translating religious belief into values, norms and actual behavior. Similarly, devotions – private prayer, religious study and so forth - can affirm and reinforce the role expectations of a given religion. In addition, Weaver and Agle (2002) stress the importance of

the motivational orientation of adherents toward their religion. If an individual is intrinsically motivated (i.e. treats religious belief as an end in itself), the religious convictions and norms are more likely to be translated into conduct. Individuals who are extrinsically motivated (i.e. religion is treated as useful in procuring other benefits) are more prepared to depart from the role expectations of their religion. In the context of secularized Dutch society, it is likely that intrinsic motivation is also related to the intensity of (personal) prayer and participation in communal religious activities. Because traditional patterns of communal religious activities have diminished, those who do partake in the activities of their religious community tend to be more intrinsically motivated.

Figure 2.1 Conceptual Framework Connecting the Conception of God, Normative Convictions and SRBC
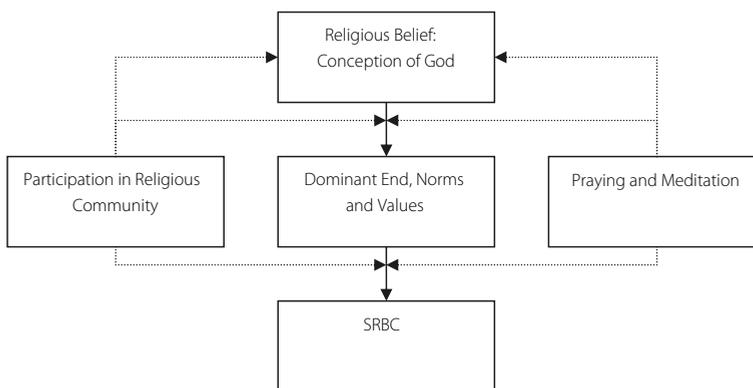
Besides the religious community, the internal and external organizational context may also influence the beliefs, values and behavior of managers and employees. According to Weaver and Agle (2002) this may be true particularly for managers who are climbing the career ladder. Such managers are under additional pressure to please their bosses and conform to their moral ethos. To get ahead, managers need a strong personal network within the organization, especially with those higher up in the hierarchy. As more time is spent building networks within the organization, less time remains to invest in relationships in other networks, including those of other believers. On the other hand, those that reach the top of the organization have the power to define organizational values and norms and therefore have greater scope to put their religious convictions into practice. However, self-identity can change so much in the course of climbing the career ladder that the salience of the religious identity can become quite marginal (cf. Clinard, 1983; Jackall, 1998). Although very relevant, studying the impact of the organizational context on the beliefs of executives falls beyond the scope of this chapter. I minimized the impact of the organizational context on the belief of the interviewees by focusing on those persons within the organization who have the most authority in the firm (i.e. corporate executives).

The hypotheses that form the starting-point of my research on the question whether the belief in a supreme power diminishes or supports SRBC, are presented in Figure 2.1. I expect that the belief in a metaphysical being will have normative implications for the dominant end, values and norms of executives, which will in turn affect executives' SRBC. The intensity of the belief in a metaphysical being and its impact on normative convictions and conduct will be related to participation in communal religious activities and to the intensity of praying or meditation.

2.3   Sample and Methodology

In my examination of the relationship between the conception of God, normative convictions and SRBC, I interviewed twenty Dutch executives. I focused on executives because of their level of autonomy and discretionary authority to develop the social strategy of their firm (Buchholtz, Amason and Rutherford, 1999; Hambrick and Mason, 1984; Lerner and Fryxell, 1994; Werbel and Carter, 2002). The interviews of approximately two hours per person were recorded and transcribed. The content of each interview was subsequently independently analyzed by two researchers with reference to a fixed set of questions. If the two of us did not agree with each other, the third researcher did analyze the concerning part of the interview to come to a final decision. The last column of Table 2.1 shows that the agreement in the coders' classification of aspects of the religion of the interviewees varied between 70 and 100 percent.

Table 2.1 Classification of Aspects of Religion

Subject	Question	Answer options			Agreement between Coders[a]
		Value: 0	Value: ½	Value:1	
Belief in God	Do you believe in God?	No (atheism)		Yes	100%
Monotheistic versus pantheistic	Do you believe in God as an external being with whom one can communicate?	No (pantheistic)		Yes (monotheistic)	70%
External source of values	Who sets the standard for good and evil?	Man	God and man	God and/or religious texts	85%
Intensity of praying	How often do you pray to God?	Infrequently / very rarely	Not daily, but at least once a week	Daily	80%
Intensity of Zen meditation	How often do you meditate?	Infrequently / very rarely	Not daily, but at least once a week	Daily	100%
Participation in religious activities	How often do you attend meetings of your religious group?	Infrequently / very rarely	Once or twice a month	Frequently	80%

[a] In 16 cases the differences in estimated value was only .5, in one case its value was 1.

Research Sample

To ensure the study's inclusiveness, I selected a cross-section of executives that is representative of the main religious belief systems in the Netherlands. The sample consisted of three Roman Catholics,

eight Protestants,[24] five practitioners of Zen meditation, two Muslims, one Jew, and one Atheist.[25] The practitioners of Zen meditation often uphold a mixed belief system which combines elements of Christianity (Protestant or Catholic) and Buddhism. The names and addresses of the interviewees were made available by the Dutch employer's organization VNO-NCW. Most interviewees were male (95%) and highly educated. Table 2.2 portrays relevant background characteristics of the interviewees.

The advantage of in-depth interviews is that they allow a very detailed analysis of the topic of research (Emans, 2004). This is especially important for this research, since religious belief is often highly complex and cannot readily be categorized. The diversity of religious beliefs (even within one denomination) therefore requires a detailed understanding of the executives' religious belief. Another reason for conducting in-depth interviews is that this research is explorative in nature and still in the theory-building phase.[26] In this phase, in-depth interviews offer insight into certain typologies and relationships that might enrich the conceptual framework and hypotheses before testing them on a larger scale.

In-depth interviews also have several disadvantages (Emans, 2004). First, because of the labor-intensiveness of this research method, the size of the sample is much smaller than other research methods such as questionnaires would allow. The outcomes of the interviews can therefore not be regarded as representative. Care should thus be taken in interpreting the outcomes and, given the explorative nature of this study, the findings should be tested on a larger scale.

Another disadvantage of in-depth interviews - which also holds for questionnaires - is that, to a certain extent, the data collected reflect the perceptions of the respondents rather than their actual conduct. This, in part, is inherent to the research subject (i.e. personal religious belief). Since perceptions are personal, it is difficult to test the relation between individually held beliefs and business conduct in a more objective manner.

Another consideration to take into account regards the potential for social desirability response bias (Treviño and Weaver, 2003). I explained at the beginning of each interview that the content of the discussion was confidential and to be used for research purposes only. I stated my intention to publish the findings, but gave my assurance that the identity of the participants would remain anonymous. The executives who were interviewed thus had little reason to present a more favorable picture of themselves than they knew was the case. Their response to the question at the end of the interview regarding their experience of the discussion also indicates that they were honest and sincere in their response. Several executives spontaneously remarked that they were amazed at their own honesty. Moreover, during the interviews the executives raised several dilemmas and cases of violations of social norms and laws. As the disclosure of such information deviates strongly from what is generally regarded as a socially desirable response, the honesty of the respondents seems beyond doubt.

[24] The group of Protestant participants consisted of two Calvinist, two Evangelicals, and four other Protestant executives.
[25] See Herman (1997) for an introduction to the similarities of and differences between western religions.
[26] Weaver and Agle (2002) also point out that given the minute amount of existing research on religion's impact on ethical behavior in organizations, much research in this area will need to be of a qualitative, concept- and theory-building character.

Table 2.2 Background Characteristics of Interviewees

	Characterization of Religious Belief	Number of Subordinates	Function in Current Job	Education Level[a]	Age	Sex	Sector
1	Roman Catholic	1,200	CEO	University	58	Male	Insurance
2	Roman Catholic	200	Director	High	53	Male	Construction
3	Roman Catholic	500	Director-owner	High	54	Male	Consumer products
4	Protestant	130	General director	High	51	Male	Construction
5	Protestant	165	Managing director	High	42	Male	Consultancy
6	Protestant	320	General director	University	45	Male	Consumer products
7	Protestant	500	Director-owner	High	69	Male	Electronics, software and services
8	Protestant	40	Partner-owner	Secondary	67	Male	Agriculture
9	Protestant	55	Partner-owner	University	42	Male	Accounting
10	Protestant	170	Director	High	40	Male	Consultancy
11	Protestant	120	Director	University	52	Male	Communications and media
12	Zen (and Protestant)	38	Director-owner	High	43	Male	Consultancy
13	Zen (and Catholic)	35	Partner-owner	University	47	Male	Finance
14	Zen (and Protestant)	10,000	CEO	University	57	Male	Finance
15	Zen (and Protestant)	1,100	CEO	High	40	Male	Healthcare
16	Zen (and Catholic)	35	Managing director	Secondary	48	Male	Healthcare
17	Muslim	16	Managing director	University	53	Male	Electronics
18	Muslim	30	General director	Secondary	42	Male	Food
19	Jewish	3	Director	University	55	Male	Real estate
20	Atheist	35	Director	High	51	Fem.	Consultancy

[a] University means university doctoral degree. High means high vocational training. Secondary means secondary vocational training.

Four months after the interviews I sent each interviewed executive a questionnaire that focused more specifically on their views of SRBC and their perceived contribution to SRBC. In this questionnaire, I presented statements derived from the definition of SRBC formulated by the Dutch Social and Economic Council and asked the respondents to what extent they agree with those statements. This definition of SRBC, that has been described and discussed in section 1.3 of this thesis, is well known and authoritative within the Netherlands. By presenting these statements, I offered the respondents an implicit idea of what SRBC means. The time lag between the interviews and the questionnaires reduces the probability of social desirability response bias (Giacalone and Jurkiewicz, 2003), which may arise if religiosity and behavioral aspects are assessed simultaneously.

Finally, I believe that insofar as social desirability response bias might have influenced the responses, the analysis of the relationship between the conception of God and SRBC will not be affected, since there is no reason why executives with a pantheistic religious belief would display a more or less pronounced bias than managers with a monotheistic or an atheistic belief system.

Interviews Focusing on Religiosity

In order to obtain a detailed understanding of the executives' conception of God and their normative convictions, I posed four types of questions. First, several questions were asked concerning the participants' conception of God, such as: 'Do you believe in God?', 'What is praying?', 'To whom do you pray?', 'What kind of characteristics do you ascribe to God?', and 'Who or what sets the standard for good and evil?' This last question was aimed at establishing whether the participants consider their ethical principles to have a metaphysical or a human origin.

The second set of questions dealt with the intensity of religious belief and participation in activities of the religious community. For this purpose, I asked the following questions: 'If you do pray or meditate, how often do you do so?', 'Do you attend gatherings of your religious community?', and 'If so, how often?' I hypothesize that these factors can be used as a proxy for the salience of and intrinsic motivation for religious belief.

The third category of questions concerned the norms and values for business conduct that the participants derive from their conception of God. The interviewees were also asked to illustrate their answers by giving concrete examples of their business conduct (see Table 2.7).

The fourth group of questions focused on perspectives of the dominant end ('What is the purpose of human life?') and personal ideals ('What are your ideals?'). This set of questions was posed during another phase of the interviews. In this way, I avoided the potential of questions and answers regarding religious belief influencing the discussion of the dominant end and personal ideals. This allowed me to test the coherence between religious belief, the dominant end, and personal ideals.

Questionnaire Focusing on SRBC

The questionnaire focused specifically on the respondents' views of SRBC and their personal contribution to SRBC.[27] The questionnaire consisted of 25 statements which were subdivided into three categories. The first part of the questionnaire pertains to the respondents' general attitude towards SRBC. The second part focuses on the importance of specific aspects of SRBC, and the third part enquires about the executives' own contribution to SRBC.[28] The stance toward SRBC was examined on the basis of the response to four statements such as: 'SRBC has a positive influence on the profits in the long term' and 'To behave responsibly is a moral duty of business toward society'. Agreement with the first statement indicates a positive valuation of the strategic dimension of SRBC; that it is worthy of top management's

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[27] The full questionnaire is available from the author on request.
[28] Henceforth I will use the concept SRBC, but it should be kept in mind that I am studying the perception of executives and not their actual behavior.

Table 2.3 Results of exploratory principal component analysis

	Importance of SRBC towards Employees	Importance of SRBC towards External Stakeholders	View on SRBC	Own Contribution to SRBC
Providing relevant information to others is very important to me	**.79**	.16	-.22	.18
Employee health and safety is very important to me	**.63**	.43	-.09	.02
Offering women equal employment and career opportunities is very important to me	**.89**	.17	.17	-.07
Offering ethnic minorities equal employment and career opportunities is very important to me	**.60**	.41	.35	-.04
Employee participation in company decisions is very important to me	**.89**	-.08	-.01	.15
Supporting local community projects is very important to me	-.10	**.63**	.21	.20
Complying with legal requirements is very important to me	.26	**.69**	.31	-.25
Respecting suppliers is very important to me	.20	**.80**	.30	.21
Respecting customers is very important to me	.37	**.80**	-.05	.27
SRBC has a positive influence on long-term profits	.27	.23	**.76**	.23
SRBC is a moral duty of businesses towards society	-.24	.12	**.90**	-.18
SRBC should be integrated into the corporate strategy	-.01	.22	**.82**	.35
I make a personal effort to enhance my company's social performance	-.05	.26	-.04	**.88**
I have undertaken specific initiatives to foster SRBC in my company	.16	.14	.28	**.78**
Other people in my company regard me as pro-active with respect to SRBC	.09	-.02	.05	**.81**
Initial eigenvalues	5.25	2.71	2.18	1.27
Eigenvalues after rotation sums of squared loadings	3.38	2.81	2.59	2.54
Proportion of total variance	22.53	18.05	17.24	16.93
Cumulative explained variance	22.53	41.25	58.49	75.42
Cronbach´s Alpha reliability	.86	.76	.85	.81

attention and that it should be integrated into the overall strategy of the firm. Agreement with the second assertion indicates an explicitly ethical approach to SRBC. In addition to the questions pertaining to their view on SRBC, I formulated seventeen questions to gauge their valuation of the importance of

other, more specific aspects of SRBC with regard to employees, customers, suppliers, the government, the public at large, and the natural environment. The final part of the questionnaire consisted of four questions about their personal contribution to SRBC. The respondents were asked to indicate on a 5-point Likert-scale to what extent they agreed with each statement (1 = completely disagree; 2 = disagree; 3 = neutral; 4 = agree; 5 = completely agree). All interviewees completed the entire questionnaire.

I conducted an exploratory principal component analysis with varimax rotation on the items of the questionnaire. The factor analysis revealed 4 factors with eigenvalues greater than one. Within these factors, individual items were retained if its loading was greater than .50. Items were eliminated if an item's loading was .45 or greater for more than one factor. Table 2.3 shows the extracted factors, including items, factor loadings, and eigenvalues. The reduced-scale items were then subjected to a confirmatory factor analysis. All factor loadings are significant (Hair, Anderson, Tatham and Black, 1998). The internal consistency of Factor 1 (the importance of SRBC with respect to internal stakeholders, i.e. employees) is equal to .86, of Factor 2 (the importance of SRBC with respect to external stakeholders) is equal to .76, of Factor 3 (the view on SRBC) is equal to .85, and of Factor 4 (the own contribution to SRBC) is equal to .81.

2.4 Findings: Conception of God and Socially Responsible Business Conduct

In this section, I discuss the findings with respect to the relationship between the respondents' conception of God, their normative convictions and their SRBC. First, I describe the respondents' religiosity, their conception of God and their intensity of religious practices. Next, I examine the relationship between respondents' belief in God and their intensity of religious practices. Thirdly, I examine whether there is a relationship between respondents' conceptions of God and their normative convictions. Following this, I examine whether there is a relationship between respondents' normative convictions and their business conduct. In the end of this section, I finally examine the relationship between respondents' religiosity and their SRBC.

Religious Belief and Practices

Table 2.4 summarizes aspects of religious belief as well as the intensity of praying, meditation and participation in communal religious activities. I find that most Roman Catholic interviewees have a theistic conception of God and believe in a personal God. They describe praying as addressing 'the Other', getting focused, and reflecting on that which preoccupies the mind. The being to whom they pray is God or the Trinity (Father, Son and Holy Spirit). Interestingly, the Roman Catholic executives believe that the standard for good and evil is largely determined by man. This may be explained by the fact that Roman Catholics believe that moral principles are self-evident and therefore known by all people (Wensveen Siker, Donaheu and Green, 1991). Another explanation is that the Roman Catholic Church in the Netherlands is characterized by a high degree of pluralism.

The Protestant executives rank relatively high in their belief in a personal God that communicates with people. The standard of good and evil is the will of God. Protestants view the Bible as the supreme authority which reveals God's will and (especially Evangelicals) the workings of the Holy Spirit (Wensveen Siker, Donahue and Green, 1991). The Protestant executives display a high intensity of praying and participation in activities of their religious communities (such as church gatherings). They describe praying as communicating with God, asking Him for support, expressing gratitude, and as having a relationship with God. The entity to whom they pray is the Creator, Father, Holy Spirit, and/or Jesus Christ. One Protestant participant associated praying with contemplation, self-elevation, and reflection on eternal truth.

The interviewees practicing Zen meditation naturally display a relatively high intensity of meditation. In keeping with the Buddhist tradition, most have a pantheistic conception of God, although some of them believe in a personal God. The executives practicing Zen meditation with a pantheistic view meditate to achieve heightened awareness. The other two executives practicing Zen meditation pray to a personal God with relational aspects (i.e. Father, supreme being). [29]

Table 2.4 Conception of God and Intensity of Religious Practices[a]

	Roman Catholic	Protestant	Zen	Muslim	Jewish	Atheistic	Average
Atheism	.00	.00	.00	.00	.00	1.00	.05
Monotheism	.66	.88	.40	.50	1.00	.00	.65
Pantheism	.34	.12	.60	.50	.00	.00	.30
Metaphysical standard of ethics	.33	.69	.30	.25	1.00	.00	.50
Intensity of praying	.50	.82	.40	.75	1.00	.00	.62
Intensity of Zen meditation	.00	.00	.90	.00	.00	.00	.22
Participation in religious community	.67	.75	.50	.75	1.00	.00	.70

[a] The average score varies from 0 (lowest value) to 1 (highest value). For the classification of the individual responses, see Table 2.1. These scores are consequently adapted to reflect the average score of each belief system.

The Muslim participants believe in God, but one of them does not believe in the idea of God as a personal being. He describes Allah as 'a way of life'. Whereas the Koran and the Sunnah are the highest authority of Islam (literally meaning "submission"), the participants are relatively autonomous in determining their values. Both executives attend religious services on Friday, which explains the relatively high intensity of praying and participation in the religious community.

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[29] One of these executives occupies an intermediate position between a monotheism and pantheism. On the one hand, he views God as Father. On the other hand, he also conceives of God as nature and believes that all people have a divine dimension. However, he rejects the idea that 'we are God'. He regards himself as too Calvinistic to accept this pantheistic view. I therefore classified him as a monotheist.

The (Orthodox) Jewish executive displays some similarities to the Protestant executives, for example a strong belief in God, values based on metaphysical standards, and a high intensity of praying and participation in communal religious activities. Orthodox Judaism is a deontological religious belief system. The word of God has direct implications for one's conduct (Herman, 1997). The first five books of the Bible (The Torah) are of great authority.

The atheistic executive does not believe in God and does not pray, meditate or participate in communal religious activities.

Belief in God and the Intensity of Religious Practice

A sample consisting of twenty executives is formally too small to be analyzed by means of statistical methods. Nevertheless, under restriction of the small sample, correlation analysis may offer an indication of how the conception of God, the intensity of religious practices, and SRBC are related. Table 2.5 depicts the correlations between the belief in God and the intensity of praying and participating in the religious community. Since almost all participants believe in God (see Table 2.4), I dropped the atheistic executive and combined 'Monotheism' and 'Pantheism', to form one variable, 'Monotheistic Religious Belief' which is subdivided into two categories: 0 (pantheism) and 1 (theism). The other aspects of religiosity are measured on a scale consisting of three categories (see the classification in Table 2.1). For several aspects, I find significant correlations.

Table 2.5 Correlation between Belief in God and Intensity of Religious Practice

	Metaphysical Standard of Values	Intensity of Praying	Intensity of Zen Meditation	Participation in Religious Community
Monotheistic religious belief	.62*	.84**	-.44	.55**
Metaphysical standard of values		.73**	-.35	.65**
Praying			-.47*	.77**
Zen meditation				-.32

Note: Spearman's rho, * p < .05; ** p < .01.

First, monotheistic executives also tend to believe that ethical standards have a metaphysical origin. Secondly, I find a positive correlation between religious belief and the intensity of praying and the intensity of participation in activities of the religious community (although the latter relationship is not significant). More or less similar patterns are found in connection with a metaphysical standard of values: this aspect is strongly related to intensity of praying and participation in the religious community. This confirms the hypothesis that the conception of God is related to the intensity of praying and participation in activities of the religious community, as depicted in Figure 2.1. The precise nature of the causal relation, however, is uncertain. On the one hand, a belief in a personal God will stimulate prayer and also participation in communities that share and celebrate the belief in a personal God. On the other hand, prayer and frequent participation in a religious community are likely to influence religious belief.

I find an almost inverse relationship between the intensity of Zen meditation on the one hand and the intensity of praying, participation in activities of the religious community, the notion of a personal God and a metaphysical standard of values, on the other hand. Since executives practicing Zen meditation are actively involved in spiritual exercises, but without being restricted by a belief in a metaphysical being, they probably will display the characteristics mentioned by Pava (2003). That is, that they are aware of who they are, how they came to be, who they are becoming and how to get there; and their spirituality allows them to look imaginatively at the world from other peoples' perspectives and focus on what is reasonably attainable rather than what is ideal.

Nature of God and Normative Convictions
Table 2.6 summarizes the relationship between the respondents' views on the nature of God and their normative convictions. This table portrays the relationship between the characteristics ascribed to God (first column) and the answers to three questions: 'How does your view on God relate to your values and norms for business conduct?' (second column); 'What is the dominant end of human beings?' (third column); and 'What are your personal ideals, what do you strive for?' (fourth column).

A first observation that can be made with regard to the connection between the conception of God and norms and values is that executives who describe God in abstract terms with no relational aspects tend to mention individualistic values. Examples include Respondent number 10 (God as 'unfathomable' and values such as 'become who you are, use your talents'), Respondent number 11 ('something you experience' and 'each person has their own task'), and Respondent number 15 ('unity, energy' and 'leading a conscious life').

A second observation is that respondents who stress a caring, relational God often mention corresponding social values. The clearest examples are Respondent number 1 (God as 'comforting, compassionate' and values such as 'giving people a second chance, helping others to flourish, making others happy') and Respondent number 9 ('loving, merciful' and 'caring for people, being full of love, being like God: loving, merciful'). Other examples include God as 'love' and values such as 'good organization with friendly relations' (Respondent number 4); 'merciful' and 'helping others, leniency toward employees' (Respondent number 5); 'love' and 'loving and serving others' (Respondent number 7); and 'loves man' and 'giving others at least three chances' (Respondent number 8).

A third observation is that some executives adopt the characteristics they ascribe to God as ideal for themselves. This is most notable in the case of Respondents number 9 and 12 who formulate their dominant end as 'being like God'.

A fourth observation is that the atheist respondent is, unsurprisingly, the only one who believes that human life has no metaphysically-ordained teleological purpose. This executive stresses the personal responsibility of each individual to give meaning to their life. The values this executive upholds are typically Western values, such as freedom and welfare. In addition, this executive is committed to the value of sustainability. This is in line with the personal dominant end to improve the world.

The fifth observation concerns some other examples showing similarities between the nature of God and the values of the respondents. God as creator is linked to using and developing talents, stewardship, fulfillment of responsibilities, and bringing order and discipline to the organization (Respondents number 1, 7, and 8); God as source of comfort is linked to putting things in perspective (Respondent number 3); God as omniscient is linked to having confidence, seeing the positive side of things (Respondents number 5, and 17); God as providence is linked to letting go (Respondents number 7, and 14); God as father is linked to leadership (Respondent number 6); God as true is linked to being honest (Respondent number 5); God as faithful is linked to keeping agreements, obeying the law (Respondent number 4); God as unpredictable is linked to making your own choices, (Respondent number 10); God as indefinable is linked to having no ideals (Respondent number 11); God as without judgment is linked to self-acceptance (Respondent number 12); and God as a way of life is linked to making donations to mosques and refraining from trading in sex or alcohol (Respondent number 18).

I also find some examples where the nature of God is seemingly unrelated to the executives' normative convictions. An example is the second executive who practices Zen meditation, whose dominant end and personal ideals reflect individual values (develop yourself, use your talents, quality of life), whereas he conceives of the nature of God in more relational terms, as merciful and loving. In contrast, the fifth respondent practicing Zen meditation has a rather abstract conception of God with no relational aspects, but stresses social values such as reducing human suffering.

Although I find many examples of a correlation between the characteristics attributed to God and normative convictions, it does not necessarily prove a causal relationship between conceptions of the nature of God and normative convictions (as suggested by Arrow 1 in Figure 1). One could also argue that people project their own values and ideals onto God as the perfect being. Although I do not reject this inverse causal relationship altogether, there are some indications that the link between the characteristics attributed to God and normative convictions cannot entirely be explained by such an inverse relationship. This is particularly clear, considering that some values explicitly invoke God. This is illustrated by the examples such as 'doing as Jesus wants', 'honoring God', 'testifying to God' (or the Gospel or belief), "loving God above all', and 'being like God'. Clearly one can only hold these kinds of normative convictions if one believes in the existence of God, indicating that the causality runs from a belief in God to normative convictions rather than vice versa. Further substance to the argument that the view on God cannot completely be explained by normative convictions is provided by the conception of God of the executives practicing Zen meditation. Most of them subscribe to a pantheistic view on God (all is sacred). It is not clear how such a belief can be derived from norms and values.

Furthermore, it is striking that especially the Protestant respondents relate their dominant end directly to their notion of God (along with one manager practicing Zen meditation with a Protestant background). Only one Roman Catholic respondent explicitly refers to 'being like God' as his dominant end. This finding may be explained by the denomination of the respondent (i.e. Protestants focusing more on their individual relationship with God as opposed to Roman Catholics who have a more social orientation) and thus the religious community to which they belong. Another explanation for this

finding is the intensity of praying: respondents who relate their dominant end directly to God exhibit a relatively high intensity of praying (.85 compared to .62 for all executives). This suggests that the type of religious community and the intensity of praying influences the way one translates religious belief into dominant end and personal values.

Table 2.6 Conception of God and Normative Convictions

	Characteristics of God	Implications of Characteristics of God for Values and Norms in Business	Dominant End of Human Being	Personal Ideals
		Roman Catholic Interviewees		
1	Creator; Comforter; Compassionate	Use your talents; Give people a second chance; Help others to flourish	Happiness through self-realization	Making others happy; Helping them to grow
2	Distant; Everything; Good	Develop your potential; Serve others; Realize goals	Happiness	Harmonious community relations; Tranquility
3	Elusive power; Comforting; Calming	Ten commandments; Place things in perspective	Happiness; Serve the community; Turn earth into paradise; Be like God	Being remembered well
		Protestant Interviewees		
4	Love; Faithful; Spirit	Keep agreements; Obey the law; 'Do as Jesus wants'; Build (as a constructor) no gambling hall; Give 5% of profit to charity; Testify to faith	Honor God; Love thy neighbor as thyself	Testifying to God; Creating organization with good relations
5	Righteous; Merciful; True; Good; Omniscient	Have faith (no insurance); Help other people; Give employees several chances	Honor God with body and soul	Showing gratitude through deeds; Being honest
6	Father	Love and help others	Happiness; Honor God	Servant leadership; Loving and helping others
7	Creator; Love; Wisdom	Love others; Honesty; Stewardship; Humility; Serve	Fulfill task in life and prepare for eternal life by loving God above all and thy neighbor as thyself	Continuity of the company; Serving other people
8	Creator; Providence; Loves man	Bring order and discipline to organization; Not abusing; Testify to faith; Pray for difficult clients; Give people at least three chances; Letting go; Give financial support to social projects	Enjoyment of life	Testifying to Gospel; Disseminating knowledge to developing countries; Growth in faith in God
9	Loving; Righteous; Merciful	Respect and care for people; Be honest and righteous; Be clear to employees; Be full of love	Being like God: Loving; Righteous; Merciful	Being as God wants me to be
10	Unpredictable; Incomprehensible; Unfathomable	Take responsibility for your choices; Make your own choices; Enjoy life; Persevere	Development; Become who you are; Enjoy life; Use your talents	Setting an example for others; Respecting and showing interest in each other
11	Beyond description; Experience	This executive responded that this was a wrong question that human beings are not able to answer	God; Fulfilling your God-given task in life	No ideals, ideals are dangerous; Gaining insight; Knowledge of God; A balanced perspective

	Characteristics of God	Implications of Characteristics of God for Values and Norms in Business	Dominant End of Human Being	Personal Ideals
	Interviewees Practicing Zen Meditation			
12	Without judgment; Infinite intelligence; Total love	Freedom and responsibility; Self-acceptance; Everything comes at the right time, also the bad things; Balance; No intensive agriculture	Being like God: Without judgment; Infinitely intelligent; Loving all things	Flourishing farm; Making things whole
13	Infinite; Emptiness; Unknown; Incredible; Merciful; Love; Beauty	Do not know	Develop yourself as much as possible	Quality of life (family, work, personal, spiritual, and physical); Using talents
14	Love; Safety; Righteous; Providence	Let go; Trust in God; Be like Jesus; Thankfulness; Give room to people to develop; Ten Commandments as framework	Do not know	Improving the world; Stewardship
15	Everywhere; Unity; Perfection; Energy	Listen well; Positive thinking; Break through negative spirals	To die in peace and harmony; Enlightenment	Leading a conscious life
16	Higher power; Spirit; Governs the universe	Search for God within you; Reduce human suffering	Contribute to deliverance from human suffering	Contributing to peace; Living without prejudice
	Muslim Interviewees			
17	Merciful; Omniscient	Be fair; be honest; Try to see the positive side of things	To do something for other people	Living in a society where people respect others and treat one another fairly
18	Representative of all Muslims; A way of life	Sponsor mosques; Separate waste; No trading in sex or alcohol	Meaning and doing something	Making my brand internationally known; Being a good father
	Jewish Interviewee			
19	Merciful; Severe; Omnipotent	Treat others with respect; Do not harm others; React appropriately to messages of clients	Preparing oneself for the hereafter	Being able to look back on a meaningful life
	Atheistic Interviewee			
20	Does not exist	No	No metaphysically ordained purpose; You have to give meaning to life yourself; Improve the world	Balancing individual freedom and common welfare; Sustainability

To recapitulate, the analysis in this section provides inductive empirical support for two hypotheses. First, as shown in Table 2.5, the conception of God is related to the intensity of praying and participation in activities of the religious community. These findings might support the hypothesis that participation in religious communities and intensity of praying are related to the salience of religious belief. Secondly, as shown in Table 2.6, a relationship can be discerned between normative convictions and views of the nature of God. This supports the hypothesis that religious belief influences normative convictions.

Normative Convictions and Business Conduct

In this section, I examine how the conception of God and related normative convictions affect SRBC. Theoretically, this relationship is ambiguous. On the one hand, the belief in a metaphysical standard for good and evil may cause radicalism if accompanied by fundamentalism (Pava, 2003). In such a case, metaphysically-ordained ends may justify the use of dubious means. Another possibility is that individuals believing in the providence of God may be more passive than those who do not rely on the intervention of a transcendent being. On the other hand, one could also hypothesize that the norms and values that individuals derive from their faith inspire them to act in a socially responsible manner in the workplace.

Two methods are employed to analyze the relationship between the conception of God, normative convictions and SRBC. In this section, I examine the concrete actions the executives cited during the interviews. These examples include actions that can be related to SRBC (such as sponsoring community projects) as well as specific actions undertaken in their professional capacity that are overtly inspired by their religion (such as proclaiming one's faith to colleagues or clients or sponsoring Bible translations). The latter actions may be 'good' actions from the perspective of the respondents, but not necessarily examples of SRBC. For example, if a Christian constructor turns down an offer to build a mosque, it may be motivated by his commitment to his religion, but others might view it as religious discrimination. In the next section, I examine whether there is a relationship between executives´ belief in God and their view on and personal contribution to SRBC. Information on the latter was collected by means of the questionnaire each participant filled out four months after the interviews

Table 2.7 presents the dominant ends, personal values and concrete actions that the executives disclosed during the interviews. I find inductive evidence of a link between the conduct of respondents and their normative convictions or religious belief. This is illustrated by the following examples:

Example 1: A number of executives (number 2, 3, 9, and 17) stressing social values such as harmonious community relations, serving the community and loving thy neighbor are sponsoring community projects in developing countries.

Example 2. Three Protestant executives (number 4, 5, and 8) who refer explicitly to honoring God or testifying to their belief as a dominant end or ideal, cite examples that reflect religious actions rather than social actions. These include testifying to their faith, praying for clients, sponsoring Bible translations, turning down the opportunity to build a mosque, and refraining from working on Sundays.

Example 3. Executive number 10 stresses self-development and setting a good example as dominant end and personal ideal, and translates this value into providing opportunities for others to start a business.

Table 2.7 Normative Convictions and Business Conduct

	Dominant End	Personal Values	Examples of Conduct
	Roman Catholic Interviewees		
1	Human happiness by doing your best	Make others happy; Help them grow	Green insurance; Reducing generation of waste; Soberness by refraining from replacing old buildings with new buildings; Taking sober lunches; Dismissing worker involved in fraud
2	Happiness	Peaceful community; Rest	Refraining from build rocket base; Refraining from dismissing older workers; Sponsoring social development project
3	Happiness; Serve the community; Make earth a paradise; Being like God	Leave a good memory	Sponsoring homeless; Sponsoring projects for handicapped children; Sponsoring field hospital in Romania
	Protestant Interviewees		
4	Honor God; Loving our neighbor as ourselves	Testify to God; Good organization with friendly relations	Refraining from building a mosque; Refraining from building gambling hall; Donating 5% of profit to charity; Testifying to faith; Refraining from making payments under the counter
5	Honor God with soul and body	Show gratitude through deeds; Be honest	Refraining from taking out insurance; Dismissing unproductive person only after three years; Giving financial assistance to individual; Refraining from cursing; Refraining from listening to the radio; Permitting widower to leave work earlier to care for children; Sponsoring development organization; Sponsoring bible translation; Refraining from work on Sundays; Refusing order due to cursing
6	Honor God	Servant leadership; Help others out of love	Adopting statement of principles which employees must sign; Referring to five values in all speeches; Refraining from partaking in corruption; Refraining from sanctioning drunken driver; Dismissing of adulterous employee; Refraining from work on Sundays; Refraining from building gambling halls, drugs cafes, or brothels
7	Fulfill a task and prepare oneself for eternal life by loving God above all and the neighbor as oneself	Secure continuity of the company; Serve other people	Refraining from abusing supplier's low prices; Adopting a code of conduct
8	Enjoying	Testify to Gospel; Disseminate knowledge to developing countries; Growth in faith in God	Testifying to faith when elected as manager of year; Praying for difficult clients and forgiving them; Giving people at least three chances; Foundation that allocates money to social projects; Producing food in famine-stricken country; Investments in reduction of the use of damaging materials
9	Be like God: loving, righteous, and merciful	Be as God wants me to be	Testifying to faith; Sponsoring handicapped football team; Free education for students; Substantial training budget for employees; Discussing emotional dimension to clients' decisions; Refraining from signing a dubious financial report
10	Self-development; Become who you are; Enjoy life; Use of talents	Set an example for others; Respect and care for each other	Helping starting entrepreneurs; Donating to charity; Cutting own salary by 50% during recession
11	God; Each person has his own task	No ideals, ideals are dangerous; Acquire insight; Knowledge of God; Maintain balanced perspective	Refraining (as journalist) from invading the privacy of publicly known persons; Discussing adultery with married employees

	Dominant End	Personal Values	Examples of Conduct
	Interviewees Practicing Zen Meditation		
12	Be like God: without judgment, infinitely intelligent, and totally loving	Run a Flourishing farm; Make things whole	Refraining from farming land intensively; Resigning from busy job; Finishing one thing before starting another; Educational programs on farm
15	Die in a good way; Enlightenment	Lead a conscious life	Leaving well paid job to do work that is socially more meaningful; Offering mental training for employees during working hours
16	Contribute to deliverance from human suffering	Contribute to peace; Live without prejudice	Refraining from coercing doctors to perform euthanasia; Creating meditation room at work
	Islamic Interviewees		
17	To do something for other people	Create a society where people respect others and treat one another fairly	Donating second hand objects to social projects
18	Mean and do something	Make company brand internationally known; Be a good father	Sponsoring mosques; Separating waste; Refraining from trading in sex or alcohol
	Jewish Interviewee		
19	Prepare oneself on hereafter	Look back on meaningful life	Reacting appropriately to messages from clients; Abiding by environmental legislation; Donating 10% of income to charity; Refraining from making profit that exceeds 20%; Declaring all transactions; Timely payment of suppliers; Refraining from doing business with brothels or gambling houses
	Atheistic Interviewee		
20	No metaphysically ordained purpose; You have to give meaning to life yourself; Improve the world	Balance individual freedom and common welfare; Sustainability	Promoting use of public transport; Using organic coffee; Recycling paper; Reducing energy use

Note: Executive 13 and 14 did not provide examples of concrete actions.

Example 4. Three executives who practice Zen meditation (number 12, 15, and 16), who named values such as leading a conscious life and searching for God within yourself, took the initiative to set up a meditation room at work or to offer introductory meditation courses at work.

Example 5. One Islamic executive sponsored mosques. Apart from referring to Allah as a way of life (see Table 2.5), he explained his behavior as consistent with the rules Muslims are required to obey. One of the five pillars of Islam is the alms tax (or zakat), which requires all Muslims to donate a fixed percentage of their income to the needy. Furthermore, Islam forbids the consumption of alcohol and pork and transactions in services or commodities that could harm either of the contracting parties or the general public (Mushtaq, 1995). The business of the Muslim executive specializes in halal food (meat

that is prepared in accordance with Islamic prescriptions). Moreover, the Muslim faith also prescribes the conservation of nature and natural resources (Abeng, 1997). The Islamic executive contributes to the conservation of the environment by separating waste for recycling purposes.

Example 6. The Jewish executive who sees his dominant end as preparing for the hereafter, cited some actions that are in line with the norms of Judaism. The Torah contains 613 concrete rules, 100 of which pertain to economic life (Green, 1997). The most important norm prescribes that one should not inflict harm on others or oneself. For example, profits should not exceed 20%. Another important norm is caring for the needy, which requires that 10% of income is donated to charity (Herman, 1997). The Jewish respondent follows these rules by donating 10% of his net income to charity. In another situation, he set his price lower than the client (who was new to the market) was prepared to pay. Furthermore, the religious obligation to sustain the natural environment implies that the company adheres to environmental regulations.

Example 7. The humanistic executive who strives for environmental sustainability (see Table 2.6) stimulates the use of public transport and organic coffee, makes an effort to use energy sparingly, and limits the generation of waste.

In the case of some executives, however, the relationship between normative convictions and concrete actions is negligible. For example, executives number 1 and number 6 mention social values such as helping others and servant leadership as personal ideals, but a clear connection with the type of actions they mention cannot be established. The connection between the conduct of executives number 7 and number 11 and their dominant ends or personal ideals is very slim, although the actions they mention are consistent with their normative convictions.

Conceptions of God and SRBC
Table 2.7 contains several examples of SRBC, but also many other types of conduct that are not specifically related to SRBC. In order to examine the relationship between the executives' conception of God and SRBC more systematically, I distributed a questionnaire focusing on SRBC four months after the interviews. Table 2.8 reports the average scores of the attitudes to SRBC and the perceived contribution to SRBC for the atheistic, the monotheistic, and the pantheistic executives.

Table 2.8 indicates that executives with a monotheistic notion of God are more focused on SRBC compared to executives with a pantheistic view. For all parameters, the score of the monotheistic executives is at least equal or exceeds that of the pantheistic executives. The difference is most pronounced with regard to one particular aspect of the category of external stakeholders: the importance of contributing to community projects (3.6 versus 2.7).

Table 2.8 Relationship between Conception of God and SRBC

		Atheistic Religious Belief	Pantheistic Religious Belief	Monotheistic Religious Belief
1	View on SRBC	4.0	3.5	4.3
2	Importance of internal stakeholders	4.4	3.8	3.8
3	Importance of external stakeholders	4.0	3.6	4.1
4	Contribution to SRBC	3.3	3.1	3.7

How can I explain the relatively low level of social involvement of executives with a pantheistic conception of God? Taking into consideration Pava's (2003) arguments, one would have expected the opposite. Indeed, pantheism's emphasis on holism and unity of reality is often invoked by advocates of environmentalism, feminism and world peace - themes that are clearly related to social responsibility. Two explanations can be advanced. The first concerns pantheism's emphasis on holism and unity which renders the distinction between humans and the universe redundant. The actions of humans are the acts of the universe and vice versa (Gaskins, 1999). The will of the individual and 'God's will' are one. Such a perspective could lead to an acceptance of reality as it is. Problems cease to be problems. Hence, the motivation to address societal problems might diminish.

The second explanation is related to the centrality of self-consciousness in Buddhism and, by implication, Zen meditation. Through meditation, one discovers the divine within oneself. Reality is experienced as sublime self-consciousness with the result that the dialogical connectedness to others is also reduced to self-consciousness and self-experience. Such an orientation can weaken the self's involvement with others, thus weakening the self's sense of social responsibility.

A different picture emerges when the atheist respondent's approach to SRBC is compared with that of the respondents with a monotheist conception of God. While the atheist executive values the interests of internal stakeholders highly, the score in the other categories is slightly lower than that of the executives with a monotheist view on God. The atheist executive's attitude toward SRBC and the perceived contribution to SRBC is interesting in view of the fact that this executive does not endow human life with metaphysical meaning. At the same time, this executive rejects a nihilist worldview and acknowledges that people need to give meaning to their lives. It could be argued that the absence of a metaphysical purpose is a motivation to give meaning to life in the here and now (since there is no life after death), which is manifested in the active contribution to sustainability within the company.

Table 2.9 depicts the statistical results of the relationship between different conceptions of God and respective categories of SRBC. The results present some indication of a positive correlation between the belief in a personal God, the view on SRBC and the importance of SRBC with respect to external stakeholders. The correlation between the conception of God and the contribution to SRBC is also positive, but not significant. As Table 2.9 shows, I did not find any significant relationship between the conception of God and SRBC in terms of internal stakeholders.

Table 2.9 Correlations between Aspects of Religious Belief and SRBC

		Monotheistic Religious Belief[a]	Metaphysical Standard of Values	Intensity of Praying	Intensity of Zen Meditation	Participation in Religious Community
1	View on SRBC	.46*	.52*	.52*	-.51*	.40
2	Importance of internal stakeholders	-.01	-.02	.07	.13	-.02
3	Importance of external stakeholders	.50*	.60*	.53*	-.38	.55*
4	Contribution to SRBC	.40	.00	.26	-.30	.06

Note: Spearman's rho, * p < .05; ** p < .01.
[a] Just as in Table 2.5, I dropped the atheist executive and only used the second and third aspect of Table 2.4, i.e. 'Monotheism' and 'Pantheism', into one variable. This variable, i.e. 'Monotheistic Religious Belief', has therefore two categories: 0 (pantheism) and 1 (theism).

I also tested the relationship between the respective categories of SRBC and other aspects of religiosity. Table 2.9 shows that a belief in a metaphysical standard of values, the intensity of praying and participation in the religious community also correlate positively with the view on SRBC and the importance of SRBC in terms of external stakeholder interests. Furthermore, as expected, there is almost no link between the other aspects of religiosity and the two other categories of SRBC - the importance of internal stakeholders interests and the personal contribution to SRBC.

2.5   Conclusions

In this chapter I examined the relationship between executives' conception of God, their normative convictions, and SRBC. Findings of previous studies on the relationship between religion and SRBC have been inconclusive. Although some have found a positive relationship between religious belief and SRBC, other researchers such as Pava (2003) argue that a belief in the metaphysical could lead to a passive attitude and radicalism, leading to a lower contribution to SRBC.

The research methods used were in-depth interviews and questionnaires. The interviews focused on the respondents' religious belief and the questionnaires enquired about their views of and contribution to SRBC. The interviews offered much insight into the perceptions of the respondents and facilitated a detailed analysis of different aspects of their faith. I examined the executives' views of and perceived contribution to SRBC four months after the interviews in order to avoid the problem of social desirability bias.

Three conceptions of God were distinguished: monotheistic, pantheistic and atheistic. I found that executives with a monotheistic conception of God are more likely to believe in a metaphysical standard of ethical values, display a higher intensity of praying, and exhibit higher levels of participation in communal religious activities than do executives with a pantheistic or atheistic conception of God.

The analysis of the interviews shows that executives' normative convictions are often related to their conception of the nature of God. For example, respondents who believe in an abstract God more often

mentioned individualistic values such as developing your potential, whereas respondents stressing the merciful and caring character of God more often mentioned social values such as giving people a second chance. Furthermore, I found that Protestant executives more frequently referred to specific religious ends, such as honoring God, testifying to their faith and being like God. This finding may be explained by the denomination of the executives, i.e. Protestantism, that is characterized by a stronger focus on the personal relationship between God and man than other denominations. An alternative explanation is that the high intensity of praying of these respondents reinforces the awareness of religious ends.

The relationship between the conception of God and business conduct was examined by focusing on concrete actions or decisions mentioned during the interviews and by examining the relationship between religious belief and data collected by means of the questionnaire. I found inductive evidence that business conduct is related to the conception of God and normative convictions. For example, Protestant executives who referred to God as dominant end gave many examples of actions that serve these ends. The executives that practice Zen meditation, one Muslim executive, and the Jewish executive also cited several examples of specific actions that serve religious ends and that follow from their religious norms.

In an examination of the relation between the conception of God and SRBC, I find a higher level of engagement with SRBC among respondents with a monotheistic view on God. The difference is most prominent with respect to philanthropic forms of SRBC, such as contributing to local community projects. A possible explanation for this finding is the centrality of unity in Pantheism and self-consciousness in Buddhism (Zen meditation), which could diminish the focus on, and involvement with societal problems.

At the end of this chapter, I conclude for now that my explorative study as described in this chapter provides much inductive evidence that religious belief affects normative convictions and SRBC. However, the tentativeness and preliminary nature of the findings cannot be stressed enough. Further research is required to clarify the relationship between religiosity and SRBC. In order to establish whether these patterns can be generalized, the findings should be tested on a larger scale, for example, by means of a questionnaire. Moreover, this chapter focused on only one cognitive aspect of religiosity, the conception of God. In further research also other characteristics of religiosity should be taken into account, such as the conception of man and his eternal destination.

"Service to others is the rent you pay here for your room on earth."

(Muhammad Ali) [30]

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[30] http://makkah.wordpress.com/positive-quotes.

3

Islam and Socially Responsible Business Conduct

Summary

This chapter explores the relationship between Islamic executives' religiosity and their SRBC. I find that the common idea of SRBC corresponds with the view on business in Islam, although there are also some notable differences. I also find that Islamic executives attach a higher weight to specific elements of SRBC, but are less involved with applying SRBC in practice compared to non-Islamic executives. Furthermore, values and norms derived from the Islamic religion motivate executives to contribute more to SRBC and lead to a higher commitment to specific aspects of SRBC compared to individually developed values and norms. Finally, the view on human nature of Islam, preaching the natural goodness of man as a social being, leads to a positive view on SRBC.

3.1   Introduction

Since the beginning of the eighties, the western imaging of Islam has developed in a sharply negative sense (Shadid and Van Koningsveld, 1996). Also within the Netherlands, there is an ongoing discussion about the Islamic religion and its adherents. Some people think that the Islamic religion is not and cannot be compatible with the Dutch liberal way of thinking and living. The 2008 annual report of the World Economic Forum (Islam and the West: annual report on the state of dialogue), reports that most people within the Netherlands think that the interaction between the Muslim and Western world is getting worse. [31] Nevertheless, most people within the Netherlands state that the quality of interaction between the Muslim and the Western World is important to them, although most of them think this interaction is a threat, and not a benefit. [32]

When it comes to the field of business behavior, little research has been done yet into the influence of Islam. A growing body of literature can be found on the relationship between personal belief systems and values in business (Badaracco, 1997; Trevino, Hartman and Brown, 2000). These values are often related to the religious background of executives (Abeng, 1997; Fort, 1996, 1998; Fry, 2003; Mitroff and Denton, 1999). Several empirical studies have been conducted to examine the relationship between religion in general and business ethical behavior (Agle and Van Buren, 1999; Angelidis and Ibrahim, 2004; Giacalone and Jurkiewics, 2003). But almost no studies have explicitly focused on the relationship between Islam and business behavior. One of the few studies in this field of research has been conducted by Arslan (2001). He examined the work ethic characteristics of Islamic executives in Turkey and compared them to the work ethic characteristics of Protestant and Roman Catholic executives in Britain and Ireland, respectively. The work ethic characteristics were measured by a scale based on Weber's Protestant Work Ethic. The findings revealed that the Islamic group showed the highest level of Protestant Work Ethic. The Protestant group was placed second, and the Roman Catholic group third. This kind of research provides insight into the role of Islam as a driving force to the business behavior of its adherents.

In this chapter, I examine the influence of Islamic executives´ religiosity on their SRBC. I aim to answer two research questions. First, to what extent do Islamic business ethical principles correspond with the principles of SRBC that are seen as generally accepted business ethical principles in the Netherlands? To answer this question, I describe the Islamic business values and virtues and relate these to the concept of SRBC. On the one hand, one might expect a high level of agreement between the Islamic business principles and the principles of SRBC, because important Islamic values in business, such as freedom, justice, honesty and servitude are similar to the values within the concept of SRBC (Abeng, 1997; Khaliq and Abdulhasan, 2001; Mushtaq, 1995; Naqvi, 1981; Uddin, 2003). But, on the other hand, one might expect some disagreement in the practical interpretation of business ethical values. For example, according to the group of takfir wa-'l-Hidjra, servitude is limited to those who belong to the own group and does not concern non-Muslims or Muslims belonging to other groups (Ljamai, 2005). This diverges from the principles of SRBC, stressing the equality of all people.

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[31] www.weforum.org/pdf/C100/Islam_West.pdf, p. 21.

[32] www.weforum.org/pdf/C100/Islam_West.pdf, p. 22, p. 25.

The second research question is: is there an influence of religiosity on Islamic executives' view on and contribution to SRBC? To investigate this relationship between executives´ religiosity and SRBC, I used the conceptual framework developed in Chapter 2 (see Figure 2.1). Based on this conceptual framework, I expect that the Islamic religion will have normative implications for the values and norms of executives, which will in turn affect executives' SRBC. The intensity of the religious belief and its impact on normative convictions and conduct will be related to participation in communal religious activities and to the intensity of praying and meditation. To test these hypotheses empirically, I developed a questionnaire that has been distributed among Islamic executives. In this questionnaire several elements of the Islamic religion are specified: the importance of Islamic values and norms for daily practice, the conception of God, the view on human nature, the belief in a hereafter, and the intensity of religious practices. Another set of questions focused on various aspects of SRBC.

The contents of this chapter are as follows. First, I describe important Islamic business values and virtues derived from the religious sources of the Islam and compare those to the principles of SRBC. Next, I present the research sample and the methodology of this research. Section 3.4 presents the findings of my empirical research, investigating the relationship between several aspects of the religiosity of the Islamic executives and their view on and contribution to SRBC. Section 3.5 summarizes the main conclusions of my research on the relationship between Islam and SRBC.

3.2   Islam and the Principles of Socially Responsible Business Conduct

In this section I discuss the Islamic business values and virtues. To answer the first research question, to what extent does Islamic business ethical principles correspond with the principles of SRBC?, these values and virtues are compared to the principles of SRBC in the last part of this section.

Islamic Business Values

According to Islam, the purpose of man is to live his life in submission and obedience to Allah. He is supposed to fulfill this purpose within the ethical framework devised by Allah. The Koran states that Allah is the one and only creator of the universe who is worthy of worship. Man forms only a small part of it, but nevertheless man is awarded an unique and distinctive position by Allah as he created him to be the vicegerent of Allah on earth. As such, he is entrusted with the responsibility of realizing the divine will in this world in the moral domain (Mushtaq, 1995).

In Islam, business is considered to be an important aspect of life. An indication of this is that business is even allowed during the pilgrimage to Mecca. The Islamic sources of guidance provide a description of the appropriate ethical considerations when engaged in business. The core values in business life are freedom and justice (Mushtaq, 1995). The principle of freedom holds that individuals as trustees of Allah have the God-given right to own property and make personal decisions regarding their own property within the limits set forth by Islamic law. Activities like gambling, lotteries and races are considered to result in the unjustified appropriation of other people's belongings and are thus forbidden. Another

condition of freedom in business is the presence of mutual consent, which requires the contracting parties to be in complete agreement with the transaction at hand. A transaction lives up to the condition of mutual consent if the transaction is concluded under volition, honesty and truthfulness.

Freedom is closely connected to justice, the second Islamic core value in business. Justice includes the fulfillment of promises, pacts and contracts. Muslims should be honest, sincere and truthful in their business dealings and ensure exactness in terms of promised product specifications such as weights, measures, and other attributes (An-Nawawie, 1995). Islam condemns cheating and lying and commands executives to be straightforward in all their dealings and transactions. Furthermore, justice forbids payment of equal wages for unequal labor as well as the payment of unequal wages for equal work (Mushtaq, 1995). Hiring people should be based on the required merit and competence for the job. Priority should be given to those that excel in the competencies required for the job; nepotism is forbidden. Finally, justice in Islam also includes the equitable distribution of wealth. Although inequality in terms of wealth is justified, each member of society has the right to be provided with the basic needs, regardless of someone's race, religion, language, colour, sex, age, health and status. The system of distribution depends on voluntary charitable acts, condemnation of concentration of wealth and hoarding, and various formal institutions that serve as distribution channels (Abeng, 1997). Charity in Islam emphasizes benevolence by voluntarily spending one's wealth on the poor and the needy, while the various institutions are considered as formal obligations for all Muslims. The most important institution for the equitable distribution of wealth is the alms tax (zakat). It is one of the pillars of Islam that requires each Muslim to pay a fixed minimum percentage over his or her wealth, property as well as earnings, to the poor and the needy.

Regarding the Islamic values for business, it should be noted that the interpretation of Islamic business values may differ widely. Islam has no central authority, which allows for a diversity of interpretations. Although all Muslims share the five pillars of the Islamic faith (professing that there is no God but Allah, and Mohammed is his messenger, praying five times a day, charitable giving, fasting, and make a pilgrimage to Mecca once in a lifetime), there is space for much more differentiation in the social sphere. For example, according to the group of takfir wa-'l-Hidjra, servitude is limited to those who belong to the own group and does not concern non-Muslims or Muslims belonging to other groups (Ljamai, 2005). In contrast, Al-Qaradawi, a popular scholar in the community of Muslims in the Netherlands and chairman of the European council for fatwa and research, stated that Islamic executives should contribute to society at large (Al-Qaradawi, 1981). There are also different interpretations of the restrictions that limit business dealings. Muslims differ, for example, with respect to the interpretation of the prohibition of usury (Chapra, 1979; Siddiqi, 1981). On the one hand, some Islamic teachings forbid Islamic businessmen to demand or pay interest as a consequence of the prohibition of usury. On the other hand, other Islamic teachings say that those who insist on banning interest are guilty of misinterpreting the Koran, which bans not interest but usury, or exorbitant interest. Another example of different interpretations concerns charity. By tradition, the beneficiaries of charity include the poor, the handicapped and other disadvantaged groups. However, since the Koran provides only the

broadest guidelines, the implementation of charity in modern society leaves ample room for different interpretations, particularly in the context of Western societies, where charity is voluntary and not defined by law.

Islamic Business Virtues
Besides the values of freedom and justice, Islam also prescribes specific virtues and manners that suit an Islamic executive. A first important virtue is leniency (Abeng, 1997). A lenient person is polite and friendly in his speech as well as in his dealings with other people. Politeness is considered to be a necessary condition for the establishment of goodwill and mutual trust. Leniency also requires a person to be forgiving towards people. Having a positive attitude towards people, even when they treat you badly, is highly appreciated in Islam. In addition, leniency includes the provision of help and service to those that need it, without any thought or expectation of compensation. Leniency in Islam also means that people help and relief others who are in trouble or meet hardship. This refers to the Islamic code of brotherhood, that encourages Muslims to maintain good relationship with fellow humans. In business, for example, a creditor is expected to be lenient towards debtors that are not able to meet their payments, by providing them with additional time or even by remitting their debt. Brotherhood in the workplace also leads to teamwork, favorable working conditions, and an increase in efficiency and productivity.

A related virtue is servitude. Islamic executives should be driven by a service motive instead of a profit motive. In other words, their primary objective should be to provide a needed service to the community. Islamic executives have to be benevolent by taking into consideration the needs and interest of other people in pursuit of personal gains by providing help free of charge if necessary, by spending one's wealth on other people and by supporting activities that are good and beneficial to the whole of society. This includes the protection of the natural environment. As vicegerents of Allah, Muslims are encouraged to utilize the natural resources made available to them in a socially responsible manner. They are not allowed to destroy or cause damage to the natural environment in the process of conducting their business.

Thirdly, Islamic executives have to conduct their business in the name of Allah. They should constantly be conscious of his presence and not let business engagements interfere with spiritual duties. This implies, for example, that Islamic executives must interrupt their business activities at the time of prayers.

Islamic Business Values and Virtues and the Principles of SRBC
The business values and virtues of Islam show several similarities with the concept of SRBC. The common idea put forward in various definitions of SRBC is that companies should conduct their business in a manner, which demonstrates consideration for the broader social environment in order to serve constructively the needs of society, to the satisfaction of society (see also Section 1.3). This means that business organizations are assumed to have a responsibility for all those affected by their activities.

This concept of SRBC appears to highly correspond with the Islamic view on business. For example,

according to Islam, executives should primarily be driven by a service motive instead of a profit motive, indicating that their primary objective should be to provide a needed product or service to benefit society. They are supposed to take into consideration the needs and interest of other people by supporting activities that are good and beneficial to the whole of society. This also includes a concern for the natural environment. Furthermore, the concept of SRBC and the Islamic view on business both imply that executives are obligated to pay attention to the well being of their employees. The working environment has to be safe and healthy. Executives have to take the interests and needs of their employees into consideration. This also holds for the customers. Customers have to be treated with respect and kept satisfied through the delivery of high quality products and services. This respectful treatment extends to all other stakeholders, both in the concept of SRBC and in the Islamic view on business.

However, there are also some notable differences between the Islamic view on business and the concept of SRBC. First, the concept of SRBC tends to leave much of the realization of SRBC (as it goes beyond what law requires), to the discretion of individual business organizations and their corporate executives. Executives decide, within the context of their own organization, how to define and implement SRBC. This may be through the adoption of instruments such as a code of conduct, ethical committees, and social and ethical accounting, auditing and reporting (Graafland, Van der Ven and Stoffele, 2003). In contrast, Islam has laid down strict rules and regulations for anyone engaged in business. For example, Islam has specified strict rules concerning the establishment of partnerships, treatment of employees, dealing with suppliers, making charitable donations, and the appropriate behavior of executives that anyone engaged in business has to adhere to (Mushtaq, 1995).

Another remarkable difference between the concept of SRBC and the Islamic view on business, is that Islam forbids specific business activities that are believed to be harmful for individuals or society as a whole. Islam for instance forbids trade in commodities such as alcohol, pork and gambling. These business activities are strictly forbidden (Uddin, 2003). Within the concept of SRBC there are also some kinds of business that are not accepted as social responsible activities, for example the production of weapons or the prostitution industry, but this is far less specific and restrictive as it is within Islam.

3.3 Sample and Methodology

This section describes the sample and methodology that I used to empirically examine the relationship between Islamic executives´ religiosity and their SRBC. First, I describe the sample of this research. In the second part of this section, the questionnaire, that was particularly developed for this empirical research, is described.

Research Sample

The sampling method I used in this particular research is non-probability sampling, not involving random selection of the respondents. Non-probability sampling distinguishes between two types;

accidental and purposive sampling. I used the method of purposive sampling because the required information had to be obtained from a specific target group, namely Islamic executives. Because there exists no database that registers executives based on their religiosity, the target group was selected on the basis of ethnic affiliation or country of origin. Executives with Moroccan, Turkish or Middle Eastern backgrounds were first contacted by telephone to request for their participation. Contact information was found via the Internet. Executives who were willing to co-operate, were sent a questionnaire either by mail, fax or email, depending on their own preference.

The sample in this study consists of 48 executives in the Netherlands who consider Islam as their personal religiosity. Detailed information about the sample is presented in Table 3.1. The sample is made up of executives who operate in different sectors in different areas across The Netherlands. These sectors include the food, retail, general and financial services, traveling, advertising, cleaning, consultancy, real estate and employment sector. The businesses are mostly private (family) owned. However, the sample also includes limited and contractual partnerships. The average employee ratio across the sample is five. Most executives in the sample have a double nationality; the majority has either a Moroccan and Dutch or a Turkish and Dutch nationality. Other nationalities include the Dutch, Afghan and Tunisian nationality. The average age of the entrepreneurs is 35 years and the large majority is male. The sample includes five women.

Table 3.1 Sample Data[a]

Gender		Age			Nationality		
Male	Female	20-30	31-40	41-50	Turkish and Dutch	Moroccan and Dutch	Other
43	5	14	24	10	20	20	8

Industry			Type of business			Number of employees		
Food	Retail trade	Other	Priv. lim. company	One man business	Lim. partnership	1-5	6-10	>11
20	12	16	15	31	2	39	7	2

[a] Number of respondents within each category. The sample consists of 48 respondents.

Research Method

The data required for this research is collected by means of a questionnaire. Questionnaires are said to reduce bias because of the uniform question presentation and no middleman bias as in the case of face-to-face interviews (Walonick, 2000). A disadvantage, however, is the social desirability response bias, where respondents give answers that are believed to be socially more desirable or politically correct. To minimize the impact of the social desirability bias the questionnaires were filled in anonymous.

I developed a questionnaire, based on prior research among Dutch executives with different religious backgrounds (as presented in Chapter 2 of this thesis). Two in-depth interviews with Islamic

executives pointed out that Muslims use different concepts and expressions to express their religious belief compared to Christians, non-believers or believers in other traditions. Therefore, I developed a questionnaire specifically suitable for Islamic executives. [33] In particular the questions with respect to the religious belief of the respondents were adapted, compared to the questionnaire I used in my previous research among non-Islamic executives. For example, Islamic executives do not speak about God, but about Allah. And instead of asking about visiting religious meetings, I asked them more specifically about visiting a mosque on Fridays. After developing the questionnaire, it was pre-tested with Islamic executives before sending the questionnaire to the targeted sample.

The questionnaire is composed of two parts. The first part questions the executives' religiosity. Because religiosity is a complex phenomena consisting of several elements, I selected three elements of religiosity that were covered by the questionnaire. First, a normative aspect, focusing on the role of Islamic values and norms in shaping the values and norms of Islamic executives. If Islamic executives strongly cling to the values of Islam, this may influence their personal contribution to SRBC. As described before, the core Islamic business values come close to the core values of SRBC. Thus, Islamic executives´ contribution to SRBC will probably be high if they cling to the business values of Islam.

Secondly, I included four questions about the cognitive element of religiosity, namely about the conception of God, the view on human nature and the orientation towards the hereafter. The conception of God may influence executives' SRBC, as has been described in Chapter 2 of this thesis. The view on human nature may impact the view on SRBC as well as the personal contribution to SRBC. For example, if executives have a pessimistic view on the ability of man to do well, they may lower the moral standards for judging their own behaviour. Furthermore, if executives believe man is an individualistic rather than a social being, they will probably be more skeptical about the possibility to implement SRBC and this may also diminish their motivation to be actively involved with it. The orientation towards the hereafter may also influence the SRCB of executives. According to Tropman (1995), the different attitudes of executives towards money, work and ethics is related to what he calls the "heavenly calculus". An executive, who, for example, believes in heaven as reward and hell as punishment could be expected to have an additional incentive to do well and thus to contribute to SRBC.

Thirdly, I included five questions about the behavioral aspect of religiosity, namely the intensity of participation in religious practices. According to Weaver and Agle (2002), the influence of religiosity on behavior is related to identity salience. The salience of the religious identity is probably related to the intensity of various kinds of religious practices, such as the intensity of praying, participation in communal religious activities and study of religious books. To constrain the length of the questionnaire, I did not include questions about the religious commitment of the respondents.

The second part of the questionnaire consists of nineteen questions about SRBC. The questions concern the strategic view on SRBC as a general concept, the importance of specific aspects of SRBC, and the personal contribution to SRBC of the respondents. These questions are derived from the definition of SRBC formulated by the Dutch Social and Economic Council. This definition of SRBC, that

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[33] The full questionnaire is available from the author on request.

has been described and discussed in section 1.3 of this thesis, is well known and authoritative within the Netherlands. By presenting these questions, I offered the respondents an implicit idea of what SRBC means. A five-point interval scale was used to measure the responses to the various items relating to SRBC. The interval scale is a powerful measurement tool that taps the differences, the order and the equality of the magnitude of the differences in the variable (Sekaran, 2000).

In order to analyze the outcomes pertaining to the respondents' religiosity, the answers to the related questions in the questionnaire are transformed from an ordinal to an interval scale. The rescaling allows for a representation of the extent and the magnitude of the importance of each answer (Sekaran, 2000). The answers have been assigned a value ranging from 0 to 1. For a classification of the aspects of religiosity, see Table 3.2.

Table 3.2   Classification of Aspects of Religiosity

	Answer Options		
	Value: 1	Value: .5	Value: 0
Belief in Allah / Communication possible (1)	Yes / Yes	Yes / No	No / No
Source of norms and values (2)	Islam	Islam and man	Man
Islamic norms relevant to practice (3)	Agree	Neutral	Disagree
Belief in hereafter (4)	Heaven and hell	Heaven	No
Character of man (5)	Social	Social and individual	Individual
Inclination of man (6)	Good	Good and evil	Evil
Intensity of praying (7)	Daily	Less than daily	No praying
Motive to pray (8)	Satisfaction	Satisfaction and obligation	Obligation
Mosque attendance (9)	Weekly	Less than weekly	No mosque attendance
Participation in other religious activities (10)	Weekly	Less than weekly	No participation
Religious study (11)	Koran and other religious books	Only Koran	No religious study

3.4   Findings: Islam and Socially Responsible Business Conduct

In this section, I present the findings of my empirical research on the relationship between Islam and SRBC. First, I describe the respondents´ religiosity and their view on and personal contribution to SRBC. Then, I will cluster the responses of the questionnaire in order to create a smaller set of more reliable measures. Finally, I investigate the relationship between the religiosity of Islamic executives and their view on and involvement with SRBC.

Religiosity

Table 3.3 displays the respondents' scores on various aspects of religiosity. All participants believe in Allah and the revelation of His will to mankind by means of the Koran. A possible explanation for this

uniformity in answer may be that belief in these aspects, especially the belief in Allah, is one of the primary requisites ordained by the Islam. The denial of this exclusiveness is considered the worst sin in Islam, a sin that cannot and will not be forgiven (Waardenburg, 1997).

Nevertheless, almost half of the respondents indicate that the values and norms they ascribe to in daily practice are only in part derived from the Islamic religion. The other values and norms are personally developed by the respondents and are independent from the values and norms prescribed by Islam. Thirteen percent of the respondents even feel that all values and norms they uphold in daily life, are a product of personal reflection and consideration. This outcome is quite striking since Islam is rather clear about the expectations it has of its adherents. Except for religious obligations, the Islamic religion permeates every aspect of a Muslim's life with rules and regulations that guide one's behavior, food and dress codes, marriage and family rituals, and economic transactions. This obviously leaves little room for developing one's own standards for living. An explanation for these outcomes may be that Islamic executives in a non-Islamic society are exposed to different forces of influence that have an impact on the way they shape their values and norms. The respondents were also asked whether the Islamic values and norms are clear and applicable to the daily practice of business. A large majority agrees with this statement, only eleven percent takes a neutral position and another eleven percent disagrees with this statement.

Table 3.3   **Religiosity of Respondents**

Question		Average Score[a]	% Respondents with Value 1	% Respondents with Value .5	% Respondents with Value 0
1	Belief in Allah	1.00	100	0	0
2	Source of values norms	.64	40	47	13
3	Relevance in practice	.84	78	11	11
4	Belief in a hereafter	.99	98	2	0
5	Social character	.70	44	52	4
6	Inclination to be good	.69	42	54	4
7	Intensity of prayer	.78	65	27	8
8	Motive to pray	.57	21	73	7
9	Mosque attendance	.72	52	42	6
10	Other communal activities	.46	25	58	17
11	Religious study	.79	69	21	10

[a] The scores vary from 0 (lowest value) to 1 (highest value).

The respondents score also very unanimous in their belief in a hereafter. This is in accordance to the official teaching that the hereafter consists of a paradise as well as a hell. Believe in the final day of judgment even constitutes one of the articles of faith. On this day, Allah will pass judgment on man to determine the merits of each. So believe in a heaven and a hell is an important aspect of Islam as it works

as a control mechanism.

Contrary to Islamic teachings that preach the natural goodness of man, the majority indicates that they believe man has an equal tendency to be good and evil. The deviation in official and actual view on human nature is also shown in the score on the view on human beings as social or individual beings. Whereas Islam teaches that man is a social being, the results show that the majority of the sample seems to think human beings have an equal social and individual inclination. A reason for these deviations in belief from Islamic teachings may be that the executives' experiences in the Netherlands, an individualistic society, have made them think differently. Thus their daily experiences within a non-Islamic context may have overruled their religious teachings.

Most respondents pray daily. The reason for this may be that prayer constitutes the second pillar of Islam and is an obligation for all Muslims. Only eight percent indicate that they do not pray at all. The remainder of the sample does not pray regularly, but once in a while, for example on religious occasions. I also asked the respondents if they pray because it is an obligation towards Allah or because it offers fulfillment or because of both reasons. Of all respondents, 73 percent perceives praying as an obligation towards Allah as well as an activity that offers internal fulfillment. [34]

Furthermore, 94 percent of all respondents attends a mosque. More than fifty percent of the respondents visit a mosque on a weekly basis. The participation in other communal activities on account of the Islamic religion that take place outside the mosque, such as lectures and debates about Islam, is less common. The difference in frequency between the two might be related to the more or less obligatory character of attending communal prayers at the mosque. A prayer performed at a mosque receives a higher reward as opposed to when it is prayed alone. In addition, in Islamic communities the mosque may also serve as an important meeting place.

The respondents score rather high on the intensity of religious study of Islam. 69 percent of the respondents indicates that they engage in religious study through the Koran and other books written about Islam. 21 percent of these respondents only use the Koran for religious study. Acquiring knowledge (especially about Islam) is considered very important for a Muslim.

View on SRBC

The view on SRBC is comprised of several statements intended to measure the way the Islamic executives regard SRBC. Table 3.4 displays the average scores of the respondents on these different statements.

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[34] Just as for question 1 about the belief in Allah, the lack of variation in the response to questions 3, 4, and 8 render these variables not suitable for further analysis.

Table 3.4 View on SRBC

	Average Score	Standard Deviation	Average Score Non-Islamic Executives[a]	T-Test for Equality of Means[b]
Strategic and moral dimension of SRBC[c]				
13 SRBC has a positive long term effect on profitability	3.96	1.03	3.83	-.45
14 SRBC is a moral obligation towards society	3.98	.98	4.06	.28
15 SRBC should not cost the company more than it returns	3.55	1.16	3.67	.39
16 SRBC mostly concerns aspects that do not belong to the core business of the company	3.26	.94	3.72	1.75
17 SRBC should be incorporated in a company's strategy	3.85	.85	4.22	1.52
Importance of stakeholder related aspects of SRBC[d]				
18 Well being of employees	4.06	.89	4.17	.47
19 Respectful contact with suppliers	4.19	.73	4.06	-.69
20 Respectful contact with consumers	4.45	.69	4.17	-1.57
21 Obtaining a high profit	4.08	.85	3.61	-2.16*
22 Avoid competition-limiting agreements	3.54	1.09	3.17	-1.31
23 Compliance with legal obligations	4.42	.74	4.06	-1.78
24 Offering information to the general public	4.23	.84	3.94	-1.26
25 Efforts to reduce waste and pollution resulting from the production and/or consumption process	4.02	.71	3.78	-1.13
26 Contribution to social projects in the local community	3.72	.95	3.39	-1.33
27 Contribution to social projects in developing countries	3.23	1.24	3.22	-.02
28 Contribution to social projects in the Islamic community	3.85	1.19	-	-

[a] Group of 18 Non-Islamic executives as described in Chapter 2.
[b] Equal variances assumed, t-values presented, * p < .05.
[c] 1 = totally disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = totally agree.
[d] 1 = none, 2 = slightly, 3 = reasonably much, 4 = much, 5 = very much.

The upper part of Table 3.4 shows that the respondents believe that SRBC enhances the long-term profitability of their company. At the same time they consider SRBC a moral obligation towards society, which might indicate an intrinsic motive for SRBC. The majority agrees that SRBC should be integrated in the company's strategy. However, the respondents tend to agree that SRBC should not cost a company more than it returns. This ambiguity is also found in the responses to statement 16 and 17. Although the respondents agree that CSR should be incorporated in a company's strategy, they are not certain whether CSR concerns activities that belong to the core business of the company.

If I compare these outcomes with a similar research among a group of 18 non-Islamic executives (as described in Chapter 2), the outcomes are quite similar with respect to the long term effect of SRBC, the moral obligation of SRBC, and the reasonable costs of SRBC. The Islamic executives consider SRBC to be

more closely connected to the core business of the company compared to the Non-Islamic executives, but the Islamic executives are less convinced that SRBC should be incorporated in the strategy of the company. Nevertheless, these differences between the Islamic and non-Islamic executives are not significant.

The second part of Table 3.4 presents the respondent's view on the importance of specific elements of the concept of SRBC. The results indicate that the respondents highly value good stakeholder relations. Only the avoidance of dealings that reduce competition is not fully supported by most respondents. This may be due to the fact that the companies of the executives in this sample are small size companies that have probably not had much experience with anti-competitive dealings so far. Table 3.4 further shows that the Islamic executives attach a high value to the natural environment, in particular in comparison with the group of non-Islamic executives, although the difference between both groups of executives is not significant.

Contributing to social projects is also considered to be important by the Islamic executives, but the results show some variation in the degree of importance attached to the different charitable causes mentioned in table 3.4. The Islamic executives seem to attach the most importance to social projects in the own Islamic community, followed by their local community, and least importance to social projects in developing countries. A similar finding has been presented by the Study Group Philanthropic Studies of the Free University (Amsterdam, the Netherlands). In their study 'Giving in the Netherlands' (2009) they report that Dutch non-western immigrants donate mostly to charitable causes in their home country.[35] This may be due to a stronger connection with the own religious community as opposed to the local community or communities of people in developing countries. This is not amazing, considering that altruistic and philanthropic acts are usually directed towards causes that people are most sympathetic to. Furthermore, Islam preaches a strong sense of solidarity among Muslims.

In general, I find that Islamic executives attach a higher weight to almost all stakeholder related aspects of SRBC, as reported in Table 3.4, compared to the non-Islamic executives. The non-Islamic executives only attach a little more importance to the well being of their employees. Nevertheless, almost all differences between both groups of executives are insignificant. The only significant difference between the Islamic executives and the non-Islamic executives concerns the importance of obtaining a high profit. Islamic executives attach significant more importance to obtaining a high profit than non-Islamic executives.

Personal contribution to SRBC

Table 3.5 displays the results that concern the executives' personal contribution to SRBC. Something that immediately stands out when comparing Table 3.5 with Table 3.4, is that the average scores on the view on SRBC (upper part of Table 3.4) and the importance attached to several stakeholder-related aspects of SRBC (second part of Table 3.4) are substantially higher compared to the average score of the respondents' personal contribution to SRBC (Table 3.5). If I compare the personal contribution to SRBC of

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[35] Reformatorisch Dagblad (Reformed Daily), 2009 May 25, p. 1.

the Islamic executives with the personal contribution to SRBC of the non-Islamic executives described in Chapter 2, the Islamic respondents appear to be significantly less actively involved with SRBC.

These findings imply that the Islamic respondents think very positive about the concept of SRBC and the importance of realizing the several aspects of SRBC within their businesses. But when it comes to actually making an effort to promote and implement SRBC inside the company, they seem to lag behind. This result is reinforced by the result that the respondents indicate a rather hesitant attitude about the costs involved with SRBC and the position SRBC activities occupy in their companies.

Table 3.5 Personal Contribution to SRBC[a]

		Average Score	Standard Deviation	Average Score Non-Islamic Executives[b]	T-Test for Equality of Means[c]
29	Personal efforts to improve the company's position with respect to SRBC	3.02	1.17	3.72	2.29*
30	Undertake activities to promote SRBC within the company	2.89	1.15	3.72	2.76**
31	Employees consider the executive pro-active with respect to SRBC	2.81	1.12	3.17	1.18

[a] 1 = none, 2 = slightly, 3 = reasonably much, 4 = much, 5 = very much.
[b] Group of 18 Dutch non-Islamic executives as described in Chapter 2.
[c] Equal variances assumed, t-values presented, * p < .05, ** p < .01.

There may be different explanations for these findings. First, the concept of SRBC might still be an abstract notion for many of the Islamic executives in the sample in the sense that they have had little experience with concrete issues of SRBC. Secondly, the sample under investigation includes small businesses and their owners might be under the assumption that SRBC is something that does not apply to them. This was also mentioned by some of the respondents when they were asked to cooperate in the research. A frequent comment was that they did not believe that a research about SRBC applied to them, because they associated SRBC with large companies. A third possible explanation is that the respondent's response to the questions about the view and importance of SRBC might be more subjected to socially desirable answers than the response to the question about the personal contribution to SRBC. A fourth possible explanation is that the Islamic executives lack the institutional infrastructure necessary to promote business concepts such as SRBC. Non-Islamic executives in the Netherlands are often member of employer's organizations that inform their members about SRBC and stimulate them to bring into practice the principles of SRBC in their own companies. Islamic executives are relatively less organized. A possible consequence could be that these executives are less informed about particular business matters such as SRBC and are therefore less actively involved.

Clustering of the Responses

Before analyzing the relationship between the respondents´ religiosity and their SRBC, I clustered the responses to the questionnaire. The clustering occurred on the basis of inter item correlation through

the calculation of the Cronbach's Alpha. The Cronbach's Alpha is a reliable measure for the degree to which independent items measure the same concept. The higher the coefficient, the more the items "hang together as a set" (Sekaran, 2000, p.206). A general rule is that inter-item reliability should be at least .60 (De Heus, Van der Leeden and Gazendam, 1995).

Table 3.6 displays the results of the clustering analysis. It shows that the responses to the intensity of religious practices (measured by question 7, 9, 10 and 11) can be clustered in one variable. When I added the response to question 8 about the motive of praying, the Cronbach's Alpha declined to a value below .60. Therefore, I did not include this variable in this cluster. Also the responses to question 5 and 6 about the view on human nature were highly related and could be clustered: Islamic executives within my sample who believe that mankind is inclined to do well, also believe in the social nature of human beings.

Table 3.6 Clustering of Responses

Clusters	Questions	Cronbach's Alpha
Intensity of religious practices	7, 9, 10, 11	$\alpha = .67$
View on human nature	5, 6	$\alpha = .73$
View on SRBC	13, 14, 17	$\alpha = .73$
Importance of stakeholder relations, environment and social projects in local community and developing countries	18-28	$\alpha = .82$
Personal contribution to SRBC	29-31	$\alpha = .85$

The view on SRBC and the personal contribution to SRBC can be clustered in three variables. First, the response to the strategic and moral view on SRBC (question 13, 14, and 17) can be clustered in one variable. If I included the responses to questions 15 (about the costs of SRBC) and 16 (whether or not SRBC has to do with the core business of a company), the Cronbach's Alpha declined from .73 to .63. Because this is a considerable decline and because this comes very close to the lower limit of .60, I excluded these responses from the clustered variable representing the view on SRBC. Secondly, the responses regarding the importance of several stakeholder related aspects (question 18 till 28) can be clustered into one variable. Finally, I find that the responses to the three questions about the personal contribution to SRBC (question 29, 30, and 31) are highly related and can be clustered in one variable.

Correlation Analysis between Religiosity and SRBC

As noted above, the answers on question 1 and 4 show very little variation, making them not suitable for correlation analysis. Thus, based on the questionnaire and the clustering analysis, there are three variables describing the religiosity of the respondents: the source of values and norms (question 2), the (clustered) view on human nature and the (clustered) intensity of religious practices. I correlate these aspects of religiosity with the three clusters of SRBC as described before: the view on SRBC, the

importance of specific SRBC aspects, and the contribution to SRBC. Table 3.7 displays the bivariate relationships between the (clustered) aspects of the respondents' religiosity and the various (clustered) aspects of SRBC.

Table 3.7 Correlation Analysis between Religiosity and SRBC

	Source of Values and Norms	View on Human Nature	Intensity of Religious Practices
View on SRBC	.28	.36*	.02
Importance of specific SRBC aspects	.36*	-.04	.28
Personal contribution to SRBC	.38**	.24	.25

Note: * p < .05. ** p < .01.

Table 3.7 shows a significant relationship between two aspects of the religiosity of Islamic executives and SRBC. First, I find a positive significant relationship between the source of the respondents' values and norms and the personal contribution to SRBC. Apparently, values and norms derived from the Islamic religion motivate business executives to contribute more to SRBC, whereas individually developed values and norms lead to a lesser contribution to SRBC. This strong involvement may be the result of a stronger value attached to the values and norms preached by Islam about a proper business conduct. This strong involvement may have to do with the fact that "the Muslim leads his life knowing that this world is not permanent, rather it is a transitory to the eternal life, and a supply station, and a starting point of a race to win the pleasure of Allah" (Al-Lahim, 1995).

The source of the executives' values and norms is also positively related to the importance they attach to specific aspects of SRBC. This means that values and norms derived from Islam lead to a higher commitment to specific aspects of SRBC than individually developed values do. This may be explained by the fact that Islamic executives are supposed to take into consideration the needs and interest of other people. Executives who want to behave according to the Islamic values of freedom and justice will have a relatively high involvement with stakeholders such as employees, suppliers, customers, the (local) community and the natural environment.

Secondly, I find a significant positive relationship between the respondents' view on human nature and the respondents' view on SRBC. As expected, the relationship is a positive one, which means that executives believing that man is in nature a social being and inclined to do well have a more positive view on SRBC. An explanation for this may be that executives, who consider man as a social being, feel more involved with what happens around them. SRBC is a concept that promotes such a social attitude. So it seems logical that these executives support the concept of SRBC.

Table 3.7 shows no significant relationship between SRBC and the intensity of participation in religious activities. The lack of correlation between SRBC and the intensity of participation in religious activities may indicate that it is more important why people attend religious activities than how often they attend. People may attend religious activities because of the activities themselves (intrinsic

motivation) or because of other goals like, for example, social contacts, business contacts or obligation (extrinsic motivation). Other research shows that people who engage in religious practice for extrinsic reasons are more likely to exhibit differences in beliefs and attitudes about secular subjects such as the proper business conduct than those who engage in religious practice for intrinsic purposes (Agle and Van Buren, 1999).

3.5 Conclusions

This chapter examines the relationship between Islam and SRBC. The common idea of SRBC, namely that companies should conduct their business in a manner which demonstrates consideration for the broader social environment in order to serve constructively the needs of society, appeared to correspond with the view on business in Islam. There are, however, also two notable differences between the Islamic view on business and the concept of SRBC. First, Islam has laid down strict rules and regulations where SRBC leaves much of the realization of SRBC to the corporate executives themselves. Secondly, Islam forbids far more specific business activities (for example, trade in commodities such as pork, alcohol and gambling) than the concept of SRBC does. But it should be noted that the interpretations of Islamic values may differ widely among Muslims.

To examine the relationship between Islam and SRBC empirically, a questionnaire has been set out among fifty Islamic executives within The Netherlands. The questionnaire contained questions about the Islamic belief and about the view on and contribution to SRBC of the respondents. Based on these questions, I investigated the correlation between three aspects of the respondents´ religiosity (sources of values and norms, view on human nature, and the intensity of religious activities) and three aspects of SRBC (view on SRBC, importance of specific aspects of SRBC, and the personal contribution to SRBC).

I find that Islamic executives have a positive view on SRBC. They attach a higher weight to specific elements of SRBC - such as respectful contact with customers, compliance to legal obligations, providing information to the general public, the natural environment and support of social projects in the local community – than non-Islamic executives. On the other hand, I find that Islamic executives are less involved with applying SRBC in practice than non-Islamic executives.

Correlation analysis reveals that values and norms derived from the Islamic religion motivate executives to contribute more to SRBC, whereas individually developed norms and values lead to a lower contribution to SRBC. This may be the result of a stronger value attached to the norms and values preached by Islam about, among other things, a proper business conduct. Values and norms derived from the Islamic religion also lead to a higher commitment to specific aspects of SRBC compared to individually developed values and norms. This may be explained by the core values of the Islamic religion, freedom and justice, that motivate executives to take into consideration the needs and interest of other people. The analysis also reveals that the view on human nature of Islam, preaching the natural goodness of man as a social being, leads to a positive view on SRBC. This seems to be a logical consequence, because both the Islam and the concept of SRBC are based on the idea of a human as a social being, being possible to do the right thing. The analysis shows no relationship between the

intensity of religious activities and SRBC. This may be because it is more important why people attend religious activities than how often they attend.

The research presented in this chapter is exploratory in nature. Further research, based on these findings, should be carried out on a greater scale. This would allow to pay more attention to differences between the highly diverse groups of Islamic executives in the Netherlands. Moreover, in further research also other relationships can be examined, for example between the religious motivation of Islamic executives and their view on and contribution to SRBC.

"The means justify the end. Do the right thing, regardless of the outcome."

(Julian, 2001, p. XIX)

4

Religiosity and Business Dilemmas

Summary

This chapter explores the relationship between religiosity and the dilemmas executives confront in daily business practice. I find that the frequency with which dilemmas arise is related to various aspects of religiosity, such as the belief in a transcendental being and the intensity of religious practice. Despite this relationship, only 17 percent of the dilemmas examined involve a specifically religious standard. Most dilemmas originate from a conflict between moral and practical standards. I also find that most of the identified dilemmas stem from a conflict between two or more internalized standards of the executive.

4.1   Introduction

This chapter focuses on the relationship between religiosity and standards for business conduct.[36] It is important to individuals to act in accordance with their personal moral framework in order to avoid moral stress, dissociated personality or loss of personal integrity (Bird, 1996). The relevance of personal belief systems and ethical standards in the organizational context is also fuelled by a growing desire to merge professional and personal standards of conduct (Giacalone and Jurkiewics, 2003). Due to the decline of traditional social networks, individuals increasingly depend on their professional environment for links to others. As links to other social networks diminish, individuals seek a deeper sense of meaning and greater fulfillment from their job (Fry, 2003).

Coherence between personal belief systems, internalized standards and actual behavior in organizations is not only important for the psychological wellbeing of individuals, but it can also enhance organizational performance. Empirical studies show that a sound ethical culture that respects personal belief systems and standards enhances trust in the organization and consequently, the performance of the organization. Examples include a decline in staff turnover and an increase in productivity (Barnett and Schubert, 2002; Viswesvaran and Deshpande, 1996). There is also evidence that workplace spirituality programs improve productivity and reduce absenteeism and staff turnover (Giacalone and Jurkiewicz, 2003).

Personal belief systems and standards are often related to the religious background of an individual. Several empirical studies have been conducted to examine the relationship between religion and business conduct (e.g. Agle and Van Buren, 1999; Angelidis and Ibrahim, 2004; Conroy and Emerson, 2004; Giacalone and Jurkiewics, 2003; Kennedy and Lawton, 1998; Mitroff and Denton, 1999; Worden, 2003). To date however, no empirical research has been conducted into the relationship between personal religiosity, internalized standards and business conduct. The relationship between these three elements can run in opposite directions. On the one hand, it can be argued that religiosity enhances the coherence between internalized standards and business conduct. Individuals who are strongly religious are likely to take time to reflect on their behavior and relate their decisions to their internalized standards. Consequently, they are capable of anticipating possible dilemmas and avoid situations that will tempt them to make decisions that cannot be justified by their standards. On the other hand, it can be argued that individuals who are strongly religious are less capable of adapting to the standards that pertain to the business context. The reason for this is that they perceive their internalized set of standards as transcendentally ordained and therefore non-negotiable (Pava, 2003). These individuals are therefore more likely to be confronted with dilemmas as a result of a conflict between internalized standards derived from their religious belief and other standards such as those of the organization.

In this chapter I examine the relationship between religiosity, internalized standards and business dilemmas. I aim to answer three research questions. First, is there a relationship between religiosity and the frequency with which people encounter business dilemmas? To this end, I distinguish different aspects of religiosity: the belief in God, a view on the nature of humans, eschatological beliefs, and

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[36] Standards include both values and norms. In section 4.2 the concept is elaborated upon in more detail.

the intensity of religious activities, and relate each dimension to the frequency with which business dilemmas are confronted. Secondly, if a relationship can be discerned between religiosity and the frequency of business dilemmas, what type of standards give rise to these dilemmas? The standards are categorized in order to establish clearly which dilemmas are related to religiosity. Thirdly, if religiosity and the frequency of business dilemmas are related, do these dilemmas arise from a conflict between internalized standards and those from other sources or do they arise from a conflict between different internalized standards?

The methodology employed in this chapter differs from most other studies in this field of research in a number of respects. First, whereas most previous research was conducted in the US (e.g. Mitroff and Denton, 1999; Nash, 1994; Worden, 2003), the sample used in this study is from the Netherlands. Secondly, whereas the samples of most studies consisted of undergraduate or MBA students (e.g. Angelidis and Ibrahim, 2004; Conroy and Emerson, 2004; Kennedy and Lawton, 1998), my sample consists of executives. As Loe, Ferrell and Mansfield (2000) argue, the use of industry samples enhances the validity of research findings and increases the likelihood that it will receive serious consideration by practitioners. Thirdly, I use in-depth interviews rather than questionnaires. The advantage of interviews is that it is a flexible method that allows the researcher to probe the answers of the interviewees, which in turn sheds light on their reasoning and motives. It therefore offers insight into the perceptions of the interviewees and facilitates a sophisticated analysis of religiosity and its influence on business conduct. Fourthly, my conception of religiosity takes into account a number of aspects of religiosity that are absent in other empirical studies, such as belief in God, view on human nature, and eschatological beliefs. As Weaver and Agle (2002) have remarked, the absence of a detailed analysis of religiosity is one of the reasons that researchers fail to discover clear connections between religiosity and business conduct.

This chapter is structured as follows. Section 4.2 discusses the conceptual framework of this study. This is followed by a description of the research sample and the research methodology. Section 4.4 characterizes the religiosity of the respondents and discusses the relationship between religiosity, internalized standards, and the frequency with which business dilemmas arise. The final section contains the main conclusions with respect to the relationship between religiosity and business dilemmas.

4.2   Conceptual Framework

In this section I discuss the conceptual framework within which the relationship between religiosity and business dilemmas is examined. This framework is based on two methods to categorize business dilemmas. First, business dilemmas can be categorized according to the *type of standards* that generate dilemmas. This categorization enables me to answer the second research question: 'How often are religious standards involved in business dilemmas?' Secondly, business dilemmas can be categorized according to the *sources of standards* that generate dilemmas. This categorization allows me to answer the third research question: 'Do business dilemmas represent conflicts between internalized standards and those from other sources, or conflicts between different internalized standards?'.

Type of Standards

A business dilemma can be seen as a conflict between different values (Anderson, 1997; Trompenaars and Hampden-Turner, 2004), ideals (Railton, 1996), duties (Brink, 1996; Donagan, 1996) or stakes (Donaldson and Dunfee, 1999; White and Wooten, 1983). On a more general level a business dilemma can be defined as a conflict between different standards. Standards include values, ideals, duties and norms.

In order to classify business dilemmas according to the standards that generate them, I draw a distinction between three types of standards: moral standards, religious standards, and practical standards. First, following Velasquez (1992), there are moral standards. Examples of moral standards are solidarity, justice, integrity and honesty. Moral standards differ from non-moral standards in several aspects (Kaptein and Wempe, 2002; Velasquez, 1992). First, moral standards overrule other, non-moral, standards. A second and related characteristic is that moral standards are impartial. This means moral standards are formulated from a point of view that goes beyond the interests of a particular individual or group. Thirdly, moral standards are universalizable. This means a moral standard must, for any person who accepts the standard, apply to all relevant similar circumstances. Fourthly, moral standards deal with issues that have serious consequences for the welfare of others.

Secondly, religious standards can be distinguished. Many religious standards meet the criteria of moral standards. Thus, many religious standards are also moral standards. For example, justice is an important standard in many religions, but has become a general moral standard as well. But there are also specifically religious standards. For example, commands such as refraining from work on Sundays, following the Jewish tradition, and obedience to the Sharia are specific to Christianity, Judaism, and Islam respectively. I restrict the concept of religious standards to this subset of specifically religious standards. The religious standards that meet the criteria of moral standards are classified as moral standards. I classify a standard as religious if it is directly related to the religious background of an individual and if it does not meet the criteria of moral standards. This implies that it is a standard that is not applicable to everyone – neither those from another religion nor those who aren't religious.

The third category of standards encompasses all other (non-moral and non-religious) standards which are classified as practical standards. Examples include profitability, self-interest, and pride. All of these standards, i.e. moral, religious, and practical standards, can be involved in a dilemma. Dilemmas, conceived of as a conflict between different standards, can therefore be divided into six categories as shown in Table 4.1.

A dilemma arising from a conflict between two moral standards is classified as a moral dilemma. And a dilemma generated by a conflict between a moral standard and a religious standard is classified as an existential religious dilemma. Situations in which these dilemmas occur are particularly challenging. On the one hand, moral standards enjoy priority over religious standards. This follows from the criterion that moral standards override other, non-moral standards. On the other hand, since religion can play an important role in individuals' lives, the standards they derive from it may carry more weight. A dilemma that arises from a conflict between a moral standard and a practical standard is classified as a motivational dilemma. This dilemma confronts an individual with the problem of moral motivation: what motivates people to act in accordance with their moral standards?

Table 4.1 Types of Standards and Dilemmas

Dilemma as a Conflict between …	Moral Standard	Religious Standard	Practical Standard
Moral standard	Moral dilemma	Existential religious dilemma	Motivational dilemma
Religious standard		Religious dilemma	Practical religious dilemma
Practical standard			Practical dilemma

A dilemma that results from a conflict between two religious standards is classified as a religious dilemma. This may occur when a particular religion's standards are inconsistent with each other - at least in a specific situation. A religious dilemma can also arise in a specific situation where there is a conflict between the religious standards of different belief systems. A dilemma that arises from a conflict between a practical standard and a religious standard is classified as a practical religious dilemma. A dilemma that results from a conflict between two practical standards is classified as a practical dilemma. A wide range of practical dilemmas are conceivable. In this chapter I do not take practical dilemmas into account.

Sources of Standards

Business dilemmas can be categorized according to the type of standards that generate them. This categorization gives insight into the frequency with which specifically religious standards are involved in business dilemmas. But in order to answer the third research question of this chapter, 'Does business dilemmas represent conflicts between internalized standards and those from other sources, or conflicts between different internalized standards?', an additional distinction needs to be made.

Standards can have various sources (Korsgaard, 1996). Figure 4.1 portrays the four sources I distinguish. First, any individual has a set of internalized standards. When standards are internalized, this means that an individual has developed an ´internal sanction system´ (Coleman, 1990). If people do not act corresponding the internalized standards, they experience discomfort. Internalized standards can be obtained from various sources, such as, for example, the upbringing, social relations and someone's religion. A conception of God as just and merciful may generate corresponding standards, as has been shown in Chapter 2 of this thesis. Likewise, a conception of human beings as equal to each other may generate standards such as solidarity and fairness. Donagan (1996) argues that internalized standards that are based in divine commands may be more likely to generate dilemmas. This occurs when there is a lack of coherence between different divine commands or standards.

Another reason that internalized standards may give rise to dilemmas is that in practice, people do not always reflect on these standards. Therefore they may not be aware of the implications of their standards for concrete situations or of the possible inconsistencies between different internalized standards. People may also have difficulty in translating standards to different contexts. Often, people are only capable of valuing something in a particular manner in a social setting that upholds standards for that mode of valuation, which induces segmentation of their lives (Anderson, 1993). We develop

different personas through participation in different social relations. This view is shared by symbolic interaction theorists (Mead, 1981). According to symbolic interaction theory, people occupy multiple social positions in the family, religious community, workplace, and so forth. Each of these positions has its own unique set of role expectations. The identity of the self is thus multifaceted.

A second source of standards is the religious community. In religious communities, religious standards are communicated through religious rituals and further illuminated by clergy and experts explaining the meaning of the sacred texts. The sacred texts often include general standards and more concrete laws that enable religious people to identify the nature and will of God. The organization in which a person functions represents a third important source of standards. Every organization has its own set of standards. Some of these standards are official and set out in the mission statement of the organization, its code of conduct or some other policy. Other standards are unofficial, and although they are not explicit or documented on paper, they can be very specific and influential (Bate, 1994). The environment of the organization provides a fourth source of standards. The organization's environment consists of all elements beyond the boundaries of an organization that have the potential to influence the whole or a part of the organization (Daft, 2001).

Figure 4.1 Sources of Standards and Dilemmas
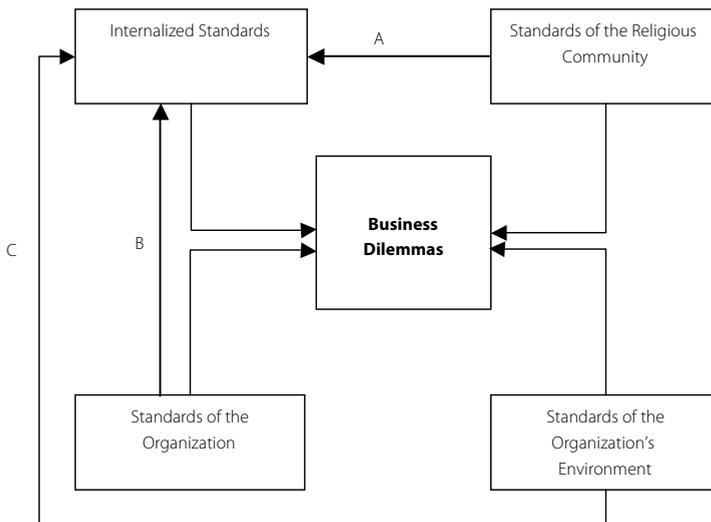
Dependent on the degree of internalization, the personal standards of the executive will overlap with the standards of the religious community, the organization, and the environment of the organization. The degree of internalization of standards derived from the religious community (Figure 4.1, Arrow A) will depend on the salience of the religious identity. The more salient this identity, the greater the likelihood that a person's behavior will be guided by the expectations associated with that identity. Failure to act

in a manner that is consistent with a highly salient religious identity is likely to generate strong levels of cognitive dissonance and emotional discomfort (Fry, 2003; Weaver and Agle, 2002).

Also formal and informal standards from the organization in which a person functions can influence the individual's set of internalized standards (Figure 4.1, Arrow B). In a 1998 survey of the Gallup Organization which asked 800 employees whether their jobs influenced their spiritual lives, 264 answered in the affirmative (Angelidis and Ibrahim, 2004). In this way the standards become part of individuals' personal set of standards. According to Weaver and Agle (2002) this may be particularly true for individuals who are climbing the career ladder and eager to please their bosses which may require that they conform to their moral ethos. To get ahead, individuals need a strong personal network within the organization, especially with those higher up in the hierarchy. As more time is spent building networks within the organization, less time remains to invest in relationships with other networks, including those of fellow believers. Also the organization's environment may influence the personal set of internalized standards (Figure 4.1, Arrow C).

A dilemma arises in a situation where two or more conflicting standards appeal to the moral consciousness of an individual. Based on the categorization of sources of standards, I distinguish four types of dilemmas.[37] First, the internalized standards generate an internal dilemma if two or more internalized standards are conflicting with each other. Furthermore, I distinguish three types of external dilemmas if the internalized standards are conflicting with standards from respectively the religious community, the organization, and the environment of the organization that are not internalized by the individual.

Finally, it should be noted that a dilemma may also result from a conflict between several internalized standards and the standards from other sources. I classify this type of dilemmas also as an internal dilemma. In particular, I use the following rule: if an individual is confronted with a dilemma resulting from a conflict between two internalized standards (X, Y) and a standard (Z) from another source, the dilemma is classified as an internal conflict, provided that the dilemma would still exist if Z was not involved in the situation.

4.3   Sample and Methodology

In this section the sample and methodology used to conduct an empirical examination of the relationship between religiosity, internalized standards, and business dilemmas will be described. First, I present the research sample, which is followed by a description of the research method.

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[37] Theoretically I can distinguish six other types of dilemmas. Just like the internalized standards, the standards of the religious community, of the organization, and of the environment of the organization can lead to dilemmas if there are conflicting standards within the same source. Furthermore, the standards of these three sources can be conflicting with each other, which ads three more types of dilemmas. Because these six types of dilemmas do not involve any internalized standard of the individual, I do not take these types of dilemmas into account.

Research Sample

For the sake of inclusiveness, I selected a cross-section of executives that represents the main religious belief systems in the Netherlands. The sample consisted of three Roman Catholics, eight Protestants,[38] five practitioners of Zen meditation, two Muslims, one Jew, and one Atheist.[39] The practitioners of Zen meditation adhere to a mixed belief system that combines elements of Christianity (Protestant or Roman Catholic) and Buddhism. The names and contact details were obtained from the Dutch employers' organization VNO-NCW. Table 2.2 depicts the main background characteristics of the interviewees.

Most interviewees were male (95%) and highly educated. The interviewees represent a diverse range of sectors, such as construction industry, consultancy, consumer products, healthcare, electronics and finance. All interviewees hold very senior positions in their organization. I focused on senior executives because of their level of autonomy (cf. Buchholtz, Amason and Rutherford, 1999; Hambrick and Mason, 1984; Lerner and Fryxell, 1994; Werbel and Carter, 2002).

Research Method

In order to examine the relationship between religiosity and business dilemmas empirically, I interviewed twenty Dutch executives. The interviews, which lasted approximately two hours per person, were recorded and transcribed. The content of each interview was subsequently independently analyzed by two researchers with reference to a fixed set of questions. The last column in Table 4.2 shows the agreement of the two coders regarding the main objects of this study. The level of agreement varies between 70 and 100 percent.

The advantage of in-depth interviews is that they allow a very detailed analysis of the topic of research. This is especially important for my research subject, since aspects of religiosity are often highly complex and cannot readily be categorized. The diversity of religious belief (even within one denomination) requires a detailed understanding of the belief system of each interviewed person particularly. Another reason for conducting in-depth interviews is that my research is explorative in nature and still in the theory-building phase.[40] In-depth interviews offer insight into the relevance of certain typologies and mechanisms which enriches the conceptual framework before testing it on a larger scale.

In-depth interviews also have two main disadvantages. First, because of the labor-intensiveness of this research method, the sample is necessarily much smaller than samples obtained by other research methods such as questionnaires. The insights these interviews generate cannot be generalized. Care must therefore be taken in interpreting the results. Given the explorative nature of this study, the findings should be tested on a larger scale. A second consideration to take into account regards the potential

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[38] The group of Protestant participants consisted of two Calvinist, two Evangelicals, and four other Protestant executives.
[39] See Herman (1997) for an introduction to the similarities of and differences between western religions.
[40] Weaver and Agle (2002) also point out that in view of the limited amount of research thus far on the impact of religiosity on ethical behavior in organizations, much future research in this field will need to be of a qualitative, concept- and theory-building nature.

for social desirability response bias. I explained at the beginning of each interview that the content of the discussion was confidential and to be used for research purposes only. I did make my intention to publish the findings known, but I assured each participant that their identity would remain confidential. The interviewees thus had no reason to present a more favorable picture of themselves than they knew was the case. For this reason, I assume that they were honest and sincere in their response. Their response to the question at the end of the interview regarding their experience of the discussion confirmed this assumption. Two executives even said that they were amazed at their own honesty. Moreover, during the interviews several cases of violations of social norms and government regulations were raised. As the disclosure of such information deviates strongly from what is generally regarded as a socially desirable response, the honesty of the respondents seems beyond doubt.

Table 4.2 Classification of Aspects of Religious Belief

Subject	Question	Answer Options			Agreement between Coders
		Value: 0	Value: ½	Value: 1	
Belief in God	Do you believe in God? And Do you believe in God as a transcendental being with whom one can communicate?	No, no	Yes, no	Yes, yes	70%
Transcendental standard of values	Who sets the standard for good and evil?	Man	God and man	God and/or religious texts	85%
Man is other oriented	Are human beings self oriented or other oriented?	Self oriented	Self oriented and other oriented	Other oriented	90%
Man is evil	Do human beings have a tendency to do good or to do evil?	Good	Good and evil	Evil	75%
Life is predestined	Are our lives predestined?	No	Yes and no	Yes	80%
Belief in the hereafter	Do you believe in heaven? And Do you believe in hell?	No, no	Yes, no	Yes, yes	80%
Intensity of praying	How often do you pray?	Infrequently / (almost) never	Not daily, but at least once a week	Daily	80%
Intensity of Zen meditation	How often do you do you meditate?	Infrequently / (almost) never	Not daily, but at least once a week	Daily	100%
Participation in communal activities	How often do you attend meetings of your religious community?	Infrequently / (almost) never	Once or twice a month	More frequently	80%

In order to analyze the impact of religiosity on business dilemmas, the relevance of the various sources of standards and the interaction between personal beliefs, the private social context, and the business context, I asked three clusters of questions during the interviews. The largest part of the interview dealt with the nature of the religious belief of the interviewee. Several questions were asked about the view on God (e.g., 'Do you believe in God?', 'Is it possible to communicate with God?' and 'Who or what sets the standard for good and evil?'), the view on human nature (e.g., 'Is human life predestined?', 'Do people tend to do good or evil?' and 'Are people mainly self-regarding or other-regarding?'), and the eschatological expectations (e.g., 'What is our ultimate destination?', 'Do you believe in heaven?' and 'Do you believe in hell?'). The second cluster of questions dealt with the intensity of religious belief (e.g., 'Do you pray or meditate and if so, how often?' and 'Do you attend meetings of your religious community and if so, how often?'). I assume that the intensity of religious belief can be used as an indicator of the salience of and motivation for religious belief. The third cluster of questions concerned the dilemmas the executives are confronted with in their business context. To avoid socially desirable answers, I refrained from providing hypothetical dilemmas. Instead, I asked the executives to describe dilemmas that they have confronted and how they handled the situation.

4.4 Findings: Religiosity and Business Dilemmas

This section presents the findings of my research on the relationship between religiosity and business dilemmas. I begin by giving an account of the nature of the religious belief of the interviewees. Next, the relationship between religiosity and the frequency with which the interviewees confront business dilemmas is discussed. Then the presented dilemmas are classified according to the type of standards involved. Based on this classification, I can establish how often religious standards are involved. Finally, the business dilemmas are classified according to the sources of the standards involved. Based on this classification, I can establish how often business dilemmas are generated by a conflict between the executive's internalized standards and standards from other sources.

Religiosity of the Interviewees

Table 4.3 summarizes my findings on the aspects of religiosity that I focused on in this study on the relationship between religiosity and business dilemmas. It shows that most executives believe in a personal God who communicates with people. The interviewed executives develop their personal standards relatively autonomously. For most executives, the standard of good and evil is set by both: God and humans. Furthermore, the interviewees have a relatively positive view on human nature. Most of them think of their fellow humans as socially oriented and inclined to do good. Most of the interviewed executives do not believe life is (completely) predestinated and emphasize people's personal responsibility for their life.

Table 4.3 Aspects of Religious Belief[a]

Conception of God		Conception of Human Nature		
Belief in God	Transcendental origin of standards	Man is social	Man is evil	Life is predestinated
.80	.50	.63	.48	.38

Eschatological Beliefs	Intensity of Religious Practices		
Belief in the hereafter	Intensity of praying	Intensity of Zen meditation	Participation in communal activities
.65	.62	.22	.70

[a] The score varies from 0 (lowest value) to 1 (highest value). For the classification, see Table 4.2.

Most interviewees believe in a hereafter, although most of them do not believe in hell. For those who believe in the hereafter but not in hell, the hereafter means heaven or 'something good'. The interviewees exhibit a relatively high intensity of praying and participation in common activities of the religious community. The intensity of Zen meditation on the other hand is relatively low. Further analysis of the data shows that the greater the intensity of Zen meditation, the weaker the intensity of praying and participation in communal religious activities.

Table 4.4 Classification of Dilemmas

	Short Description of Dilemma	Conflict between Internalized Standard and …	Moral Standards	Religious Standards	Practical Standards	Preferred Standard
1	Dismissal of handicapped employee	Internalized standard and standard of employees	1 Solidarity 2 Justice			2
2	Refraining from dismissing older employees	Internalized standard	1 Solidarity		2 Profitability	1
3	Refraining from building rocket base	Standard of NGO	1 No mass destruction		2 Profitability	1
4	Promoted employees too often	Internalized standard	1 Continuity		2 Interest of individual employees	1
5	Refraining from building a mosque	Internalized standard		1 Will of Jesus	2 Profitability	1
6	Refraining from paying employees under the counter for overtime work	Standards of employees	1 Abide by the law		2 Higher net income	1
7	Refraining from dismissing drunken driver	Internalized standard	1 Justice	2 Mercy		2
8	Dismissal of adulterous worker	Internalized standard	1 Care for employees' families 2 Respect for private life of worker	3 Ten Commandments	4 Good relations between workers	1, 3 and 4

	Short Description of Dilemma	Conflict between Internalized Standard and …	Moral Standards	Religious Standards	Practical Standards	Preferred Standard
9	Dismissal of employees during reorganization	Internalized standard	1 Do not harm other people 2 Continuity of company			2
10	Refraining from abusing client's lack of familiarity with the market	Internalized standard	1 Fair price	2 Jewish tradition	3 Profitability	1 and 2
11	Refraining from using fair trade coffee	Standards of employees	1 Fair price		2 Low costs	2
12	Refraining from paying bribes	Internalized standard	1 Integrity		2 Output	1
13	Deceiving employees about possibility of merger	Internalized standard	1 Honesty		2 Stronger bargaining position	2
14	Deceiving environmental inspectors about storing chemicals without license	Internalized standard	1 Honesty		2 No fines and loss reputation	2
15	Failing to keep collective agreements	Internalized standard	1 Keep agreement		2 Reduce costs	2
16	Refraining from using FSC wood	Internalized standard	1 Stewardship		2 Reduce costs	2
17	Entering into illegal price agreements with competitors	Standards of competitors	1 Abide by the law		2 Cooperation	2
18	Being too patient with malfunctioning employee from similar religious background	Internalized standard	1 Justice		2 Support for fellow believers	2
19	Deceiving client	Internalized standard	1 Honesty		2 High output	2
20	Usury	Internalized standard	1 Fair price		2 High profitability	2
21	Selling company without consulting employees	Internalized standard	1 Respect for employees		2 Own interest	2
22	Illegal antedating of activity	Standard of client	1 Abide by the law		2 Interest of client	2
23	Refraining from using bleach free paper	Standards of client and other colleagues	1 Stewardship		2 Clients and colleagues do no like it	2
24	Failing to give adequate attention to employees	Internalized standard	1 Respect for employees		2 Self-interest	2
25	Requiring too much overtime work from employees	Internalized standard	1 Respect for employees		2 Growth of company	2
26	Dismissing secretary without preparing or guiding her	Internalized standard	1 Respect for employees		2 Self-interest	2
27	Lying if late or failing to remember appointment	Internalized standard	1 Honesty		2 Prevent shame	2
28	Failing to visit the Mosque each Friday	Internalized standard		1 Obey religious duty	2 Business	2
29	Refraining from being truthful to person with psychological problems	Internalized standard	1 Help other people 2 Honesty			1

Religiosity and the Frequency of Business Dilemmas

Table 4.4 summarizes the business dilemmas presented by the interviewees. The executives cited 29 dilemmas in total. The presented dilemmas cover a variety of subjects such as dismissal of employees, refraining from abusing, refraining from paying bribes, deceiving, and usury.

In answer to the question whether there is a relation between religiosity and the frequency with which business dilemmas are confronted, I turn to Table 4.5 which depicts the number of dilemmas related to each aspect of religious belief. Table 4.5 shows a significant relationship between the number of business dilemmas and the belief in God, a transcendental standard of good and evil, the belief in a hereafter, the intensity of praying, and the intensity of participating in communal religious activities.

Table 4.5 Correlations between Aspects of Religiosity and the Frequency of Dilemmas

Aspects of Religiosity		Frequency of Dilemmas
Conception of God	Belief in God	.43*
	Transcendental standard	.41*
Conception of human nature	Man is social	.03
	Man is evil	.36
	Life is predestined	.16
Eschatological view	Belief in the hereafter	.50*
Intensity	Praying	.45*
	Zen meditation	-.29
	Common activities	.50*

Note: Spearman's rho, * $p < .10$, ** $p < .01$. For the classification of the aspects of religiosity, see Table 4.2.

These results indicate that supernatural beliefs increase the likelihood of encountering business dilemmas. However, my sample is too small to draw any general conclusions. The only conclusion I derive from Table 4.5 is that the combination of a monotheistic belief in God, a transcendental standard of good and evil, a belief in the existence of heaven and hell, and a high intensity of praying and participation in the religious community, is positively related to the frequency with which the executives in my research sample encounter business dilemmas.

Types of Business Dilemmas

The positive relationship between religious belief and the frequency of business dilemmas leads to the second research question, namely, the question regarding the nature of the standards that generate business dilemmas for the executives. Table 4.6 shows that five dilemmas are the result of a conflict between a religious standard and another standard. This means that specifically religious standards are involved in 17 percent of the dilemmas that were raised during the interviews.

Two dilemmas follow from a conflict between a moral standard and a religious standard. One example is of the Protestant executive who refrained from dismissing a driver who was responsible for the loss of three commercial vehicles in one year as a result of drunken driving. Invoking the religious standard of mercy, the executive decided to give the driver another chance. Dismissal could have been justified on the basis of the moral standard of justice, which incidentally, was the stance of his colleagues. In both of the existential religious dilemmas, the executives gave precedence to the religious standard. This confirms my hypothesis that religious standards often override moral standards in practice, despite the fact that they are subordinate to moral standards in theory.

Table 4.6 Classification of Business Dilemmas According to the Underlying Standards

Preferred Standard Non Preferred Standard	Moral Standard	Religious Standard	Practical Standard
Moral standard	Moral dilemma 3	Existential religious dilemma 2	Motivational dilemma 16
Religious standard	Existential religious dilemma 0	Religious dilemma 0	Practical religious dilemma 1
Practical standard	Motivational dilemma 5	Practical religious dilemma 2	Practical dilemma Omitted

Three dilemmas follow from a conflict between a religious standard and a practical standard. An example is given by a Muslim executive whose religion obliges him to visit the mosque on Fridays. On one occasion he had to choose between going to the mosque and attending a business meeting. In this case, the executive gave priority to the practical standard of meeting business responsibilities rather than the religious standard of meeting religious obligations. He subsequently regretted his decision. In two practical religious dilemmas the executives gave preference to religious standards. In both cases the executives felt no regret about the decision taken.

Most dilemmas do not involve a specifically religious standard. Three dilemmas involve two moral standards. One example is of the executive who had to decide whether to dismiss a handicapped employee. He was confronted with the moral standard of solidarity with the handicapped. But he was also confronted with the moral standard of fairness to the colleagues of the handicapped employee who were missing group targets as a result of his inability to contribute his fair share. Another example is of the executive who found himself in a situation where the continuity of the company was at stake.[41] He had to lay people off, and was therefore confronted with two moral standards, namely the continuity of the company and the standard of refraining from inflicting harm on others.

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[41] Continuity differs from (high) profitability in that it pertains to the continued existence of the company and the fulfilment of responsibilities toward stakeholders. High profitability does not pertain to the continued existence of an organization and therefore it is not a requirement for fulfilling responsibilities toward stakeholders.

Twenty-one dilemmas follow from a conflict between a moral standard and a practical standard. One example is of the executive who decided not to pay workers under the counter for overtime work. On the one hand, he was confronted with the moral standard of abiding by law. On the other hand, he was confronted with the practical standard of increasing the company's profits. In this case, his faith motivated him to give priority to the moral standard of abiding by law, despite the additional expense that overtime wages incur.

It is remarkable that in sixteen of the twenty-one dilemmas of moral motivation, the practical standard prevailed over the moral standard. An example of this is offered by the executive who deceived a client to increase the company's turnover. In this case, the practical standard of higher turnover prevailed over the moral standard of honesty despite the requirement that moral standards should enjoy priority over practical standards. When it comes to the crunch, practical standards seem to carry more weight.

Sources of Business Dilemmas

The positive relationship between religiosity and the frequency of business dilemmas gives also rise to the third research question: 'Are business dilemmas caused by a conflict between an individual's internalized standards and standards from one of the other sources, or are they the result of a conflict within an individual's personal set of internalized standards?'. In the case of the former, the dilemma is caused by a conflict between on the one hand the internalized standards of the executive and on the other hand the standards of the religious community, the organization or the environment of the organization. In the case of the latter, the dilemma occurs as a result of a conflict between two or more internalized standards of the executive. Table 4.7 shows the number of dilemmas per source within the research sample.

Table 4.7 Sources of dilemmas

	Another Internalized Standard	A Standard of the Religious Community	A Standard of the Organization	A Standard of the Environment of the Organization
Dilemma between an internalized standard of the executive and …	22.5	0	2.5	4

Interestingly, most dilemmas are generated by a conflict between two or more internalized standards. One example worth noting concerns the executive who had to decide what information he should provide the environmental inspectors with. His company had stored chemicals on a site for which it had no license. As fate would have it, a fire broke out on the site at the time of the environmental inspectors' visit to the company. During his questioning, the executive decided to deceive the environment controlling agency in order to avoid high fines and negative publicity. In this case, his internalized standard of honesty (being truthful) conflicted with his commercial interest in avoiding fines and negative publicity. Another example of a conflict between two internalized standards is of the

executive who refused to pay bribes in order to win a contract. This executive argues that, if you have to pay bribes to ensure the continuity of the company, one faces a dilemma between maintaining one's own integrity and securing the employment of one's employees.

If I restrict my focus to the five dilemmas that involve a specifically religious standard, I find that even all of these were generated by a conflict between two or more internalized standards. One telling example is of the Jewish executive whose client was willing to pay a much higher price than the market price due to his lack of familiarity with the market. The Jewish executive faced a conflict between his internalized standard of profitability and his internalized standard of following the Jewish tradition according to which profits may not exceed twenty percent. In this case, the executive decided to follow the Jewish tradition. He eventually asked a much lower price than the client offered.

I found no evidence of a conflict between the standards of the executives' religious community and their internalized standards. This means that the religious community does not play a role in the arising of dilemmas cited by the executives in the research sample. This is illustrated by an executive who stated that, if the preacher for example preaches about stewardship, this stimulates him to make the right decisions regarding environmental issues. Following the standards of the preacher, means abiding to the Lord. In his view, the influence from his religious community makes it easier to do the right thing in concrete business situations. I therefore conclude that insofar as the religious community influences the decisions of the executives, it takes place largely through standards that have been internalized.

The interviewed executives cited three dilemmas that can be related to a conflict between an internalized standard and a standard of the organization. One example concerns the use of fair trade coffee that was requested by some employees. The executive did not grant the request because of the premium one pays for fair trade coffee.

Four dilemmas can be related to a conflict between internalized standards and the standards of external stakeholders. An example of this concerns illegal price agreements in the construction industry. In 1992, the European Commission prohibited the practice of pre-consulting. In 1998, the Dutch government adopted this European regulation and forbade the practice of ex-ante consultations (Graafland, 2004). One of the executives in the construction industry decided to follow this law. But, after some time, he had to conclude he and his company were isolated by his competitors who blamed him for lack of cooperation. This isolation resulted in a loss of orders for his company. This created a conflict between his internalized standards (abiding by the law versus the continuity of the company) as well as between internalized standards and the standards of competitors (cooperation). Eventually, he gave in to the pressure and took up where he left off. During the course of time, however, his guilty conscience troubled him so much that he completely withdrew from all illegal practices.

In sum, I can state that most dilemmas arise as a result of a conflict between two or more of the executives' internalized standards. This is particular true if an executive faces a dilemma wherein a religious standard is involved. In all dilemmas presented by the interviewees in which a specifically religious standard is involved, this religious standard is an internalized standard that conflicts with another internalized standard of the executive.

4.5   Conclusions

In this section I describe and discuss the main findings of my research on the relationship between religiosity and business dilemmas. Because of the small research sample, I cannot draw any general conclusions.

The combination of a belief in a monotheistic God, a transcendental standard of good and evil, the existence of a hereafter, and a high intensity of praying and participation in the religious community is positively related to the frequency with which the interviewed executives encounter business dilemmas. There are several alternative interpretations for this relationship. A first explanation is that internalized standards that are based in divine commands may be more likely to generate dilemmas. This occurs when there is a lack of coherence between different divine commands (Donagan, 1996). Based on the results of the empirical research I conclude that this explanation is not relevant for my sample. In none of the cases, the dilemma was caused by a conflict between standards that follow from different divine commands.

A second explanation is that executives who believe that their standards have a transcendental origin are not flexible enough to adapt their standards to the practical requirements and harsh realities of the business world. Executives who believe that their ethical standards have a human origin may be more flexible in this regard. This is illustrated by the remarks of an interviewed executive who stated: 'If the organization's continuity is in danger, it can be useful to suspend your values […] If the organization's continuity is at stake, some values may start to shift […] It is not that clear […] We tend to assume that values are given and fixed […] but there is a grey area where you start to tinker with values.' Indeed, in all the concrete dilemmas this executive described he never truly relinquished his religious belief and was able to defend his decisions from a moral point of view. This illustrates that moral flexibility reduces the scope for real conflicts between religiosity and business conduct. However, this advantage also has a drawback: too much moral flexibility may undermine one's integrity (Kaptein, 2005).

A third explanation is that religious executives may have relatively high internalized standards derived from their religious belief. These standards may, for example, have been ordained by a holy being. Because of these relatively high standards, they are more likely to experience a tension between what they believe they ought to do on the basis of their internalized standards and what they want to do or what others want them to do in certain situations.

A fourth explanation is that religious executives do not have higher ethical standards, but are more aware of them because of their participation in religious activities. As a result, they are more attuned to the ethical character or significance of a situation. Indeed, Table 4.5 shows that the frequency of dilemmas is also related to the intensity of praying and participation in communal religious activities. The executives that display a high intensity of praying and participation in communal religious activities probably have a highly salient religious identity. Therefore, the moral standards they derive from their religion will permeate all areas of life, including the work environment.

Religious standards are involved in 17 percent of the dilemmas presented by the interviewed executives. Most of the presented dilemmas, 21 out of 29 (72%), represent a conflict between a moral

standard and a practical standard. Religious standards, therefore, do not generate business dilemmas that often. In this study, I enquired about people's religious belief and the business dilemmas they encounter in the same interview. A religious bias may thus have affected the discussion of the business dilemmas. It is therefore safe to assume that the percentage of specifically religious standards involved in business dilemmas will be even less than 17 percent.

In view of these findings, I conclude that, although religiosity seems to increase the frequency with which executives encounter business dilemmas, religious standards are relatively infrequently involved in these business dilemmas. Most dilemmas result from a conflict between a moral standard and a practical standard. Therefore, the positive relationship between religiosity and the number of business dilemmas is not related to religious standards as such. The positive relationship can be explained by a higher moral awareness of religious executives.

Most dilemmas, 23 out of 29 (79%), result from a conflict between two or more internalized standards of the executive. If I take into account only those that involve a religious standard, even all of these stem from a conflict between two or more internalized standards. In discussing dilemmas, it is often assumed that dilemmas come about when we are confronted with a standard that is different to our own. I expected religious standards in particular to give rise to dilemmas should they conflict with standards from other sources. The opposite finding in this empirical research can be explained by the fact that the interviewed people hold very senior positions in their company. These people have the power and the opportunity to put their internalized standards into practice in the organization. Moreover, others in the organization would probably have difficulty rejecting the standards of such highly placed persons. This may even apply to other stakeholders from the religious community and the environment of the organization.

Although the in-depth interviews with the twenty executives offer a number of interesting insights, the sample is too small to generalize these findings. The tentativeness and preliminary nature of the findings presented in this chapter cannot be stressed enough. Further research is required to clarify the relationship between religiosity, internalized standards and business dilemmas. In order to establish whether these patterns hold more generally, the findings should be tested on a larger scale. Further research might also investigate why practical standards so often prevail over moral standards. Rest (1986), Treviño (1986), and Jones (1991) show that the relationship between religiosity and behaviors is moderated by individual factors such as ego strength, field dependence and locus of control and situational factors, including organizational culture, characteristics of the work, and immediate job context. These additional relations can also be examined in further research.

"We should, as charitable organizations do, measure success in terms of outcomes for others

as well as for ourselves."

(C. Handy, 2003)

5

Religiosity and Socially Responsible Business Conduct

Summary

In this chapter I examine the relationship between religiosity and SRBC by conceptualizing religiosity in terms of cognition, motivation, and behavior, and SRBC in terms of various attitudinal and behavioral aspects. Based on empirical research among 473 executives, I find that distinguishing between various dimensions of religiosity does not provide additional insight as the various dimensions appear to be highly correlated. Measuring SRBC as a differentiated concept, however, clarifies the relationship between religiosity and SRBC by revealing significant but opposing influences of religiosity on various types of SRBC.

5.1   Introduction

Today the world faces a complex set of ecological and social issues that need to be resolved. Governmental institutions, located at both the national and international level, face serious and structural difficulties in addressing these issues. This has raised an interest in SRBC for realizing public goals. SRBC is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis (European Commission, 2001). The concept reflects the idea that organizational behavior is a potential key to the promotion of societal goals. A fundamental question concerns the motives underlying such voluntary contributions to societal goals. Often, it is assumed that executives are driven by financial motives, because SRBC has shown to raise the corporation's profitability (Orlitzky, Schmidt and Rynes, 2003). However, also intrinsic motives may drive executives´ SRBC. Executives may derive private enjoyment from SRBC, have altruistic concern over the well-being of others, or may perceive SRBC as a moral duty that they should observe.

A possible important intrinsic motive for SRBC is religiosity. Religiosity provides specific reinforcements and punishments in order to foster moral behavior (Pichon, Boccatto and Saroglou, 2007). Religious texts often include values, laws and norms with respect to economic life and sustainable development that stimulate executives to behave socially responsible. For example, the Torah proclaims tenets requiring fairness, equal treatment, and honesty, such as: "You shall not falsify measures of length, weight, or capacity. You shall have an honest balance, honest weights, an honest ephah, and an honest hin" (Dorff, 1997).[42] The Bible calls people to love their neighbors, also in business. This means "to do justice, to love kindness, and to walk humbly with your God" (Chewning, Eby and Roels, 1990).[43] The Koran condemns cheating and lying and commands businessmen to be honest in all their dealings and transactions. It forbids payment of equal wages for unequal labor as well as the payment of unequal wages for equal work (Mushtaq, 1995).

In the past, the relationship between religiosity and (certain aspects of) business ethics has been studied rather frequently (see, e.g., Epstein, 2002; Fort, 1996; Garcia-Zamor, 2003; Giacalone and Jurkiewicz, 2003; Kennedy and Lawton, 1998; Siu, Dickinson and Lee, 2000; Uddin, 2003; Weaver and Agle, 2002). Nevertheless, empirical research on religiosity and business ethics shows no clear relationship. Weaver and Agle (2002) list three types of empirical results. In some studies no difference has been found between the everyday conduct of religious and nonreligious business managers, some studies show a negative correlation between religiosity and business ethics, and others show a positive relationship. Weaver and Agle (2002) argue that these conflicting findings are the result of three methodological problems: most empirical research has been done with undergraduate and MBA students; most of them focus on attitudinal measures of business ethics, which may suffer from social desirability bias; and most empirical researches use widely varying definitions and measures of religiosity.

The objective of this chapter is to unravel the relationship between religiosity and SRBC. The core research question of this chapter is: Whether and how does religiosity influence executives' SRBC? In

[42] Leviticus 19: 35-36.
[43] Micah 6: 8.

answering this research question, I aim to contribute to existing research in three ways. Firstly, I distinguish several aspects of religiosity. Research on the relationship between religiosity and business conduct is complicated by various interpretations of the meaning of religiosity (Culliton, 1949). Taking Weaver and Agle's criticism seriously, my empirical research will be based on a broad definition of religiosity that does not only consider the behavioral, but also the cognitive and motivational aspects of religiosity. Secondly, I distinguish not only attitudinal, but also behavioral aspects of SRBC. In particular, I measure the self-perceived contribution of executives to SRBC by means of a fourteen-item scale based on a scale developed by Graafland, Eijffinger and Smid (2004). I test for clusters of individual SRBC items and analyze whether and how these different dimensions of SRBC relate to executives´ religiosity. Thirdly, this chapter contributes to the existing literature by testing the hypotheses on a large new dataset consisting of 473 questionnaires completed by executives. This methodology differs from most other studies in this field of research that use samples consisting of undergraduate or MBA students (e.g. Albaum and Peterson, 2004; Angelidis and Ibrahim, 2004; Conroy and Emerson, 2004; Kennedy and Lawton, 1998). As Loe, Ferrell and Mansfield (2000) argue, the use of industry samples enhances the validity of research findings and increases the likelihood that it will receive serious consideration by practitioners.

The contents of this chapter are as follows. Section 5.2 presents the conceptual framework underlying the analysis of the relationship between religiosity and SRBC. Section 5.3 describes the research sample and methodology. Section 5.4 presents the findings of my empirical research. Section 5.5 summarizes the main conclusions with respect to the relationship between religiosity and SRBC.

5.2   Conceptual Framework

In this section, I introduce a conceptual framework that connects SRBC to various motives for SRBC and religiosity as a motivational driver of SRBC. First, I present an overview of existing theoretical and empirical literature concerning the motives for SRBC. Next, I describe the concepts of religiosity, SRBC, the extrinsic motive for SRBC and the intrinsic motive for SRBC. Following these descriptions, I present the conceptual framework, linking the different concepts, and related hypotheses which underpin my empirical analysis of the relationship between religiosity and SRBC.

Review of Research

Locket, Moon and Visser (2006) present a magnificent overview of existing research in the field of SRBC. Based on a sample of 176 articles, they find that 53 percent of the articles has been based on empirical research. This empirical research has been overwhelmingly of a quantitative nature. Most of those empirical inquiries focus on the effects of SRBC, such as the relationship between SRBC and financial performance. The question why executives might contribute to SRBC remains underexposed. Also Campbell (2007) argues that little attention has been paid to understanding why or why not corporations act in socially responsible ways. The strong focus of existing empirical research on the relationship between SRBC and its (financial) effects, seems to suggest that executives are primary

driven to SRBC by financial motives: engaging in SRBC because of a direct impact on profitability. But, although many researchers contend that financial reasons are important motives for SRBC, others argue that intrinsic motives are still powerful drivers of SRBC (Hahn and Scheermesser, 2006; Heslin and Ochoa, 2008).

In a recent article Brown, Vetterlein and Roemer-Mahler (2010) categorize the various existing theoretical explanations for answering the question why corporations do engage in social and environmental initiatives. They present four categories of explanations: the external structure of the firm (competitive landscape, national institutions, global institutions and public norms), external actors (pressure from NGOs, pressure from international organizations and actions of competitors), the internal structure of the firm (organizational structure, corporate culture and nature of the firm's business) and internal actors (managers' values and beliefs, manager's leadership and manager's abilities). My research focuses on the fourth set of explanations: the influence of executives on SRBC. Individual executives are important to explain SRBC since decisions about social activities are made by individuals within the company. Formal ethics policies are often ineffective if they are not supported by leaders of the organization, both on the executive and supervisory level (Trevino, Hartman and Brown, 2000). As argued by Handy (2003), the best way to get companies to behave in socially responsible ways, is to motivate their executives to do so.

Of the three aspects of agency distinguished by Brown, Vetterlein and Roemer-Mahler (managers' values and beliefs, manager's leadership and manager's abilities), I particularly focus on executives' values and beliefs. Personally held values and beliefs of executives influence SRBC in two ways. Firstly, they inform the decision of the managers themselves. McWilliams and Siegel (2001) illustrate how the business strategies of companies that are well known for their social engagement (i.e. Ben and Jerry's Ice Cream and The Bodyshop) were both informed by market considerations *and* the personal values of senior managers. Secondly, personal values of managers influence the SRBC of the company by changing the corporate culture and the attitudes and values of employees. Collier and Esteban (2007) find, for example, that the commitment of employees strongly depends on the extent to which social activities are championed by the organization's management.

Empirical Findings

One of the few empirical studies on the motives for SRBC has been carried out by Brønn and Vidaver-Cohen (2009). They examined a sample of 1644 Norwegian companies with over 50 employees. They asked executives what they perceive as the primary reasons for their company's engagement in activities that benefit society from a list of sixteen motives. They find that the company's long-term interest and image feature among the most frequently three reasons. Nevertheless, many other extrinsic motives rank very low, such as creating financial opportunities (rank 12), meet shareholder demands (rank 14) or avoid regulation (rank 15). Intrinsic motives are often ranked high, such as be recognized for moral leadership (second rank) and personal satisfaction (fourth rank). These findings indicate that both extrinsic as well as intrinsic motives do influence company's engagement in activities that benefit

society, but with a predominance of extrinsic motives.

Also Lougee and Wallace (2008) find that companies use SRBC mainly as a strategic instrument. They examined two samples of companies, the S&P 500 and Domini 400, and used quantitative measures of corporate social performance for a period of 15 years. These measures cover both strengths (strong social performance) and concerns (weak social performance) for each company. In order to disentangle the influence of intrinsic and extrinsic motives, they make an important assumption, namely that companies that are intrinsically motivated are more likely to make investments in both increasing their strengths and decreasing their concerns with respect to their social performance. In contrast, companies that approach their social responsibility from a strategic point of view, would only be concerned with maximizing the profit from their social investment. According to Lougee and Wallace, this suggest giving priority to extending their strong social performance, while subordinating their efforts to address their social performance concerns, because the latter is likely to be very costly. A correlation analysis shows that social performance strengths are positively related to the social performance concerns, suggesting that most companies are extrinsically motivated to invest in social performance.

A third empirical study on motives for SRBC has been carried out by Graafland and Van de Ven (2006). They examined a sample of 110 Dutch companies, of which 48 large companies (more than 100 employees) and 62 small companies. In this study the extrinsic motive for corporate social responsibility is measured on a five points Likert scale based on the response to the proposition: "Our firm's efforts with respect to corporate social responsibility will have a positive influence on our financial results in the long term". The intrinsic motive is measured with the respondents' response on the proposition: "To behave in a responsible way is a moral duty of businesses towards society". Graafland and van den Ven correlate these responses with the respondents' self-perceived contribution to corporate social responsibility. They find that the contribution to corporate social responsibility is positively related to the intrinsic motive, but no significant relation is detected between corporate social responsibility and the extrinsic motive. After specifying several dimensions of corporate social responsibility, i.e. five stakeholder dimensions (employees, customers, suppliers, competitors and society) and an instrumental dimension (the use of corporate social responsibility instruments such as a code of conduct, ISO certification and social reporting), they find that the strategic motive has a significant positive influence on employee and customer related aspects of corporate social responsibility, but none of the other dimensions. Considering the specified dimensions of corporate social responsibility, the intrinsic motive has a significant positive influence on employee and customer related aspects, and on the use of instruments.

The inconsistencies between the results of these three studies on the motives for SRBC may well be explained by differences in measures for motives as well as for SRBC, by differences in samples (the three cited empirical researches with respect to motives for SRBC have been carried out in Norway, the U.S., and the Netherlands respectively), and differences in or lack of control variables in the quantitative analysis. On account of the existing empirical examinations of the motives for SRBC, I conclude for now that both, extrinsic and intrinsic, motives drive SRBC, although it is not clear what motive has the strongest influence.

I am particularly interested in the role of religiosity as a motivational driver to SRBC. As argued in the introduction, religiosity may be an important intrinsic motive for SRBC. Qualitative research showed a relationship between executives´ conception of God, their values and norms, and SRBC (Graafland, Kaptein and Mazereeuw – van der Duijn Schouten, 2007). In this particular research, executives with a monotheistic conception of God showed a higher level of engagement with SRBC compared to executives with a pantheistic conception of God or atheistic executives, except with respect to the importance of internal stakeholders. To further prove these findings and to increase the understanding of the relationship between religiosity, the motives for SRBC and SRBC, I will empirically test this relationship. Before presenting my conceptual framework and the related hypotheses underlying this empirical examination, I will first describe the core concepts, namely religiosity, SRBC, extrinsic motives for SRBC and intrinsic motives for SRBC.

Defining Religiosity

The definition of religiosity has occupied the minds of scholars for a long time. As a result, there is a multiplicity of definitions (Platvoet and Molendijk, 1999). Berger (1967) argues that definitions of religiosity are neither "true" nor "untrue", but only more or less useful. I define religiosity as "an orienting worldview that is expressed in beliefs, narratives, symbols, and practices of worship; it is an inner experience of the individual, connects individuals with each other and orients their actions" (see Section 1.3).

One of the difficulties of existing research on the influence of religiosity on business attitudes and business behaviors, is the use of widely varying definitions and measures of religiosity (Weaver and Agle, 2002). Existing research tends to conceptualize and measure religiosity in terms of affiliation (i.e. Barro, 1999; Brown and Taylor, 2007), church membership (i.e. Lipford and Tollison, 2003), behavioral terms such as church attendance (i.e. Agle and Van Buren, 1999), religious motivation (i.e. Clark and Dawson 1996), or general indications of religious commitments (i.e. Albaum and Peterson, 2006). Nevertheless, most researchers do agree that religiosity cannot be conceived as a single, all-compassing phenomenon (De Jong, Faulkner and Warland, 1976).

In the further elaboration of the concept of religion, I follow Cornwall, Albrecht, Cunningham and Pitcher (1986). These authors consider religion as a complex phenomenon consisting of cognitive (thinking), affective (feeling) and behavioral (acting) components. The cognitive component is about *what* someone beliefs. Firstly, it covers a view on a transcendent being, its nature and character, and its interaction with humans (Baaren and Leertouwer, 1980). Secondly, the cognitive component of religion covers a view on human nature (Weaver and Agle, 2002). People's expectations of others, as well as of themselves, will be influenced by their religious beliefs. For example, Calvinism, a movement within the Protestant religion, stresses the sinful nature of human beings. This pessimistic view on the ability of human beings to do well, may lower the expectations of good (business) conduct of other human beings. Thirdly, the cognitive component covers the eschatological expectations with respect to the final destination of human beings. The view on the final destination of human beings in a religious system has major ethical implications (Thakur, 1969). For example, if people believe that heaven can be

'earned' by acting in accordance with the principles prescribed by their religion, they will honor these principles to the best of their ability to earn the reward of eternal life (Voert, 1994).

The affective component encompasses the *feelings* towards religious beings, objects, or institutions. It reflects the degree to which people are committed to their religion (Praveen Parboteeah, Hoegl and Cullen, 2008). Weaver and Agle (2002) stress the importance of the motivational orientation of adherents towards their religion. If an individual is intrinsically motivated (i.e. treats religious belief as an end in itself), the religious convictions and norms are more likely to be translated into conduct. Individuals who are extrinsically motivated (i.e. religion is treated as useful in procuring other benefits) are more prepared to depart from the role expectations of their religion.

The behavioral component of religion refers to the aspects of religion that are '*acted out*' (Cornwall et al., 1986). It is the manifestation of being religious through activities such as church attendance, praying in private, and participating in activities of the religious community. The intensity of religious behavior reinforces the influence of religious belief on business behavior. In religious communities, clergy and experts explain the meaning of sacred texts and communicate the implications of religious belief through shared religious rituals. Participation in a religious community therefore fulfils an important role in translating religious belief into practice. Also other religious activities, such as private prayer and religious study, can affirm and reinforce expectations with respect to the behavior of believers.

Defining SRBC

It is not easy to give a satisfying definition of SRBC. Since the second half of the 20th century, a long debate on SRBC has been taken place. A multitude of terms and definitions has been introduced to describe the relationship between business and society. The common idea put forward in various definitions of SRBC is that companies should conduct their business in a manner which demonstrates consideration for the broader social environment in order to serve constructively the needs of society. This is articulated by the definition of SRBC as given by the Dutch Social and Economic Council (Social and Economic Council, 2001, p.17-18) that defines SRBC as "the conscious direction of business activities towards creating value in three dimensions in the longer term: not only in terms of financial-economic variables, such as profitability and share value, but also in ecological and social sense". This definition by the Social and Economic Council is authoritative and well known within the Netherlands.

The definition by the Dutch Social and Economic Council implies three important notions of SRBC. First, SRBC is not restricted to a small set of (philanthropic) activities, but encompasses the core business of a company. Secondly, no sharp distinction is made between what law requires and the other activities of the company. This is important because a major driving force behind SRBC lies in compliance by the company with legal obligations (Social and Economic Council, 2001, p.16-17). A third crucial aspect of SRBC, which remains implicit in the definition cited above (although the Social and Economic Council pays much attention to this in the further elaboration of this definition), is the relationship of the company with its stakeholders and society at large. Because of the importance of the notion of stakeholders, I will explicitly add this notion, leading to the following definition of SRBC: "SRBC is the conscious direction

of business activities towards creating value in economic, ecological and social sense in the long term, while being accountable for their impact on all relevant stakeholders".

Following the critics of Weaver and Agle (2002), I will further elaborate SRBC both at the attitudinal as well as the behavioral level. When it comes to the attitudinal level, one of the most well known elaborations is Carroll´s (1979) CSR model, distinguishing four types of responsibility for the corporation: the economic responsibility to be profitable; the legal responsibility to abide by the laws of society; the ethical responsibility to do what is right, just, and fair; and the philanthropic responsibility to contribute to various kinds of social, educational, recreational, or cultural purposes. This elaboration of SRBC remains close to my definition of SRBC. It includes philanthropic activities as well as the core business of companies (being profitable); it includes, but is not limited to the compliance to law; and it embraces a large group of stakeholders, such as shareholders, governmental institutions, and social groups. At the behavioral level, I will use the stakeholder model, distinguishing behavioral measures with respect to the attendance of interests of the stakeholders of the company, such as employees, suppliers, customers, competitors, the government and society at large.

Extrinsic Motive for SRBC

The extrinsic or financial motive for SRBC refers to the (financial) benefits of SRBC. It consists of two intertwined factors: the perceived influence of SRBC on income (the degree to which executives think it is profitable to do) and the relative importance of financial success to the executive. Executives attaching a high value to financial success will be more actively involved with SRBC if they expect more financial benefits (or less cost) from SRBC. This positive effect of SRBC on income is a less important motive for executives who are less concerned about their financial success.

Many empirical studies have found a positive relationship between SRBC and profitability (e.g. Russo and Fouts, 1997; Waddock and Graves, 1997; Orlitzky, Schmidt and Rynes, 2003), although some other studies found a neutral (e.g. Aupperle, Carroll and Hatfield, 1985; McWilliams and Siegel, 2000) or negative (e.g. Wright and Ferris, 1997) relationship. There are several ways in which SRBC can affect profitability (Graafland, Eijffinger and Smid, 2004). For example, it can improve the company's reputation in the consumer market (Brown and Dacin 1997; Fombrun and Shanley 1990). A good reputation may lead to more trust in the company, stronger commitment from employees, lower absenteeism and staff turnover rates, higher productivity, and a more positive attitude to work and good conduct (Sims and Keon, 1997; Turban and Greening, 1996). Those profitable effects of SRBC may stimulate executives to contribute to SRBC.

Intrinsic Motive for SRBC

The intrinsic motive for SRBC means that SRBC is perceived as an end in itself, independent from the benefits. Intrinsically motivated executives contribute to SRBC because it is "the right thing to do" (Bansal and Roth, 2000). The intrinsic motive may follow from a sense of ethical, civic or religious duty (and feelings of guilt or shame if this duty is not met). That means that one feels obliged to do something because

it is right, not because it is enjoyable (Etzioni, 1988). But the intrinsic motive of executives to contribute to SRBC may also follow from altruism. In this case, an executive values the societal consequences of SRBC (Rabin, 1998). Executives may contribute to SRBC because they want to help others or they want to contribute to the common good. The motive behind this desire may be a genuine concern of the well-being of others, but also a preference for equality or reciprocity (so-called reciprocal altruism (Rabin, 1998)). Experimental research shows that pure altruistic behavior is rare, but that preferences for equality and reciprocity are fairly common (Gächter and Fehr, 1999). Thus, the intrinsic motive may be further detailed in two different motives: an ethical motive and an altruistic motive for SRBC. This further detailing of the moral motive matches very well with the well known typology of SRBC, given by Carroll (1979) and described above. The ethical and philanthropic responsibilities come close to the ethical and altruistic motives for SRBC.

Relationship between Religiosity, Extrinsic Motive, Intrinsic Motives and SRBC
Figure 5.1 presents the conceptual framework of my study on the relationship between religiosity and SRBC. It connects religiosity to the intrinsic motives, the extrinsic motive and SRBC. I hypothesize that religiosity may influence executives' SRBC both directly as well as indirectly by the financial, the ethical and the altruistic motive for SRBC.

Firstly, religiosity may affect SRBC through the financial motive (Hypothesis 1). Religiosity may contribute to the belief that SRBC has a positive influence on financial success because of divine interaction. Religious texts, such as those of the Old Testament's Wisdom writers, promise wealth as a reward for an active and virtuous life (Tamari, 1997). Religious belief may also influence believers' perception of the importance of income. For example, the protestant belief conceives work as a calling and its fruit – profit, wealth – as a sacred payoff. Tawney (1926) quotes Baxter: "If God shows you a way in which you may lawfully get more than in another way (..), if you refuse this and choose the less gainful way, you cross one of the ends of your calling, and you refuse to be God's steward".[44]

Secondly, religiosity may also motivate executives to contribute to SRBC through strengthening the sense of an ethical duty to SRBC (Hypothesis 2). Religious texts, such as the Torah, the Bible, and the Koran, offer regulations for business life (Epstein, 2002; Tamari, 1997; Williams and Zinkin, 2010). In addition, religious communities may impose role expectations on executives, pressing them to do their business in accord to the religious teachings or in accord to traditional values and customs.

In the third place, religiosity may reinforce the altruistic motive for SRBC (Hypothesis 3). Religiosity implies ideals of generosity and concern for others (Pichon, Boccato and Saroglou, 2007). By doing good for others when nothing is expected in return, religious people may believe they commit themselves to God's will (Ji, Pendergraft and Perry, 2006). Within the Christian tradition, it is stressed to do good deeds, not only because religious laws and regulations command it, but primary because of thankfulness for what God did to men. Thus, the Christian tradition teaches compassion not only as a duty to divine

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[44] Baxter, Christian Directory, 1678 ed., Vol. I, p. 378b.

Figure 5.1   **Conceptual Framework**
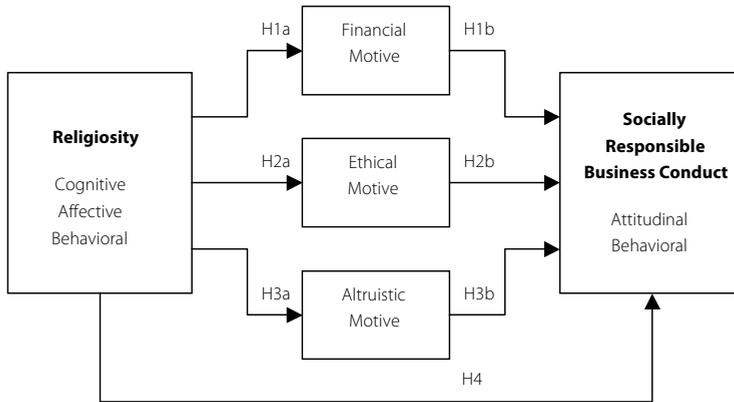
law, but also as a response to divine love (Wuthnow, 1991). This calling to do good without expecting something in return, is illustrated by saints and holy figures within religious traditions, that are models of altruism (Saroglou, Pichon, Trompette, Verschueren and Dernelle, 2005).

Finally, I also take into account the possibility that religiosity influences the executives' SRBC for other reasons than the financial, ethical or altruistic motives (Hypothesis 4). For instance, since religion is a cultural phenomenon, it may affect executives also through group norms that are not internalized in the financial, ethical and altruistic motives. In the overall framework as summarized in Figure 5.1, I therefore also include a direct influence of religiosity on SRBC on top of the indirect influences through the financial, ethical and altruistic motives.

The conceptual framework is completed by the disaggregation of religiosity and SRBC. Religiosity is a complicated and multidimensional concept. Therefore it will be refined into several cognitive, affective and behavioral components. Following the critics of Weaver and Agle (2002), SRBC will not only be measured in attitudinal terms, but also at the behavioral level. Detailing both concepts leads to an even more detailed set of relationships that will be examined in the following sections.

5.3   Sample and Methodology

This section describes the research sample and methodology I used to empirically examine the relationship between religiosity and SRBC. Firstly, I describe the sample of this research. In the second part of this section, the development and contents of the questionnaire are described.

Research Sample

To collect data in order to empirically test the hypotheses, I developed a questionnaire.[45] The questionnaires were sent to the executive members of the three largest (non-sector specific) Dutch employers' organizations. Taking into account the remark of Guiso, Sapienza and Zingales (2003) that cross-country research about religiosity and business ethics is confounded by differences in other institutional factors, this empirical study is limited to the Netherlands, minimizing cultural and institutional differences within the sample. According to Renneboog and Spaenjers (2009), the Netherlands is an ideal place to examine the relationship between religiosity and individual decision making, because this country is characterized by considerable heterogeneity in religiosity. Moreover, the distinction between religious and non-religious people is not as blurred as in other countries, because the people in the Netherlands who are members of a religious denomination are usually true believers.

Of the 2,500 distributed questionnaires, 473 were completed and returned resulting in a response rate of 19 percent. Completing the questionnaire was completely voluntary. The average age of the executives in the sample was 49 years (s.d. = 9.2 years); 95 percent of the respondents were male. The respondents represented different types of industry; construction (12%), financial services (15%), manufacturing (15%), wholesale and retail trade (15%), health care (6%), and others (36%). The size of the organizations showed great diversity: 33% very small sized (1-10 employees), 21% small sized (11-50 employees), 13% medium sized (51-100 employees), 17% large sized (101-500 employees), and 15% very large sized (over 500 employees). Many respondents held very senior positions in their organization: 38% were director-owner, 19% were CEOs and 43% held other senior positions. Of the respondents, 18% called themselves Roman Catholic, 48% Protestant, 14% Evangelical, and 9% religious in other terms. Another 11% of the respondents indicated that they were not religious.

I tested for non-response bias by comparing early and late respondents. As Armstrong and Overton (1977) argue, late respondents are representative of non-respondents. I found no significant difference between early and late respondents on SRBC (p = .17), or religious characteristics such as the intrinsic religious motivation (p = .22), and the intensity of religious activities (p = .69).

Questionnaire

In order to develop a questionnaire covering the different aspects of religiosity and SRBC, I first conducted twenty in-depth, face-to-face interviews. I partially structured the interviews to increase their comparability and relevance with the help of an interview protocol. The aim of the interviews was twofold. On the hand, it allowed me to explore the topic of research in practice in addition to my theoretical explorations. The interviews offered rich qualitative insight into the role of religiosity in business for the interviewed executives (Graafland, Kaptein and Mazereeuw-van der Duijn Schouten, 2006; 2007; Graafland and Mazereeuw-van der Duijn Schouten, 2007). On the other hand, the interviews offered me the opportunity to explore measures, scales and terms to be used to measure SRBC as well as religiosity. If the interviewees did not understand the questions or measures used during the interviews,

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[45] The full questionnaire is available from the author on request.

I had the opportunity to seek, in interaction with the interviewees, for other formulations for the same concept. In this way, I avoided vague questions that could lead to misinterpretation by the respondents. Finally, after developing the questionnaire, the questionnaire was pre-tested with twelve executives as a final test before sending it to the members of the three Dutch employers´ organizations.

I collected data by means of a single survey instrument and a single respondent per questionnaire. To address the potential concerns of common method bias and common source bias, I used several procedural remedies (Podsakoff, Mackenzie, Lee and Podsakoff, 2003). I protected respondents' privacy by assuring them complete anonymity in a cover letter. I reduced item ambiguity by avoiding vague concepts, keeping the questions simple and pre-testing the survey with executives. Thirdly, I separated scale items. By separating scale items for SRBC and religiosity, I reduced the likelihood of respondents guessing the relationship between the dependent and the independent variables and consciously matching their responses to the different measures (Parkhe, 1993). Moreover, I carried out Harman's one-factor test. If a substantial amount of common method bias exists in data, a single or general factor that accounts for most of the variance will emerge if all the variables are entered together (Podsakoff et al., 2003). An unrotated principal component analysis on all the variables, revealed 15 factors with eigenvalues greater than 1.0, which together accounted for 68% of the total variance. The largest factor did not account for a majority of the variance (19.8%).

Another consideration to take into account when using questionnaires regards for social desirability response bias (Treviño and Weaver, 2003). In order to reduce the potential for this bias, I explained to the respondents in a cover letter that the questionnaire was confidential and to be used for research purposes only. The identity of the participants would remain anonymous. The executives who filled in the questionnaire thus had little reason to present a more favorable picture of themselves than they knew was the case. In a study on pro-environmental behavior (which is one aspect of SRBC), Kaiser, Wölfing, and Fuhrer (1999) showed that people are only marginally tempted to give socially desirable answers. Also other studies show that self-reported behavior and actual behavior are strongly correlated (see, e.g., Bernard, 2000; Fuj, Hennesy and Mak, 1985; Gatersleben, Steg and Vlek, 2002; Warriner, McDougall and Claxton, 1984). A final reason to expect that a potential socially desirability response bias will not blur the analysis is that I found a high variance in the scores of the various components of SRBC. Even if the responses may reflect some socially desirability response bias, the bias is apparently not predominant.

Dependent Variable: SRBC

I measured the self-perceived contribution to SRBC with a fourteen items containing scale, based on a scale developed by Graafland, Eijffinger and Smid (2004) and applied by Graafland and Van der Ven (2006). I omitted all items referring to organizational issues, such as ethical reporting, ISO certification, external audits, and ethical training, because these aspects do not cover the personal contribution of an executive. I also omitted the items referring to shareholder issues, because my sample consists mainly of small and medium sized companies, whereas in many cases the only shareholder is the owner. The remaining fourteen items all relate to the personal contribution of the executive with respect to

SRBC. I asked the respondents how often they personally contribute more than required by law within their organization with respect to each of the different items (1 = "never", 5 = "always"). To reduce this set of items to a smaller set of more reliable measures, I conducted a Principal Component Analysis with an oblique rotation (Direct Oblimin, delta parameter set at 0) on the items (Russell, 2002). The analysis revealed five factors with eigenvalues greater than one (see Table 5.1). Within these factors, I retained individual items if its loading was greater than .50. Loadings of .50 or greater are considered very significant (Hair, Anderson, Tatham and Black, 1998). Items were eliminated if they did not load on any factor with a value of .50 or greater, or if they had cross-loadings on two or more factors.

Table 5.1 Results of Exploratory Principal Component Analysis with Varimax Rotation

	Factor				
	1 Internal Stakeholders	2 External Stakeholders	3 Diversity	4 Natural Environment	5 Charity
Employee safety	**.55**	-.01	.05	.19	-.03
Employee training	**.67**	-.01	.05	-.06	.00
Prevent abuses	**.60**	.06	.03	.03	.07
Respectful relationship with suppliers	-.04	**.81**	.05	.03	.03
Respectful relationship with customers	.13	**.81**	-.13	-.02	.01
Respectful relationship with competitors	-.07	**.64**	.11	.03	.00
Offering equal opportunities to immigrants	.03	.01	**.88**	.01	-.03
Offering equal opportunities to women	.16	.13	**.60**	.01	-.03
Increasing employee attention to environment	.14	.06	-.01	**.66**	.01
Reducing pollution within the business chain	-.04	-.02	.04	**.90**	-.02
Reducing pollution of the own company	-.00	-.03	.03	**.96**	.06
Reintegration of disabled	.02	-.04	.30	.09	.29
Financial support of local projects	.12	.04	-.06	-.00	**.66**
Financial support of third world projects	-.07	.02	.01	-.01	**.71**
Initial eigenvalue	1.01	1.66	1.43	4.65	1.25
Proportion of total variance	3.91	9.33	7.28	30.50	5.66
Cumulative explained variance	3.91	13.24	20.52	51.02	56.68
Cronbach´s Alpha reliability	.69	.80	.78	.89	.59

Based on the results of the Principal Component Analysis, I created five measures. Firstly, I created the measure 'internal stakeholders', based on the average score of the statements with respect to employee safety, employee training and the prevention of abuses. Secondly, I created the measure 'external stakeholders', based on the average score of the statements with respect to the relationship

with customers, suppliers and competitors. Thirdly, I created the measure 'diversity', based on the average score of the statements with respect to offering equal opportunities to women and ethnic minorities. Fourthly, I created the measure 'natural environment', based on the average score of the statements with respect to the reduction of environmental impacts and the increasing of employee awareness of environmental sustainability. And finally, I created the measure 'charity', based on the statements with respect to the support of local projects and projects in the developing world. I did not create a new measure based on the statement with respect to the reintegration of the disabled, because this measure loaded on two factors and neither of these loadings was greater than .50.

I subjected the reduced-scale items to a confirmatory factor analysis. The internal consistency of the factors (Cronbach´s Alpha) was equal to .69 for internal stakeholders, .80 for external stakeholders, .78 for diversity, .89 for the natural environment, and .59 for charity. Most scores are very acceptable if I take a lower limit of .60 (De Heus, Van der Leeden and Gazendam, 1995; Cohen, Cohen, West and Aiken, 2003). The rather low score of charity may be due to the fact that there are only two items within this factor (Peterson, 1994). According to Schmitt (1996) this low reliability may not be a major impediment to its use if there is a meaningful content coverage. Because both items do cover the same content, only with a different geographical scope, I decided to use this factor in the further analysis. When I consider the perceived contribution to SRBC as one variable based on the fourteen items of the SRBC scale, the Cronbach's alpha is equal to .84 which is also very satisfying.

Independent Variable: Religiosity

To measure religiosity, I developed measures for the cognitive, affective and behavioral aspects of religiosity. I measured the cognitive aspect of religiosity by means of five different questions with respect to the respondents' conception of God, view on human beings and eternal expectations (See Table 5.2).

The affective component of religiosity was measured by means of the intrinsic/extrinsic religiousness scale developed by Allport and Ross (1967) and revised by Gorsuch and McPherson (1989). The scale consists of 14 statements, measuring the intrinsic and extrinsic religious motivation of respondents. When executives are intrinsically oriented towards their religiosity, this means their religiosity is a meaning-endowing framework in terms of which all of their life is understood. This contrasts with an extrinsic religious orientation where religiousness is informed by social convention and comfort: a self-serving instrumental approach shaped to suit oneself (Donahue, 1985). The measures of extrinsic religious motivation do not measure religiousness as an attitude towards religiosity, but religiosity as an instrument for comfort and social support. Therefore, I only included the intrinsic religious motivation of the respondents, forming an essential aspect of religiosity itself, in further analyses. This measure was created by averaging the scores on eight statements with respect to the intrinsic motivation of the respondents towards their religion. The internal consistency of the intrinsic motivation equaled to .84.

I measured the behavioral aspect of the religiosity of the respondents by means of five questions about attendance of religious services, participation in other activities of the religious community, and time spent on private prayer, work related prayer, and meditation. Because these five items strongly

correlate with each other, I created one measure, intensity of religious behavior, based on an average score of these five questions. The internal consistency of this measure equaled to .91.

In order to control for possible cross relationships between the various aspects of religiosity, I conducted a correlation analysis of all measures of religiosity. Table 5.2 shows a strong and very significant correlation between all aspects of religiosity. If respondents believed that God sets the standard for good and evil, they also tended to believe that human beings are inclined to do evil, that the life of human beings is predestined, that there is a hereafter, and that their eternal destination will be influenced by their business conduct. Furthermore, these respondents were rather strongly intrinsically motivated towards their religion and participated actively in religious activities. Thus, the different aspects of religiosity were highly correlated with each other, showing a rather traditional view on religiosity, combining cognitive, affective, and behavioral aspects. I therefore further investigated the possibility of constructing one measure, combining the different aspects of religiosity by conducting a Principal Component Analysis with an oblique rotation (Direct Oblimin, delta parameter set at 0) on the items. The analysis revealed only one factor with an eigenvalue greater than one, with items loadings varying from .56 to .93. Based on these outcomes, I created a new measure, traditional religiosity, consisting of the average score of each of the aspects of religiosity as presented before. The Cronbach's alpha of this new measure equaled to .87.

Table 5.2 Means, Standard Deviations, and Correlations of the Aspects of Religiosity

	Mean	S.d.	1	2	3	4	5	6
1 God sets the standard for good and evil	.61	.49						
2 Human beings are inclined to do evil	.56	.27	.60***					
3 Life of human beings is predestined	.52	.33	.52***	.49***				
4 There is a hereafter	.77	.35	.69***	.49***	.44***			
5 Acting in work influences the eternal destination	.58	.46	.58***	.37***	.35***	60***		
6 Intrinsic motivation	.74	.16	.76***	.55***	.42***	.68***	.54***	
7 Intensity of religious behavior	.63	.25	.83***	.63***	.49***	.72***	.59***	.86***

Note: * p < .05, ** p < .01, *** p < .001

Financial, Ethical and Altruistic Motive

The financial, ethical, and altruistic motives for SRBC were approximated by attitudinal questions that are closely connected to the well-known typology of corporate social responsibility developed by Carroll (1979). This typology distinguishes between a financial, legal, ethical and philanthropic orientation towards corporate social responsibility. I measured the four different attitudes of the respondents by means of a scale developed by Aupperle, Carroll and Hatfield (1985). In particular, I asked the respondents to allocate ten points to each of five sets of statements measuring the importance the respondents

attribute to each of the components of corporate social responsibility. The statements were randomly ordered. I used this forced-choice methodology to minimize social desirability response bias (Aupperle, Carroll and Hatfield, 1985). Following Aupperle, Carroll and Hatfield, I constructed four reduced scale items for the financial, legal, ethical and philanthropic orientation. I subjected the reduced-scale items to a confirmatory factor analysis. The internal consistency of the factors was equal to .80 for the financial orientation, .70 for the legal orientation, .65 for the ethical orientation, and .74 for the philanthropic orientation. These scores are very satisfying if I use the lower limit of .60, following De Heus, Van der Leeden and Gazendam (1995).

Since Hypotheses 1 to 3 concern the financial, ethical and altruistic motives for contributing to SRBC, I was particularly interested in the financial, ethical and philanthropic attitude of the respondents. The financial motive for SRBC depends on two intertwined factors: the perceived influence of SRBC on income and the relative importance of financial success for the executive. I interpret the financial orientation as a proxy for the relative importance of financial success. Executives associating SRBC mainly with profitability would stress the financial aspect of SRBC. Following Graafland and Van der Ven (2006), the perceived influence of SRBC on income was measured by the following proposition: 'Our firm's efforts with respect to CSR will have a positive influence on our financial results in the long term'. I multiplied the scores of the respondents on this question with the score on the financial orientation to create the financial motive variable.[46] The ethical and philanthropic attitude were taken as proxies for the ethical and altruistic motive for SRBC.

Control Variables
In the analysis of the relationship between religiosity, the other motives, and SRBC, I controlled for several variables that might influence executives´ SRBC. Control variables used in the analysis are age, gender, income, position, size of the organization, and type of industry. Existing literature suggests that younger executives are significantly more likely to believe that good business ethics is positively related to successful business outcomes (Luthar, DiBattista and Gautschi, 1997). Existing empirical research also suggests female subjects to show a significantly more favorable attitude towards ethical behaviors than males (Albaum and Peterson, 2006; Luthar, DiBattista and Gautschi, 1997; Ruegger and King, 1992).

As argued before, a lot of research has been done, investigating whether SRBC influences a company's profitability. But, on the contrary, profitability may also influence executives' SRBC. If a company's profitability is high, it will be easier to invest in SRBC activities, even when the profitability of these activities is not for sure. Because of the focus on the individual executive, I did not control for the company's profitability, but for executives´ income. To measure income, I asked the respondents to categorize their gross annual income, using six categories. In order to prevent potential endogeneity of income with respect to SRBC, I used an instrumental variable. As instruments I used the age of the respondent, squared age, the function of the respondent, and the number of subordinates.

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[46] To enable a comparison between the influence of the financial, ethical and altruistic motive, the financial motive has been rescaled to the same scale as the ethical and altruistic motive (varying from 1 to 10).

When it comes to the position of the respondents, I focused on executives because of their level of autonomy. In most firms, the chief executive has the most power (Hambrick and Mason, 1984). Consequently, they have a high level of discretionary authority to determine the social strategy of their firm (Buchholtz, Amason and Rutherford, 1999). Nevertheless, it may be different if someone operates as an owner or as a representative of the owners (shareholders). In the analysis, I distinguish between three types of functions: Director-owner, CEO, and other (senior) functions.

SRBC has traditionally been associated with large companies (Jenkins, 2006). As larger firms tend to have a bigger social impact, it seems equitable that the duty to be socially responsible also falls on them, rather than on small firms (Cowen, Ferreri and Parker, 1987). But although many researchers found a positive effect of firm size on SRBC participation, Madden, Scaife and Crissman (2006), suggest that many smaller firms tend to be involved in SRBC activities, in particularly through donations and giving. I distinguished between five firm sizes: very small sized (1-10 employees), small sized (11-50 employees), medium sized (51-100 employees), large sized (101-500 employees), and very large sized companies.

The last control variable focuses on the industry wherein the respondents operate. The provision of SRBC will vary across industries (McWilliams and Siegel, 2001). Brønn and Vidaver-Cohen (2008) found significant differences in social initiative motives between industries. In the analysis, I distinguish between five industries: manufacturing, construction, trade, financial services, and other sectors.

5.4   Findings: Religiosity and Socially Responsible Business Conduct

In this section, I present the analysis of the relationship between religiosity and SRBC. Firstly, I present the descriptive statistics of the variables. Next, I test the hypotheses regarding the relationship between religiosity on the one hand and the three motives on the other hand. Thirdly, I test the hypotheses regarding the relationship between religiosity, the financial motive, the ethical motive and the altruistic motive on the one hand and SRBC on the other hand.

Descriptive Statistics

Table 5.3 presents the means and standard deviations for all variables included in the analysis. If I carry out a correlation analysis between all these variables, the results show significant correlations between dependent and independent variables, and limited collinearity between the independent variables.

Religiosity and the Financial, Ethical and Altruistic Motive

As captured by Hypotheses 1a, 2a, and 3a, religiosity may influence SRBC by influencing the financial, ethical and altruistic motive. The first step in my analysis is to test these hypotheses by means of ordinary least squares regression. Table 5.4 reports the results of the regression models used to test Hypotheses 1a, 2a, and 3a. The dependent variables consist of the three types of motives (financial, ethical and altruistic) and the independent variables comprise traditional religiosity and various control variables.

Table 5.3 Descriptive Statistics and Correlation Coefficients

	Mean	S.d.	1	1a	1b	1c	1d	1e	2	3	4	5	6	7	8	9a	9b	10	11a	11b	11c
1	3.45	0.54																			
1a	3.83	0.67	.72**																		
1b	4.09	0.68	.62**	.29**																	
1c	3.15	1.04	.71**	.47**	.32**																
1d	3.28	0.91	.74**	.45**	.32**	.40**															
1e	2.93	0.87	.49**	.21**	.21**	.18**	.17**														
2	0.64	0.26	-.12*	-.19**	.06	-.26**	-.08	.18**													
3	2.11	0.92	.11*	.17**	-.03	.08	.19**	-.13**	-.24**												
4	3.50	0.95	-.06	-.09	.04	-.05	-.12*	.02	.09	-.48**											
5	1.73	0.88	.17**	.00	.12*	.09	.04	.37**	.15**	-.44**	-.12*										
6	49.26	9.24	.17**	.13**	.07	.17**	.18**	.06	-.18**	.08	-.07	.09									
7	0.95	0.22	-.07	-.04	-.06	-.15**	.02	-.01	.03	.08	-.06	-.02	.11*								
8	2.68	0.69	.06	.09	-.09*	-.08	-.00	.03	-.30**	.10*	-.09	-.06	-.19**	.03							
9a	0.42	0.50	.09	.02	.07	-.02	.10*	.16**	.27**	.10*	-.03	.04	.01	.11*	-.07						
9b	0.19	0.39	.14**	.09*	.09	.08	.12**	.00	-.12*	-.02	-.01	-.02	.07	.07	.01	-.41**					
10	0.42	0.39	.03	.11*	-.14**	.11*	-.01	-.05	-.41**	.10*	-.07	-.08	.07	.00	.80**	-.42**	.04				
11a	0.15	0.36	.05	.08	-.13**	.08	.17**	-.12*	-.15**	.23**	-.08	-.24**	-.04	-.03	.14**	-.08	.05	.16**			
11b	0.12	0.33	-.01	-.09	.05	-.15**	.10	.03	.08	.11*	-.01	-.07	.03	.03	.01	.12**	-.06	-.01	-.16**		
11c	0.15	0.35	.09	.04	.09	-.03	.09	.12**	.14**	.04	-.06	-.01	-.02	.05	-.18**	.10*	.04	-.17**	-.18**	-.15**	
11d	0.15	0.36	-.13**	-.05	-.07	-.06	-.17**	.03	.01	-.13**	.09	.04	-.05	.02	.03	-.03	-.04	.01	-.18**	-.15**	-.17**

Note: * p < .05, ** p < .01.
1 = SRBC; 1a = SRBC internal stakeholders; 1b = SRBC external stakeholders; 1c = SRBC diversity; 1d = SRBC natural environment; 1e = SRBC charity; 2 = Traditional religiosity; 3 = Financial motive; 4 = Ethical motive; 5 = Altruistic motive; 6 = Age; 7 = Gender; 8 = Income; 9a = Director owner; 9b = CEO; 10 = Size of the organization; 11a = Manufacturing; 11b = Construction; 11c = Trade; 11d = Financial services.

Table 5.4 Results of Regression Analysis for Religiosity and Financial, Ethical and Altruistic Motives[a]

Variables	Model 1 Financial Motive	Model 2 Ethical Motive	Model 3 Altruistic Motive
Independent Variable			
Traditional religiosity (H1a, H2a and H3a)	-.81*** (.20)	.25 (.23)	.48* (.20)
Control Variables			
Age	.00 (.01)	-.01 (.01)	.01* (.01)
Gender[b]	.13 (.21)	-.06 (.24)	-.03 (.22)
Income	-.10 (.15)	-.18* (.18)	.14 (.16)
Director owner[b]	.45** (.14)	-.11 (.17)	-.13 (.15)
CEO[b]	.14 (.13)	.04 (.16)	-.10 (.14)
Size of the Organization	.37 (.29)	.03 (.34)	-.24 (.30)
Manufacturing[b]	.51*** (.14)	-.19 (.16)	-.57*** (.14)
Construction[b]	.36* (.15)	.02 (.17)	-.27 (.15)
Trade[b]	.15 (.14)	-.08 (.16)	-.25 (.14)
Financial services[b]	-.16 (.13)	.21 (.15)	-.10 (.13)
Intercept	2.28*** (.53)	4.37*** (.62)	.76 (.55)
R^2	.17	.05	.09
ΔR^2 [c]	.04***	.00	.02*
F	5.87***	1.48	2.95**

Note: * p < .05, ** p < .01, *** p < .001
[a] Unstandardized coefficients are shown, with standard errors in parentheses.
[b] Dummy variables.
[c] ΔR^2 from previous model (not presented in Table 5.4) consisting of dependent variable and control variables without independent variable.

Model 1 tests Hypothesis 1a about the relationship between traditional religiosity and the financial motive for SRBC. I hypothesized a positive influence of religiosity on the financial motive for SRBC of executives. However, the results show a strong negative relationship, indicating that traditional religiosity leads to a lower financial motive for SRBC. This may follow from religious inspired suspicion towards financial success, since the pursuit of wealth can crowd out religious belief. The gospel warns: "It is easier

for a camel to get through the eye of a needle than for a rich man to enter the kingdom of heaven".[47] Apparently, this critical attitude of traditional religiosity towards striving for financial success is much stronger than the religious inspired striving for (financial) success as a calling.

Model 2 tests Hypothesis 2a. Although I find a positive relationship between traditional religiosity and the ethical motive for SRBC, this relationship is not significant. The sense of an ethical duty to perform SRBC is not related to the religiosity of executives. Possibly, there are other sources, e.g. law, ethics and society, that impose duties on executives to contribute to SRBC. Moreover, it might well be that traditional religious executives are hesitant to express their motives for doing good in terms of duties. The New Testament places a strong emphasize on the motive for doing good: not because of duty, but because of thankfulness for what God did to men. As the gospel says: "Make your light shine, so that others will see the good that you do and will praise your Father in heaven".[48] This corresponds with the significant positive influence of traditional religiosity on the altruistic motive for SRBC, as shown by Model 3. Seemingly, executives attribute intrinsic value to SRBC because of their reciprocal attitude towards God.

With respect to the control variables, I find that executives who are director-owner are far more financially motivated to SRBC than other executives. Apparently, for those who own the company, and thus are spending their own money and time when they invest in SRBC, the profitability of SRBC activities is relatively important. This seems to provide ground for one of Friedman's well known criticism on SRBC, that corporate executives are in effect imposing a tax on the stockholders, customers or employees when they are actively pursuing a SRBC policy (Friedman, 1970). The positive relationship between director-ownership and the financial motive indicates that for director-owners it is far more attractive to undertake SRBC activities if these activities are (expected to be) profitable. Other executives, on the contrary, are less driven by the (supposed) profitability of SRBC, taking responsibility for the general social interest with the money of others.

Another notable finding of the control variables concerns the type of industries. Model 1 and 3 show strong significant, but opposite, influences of the type of industries. Executives within the manufacturing industry have a significant higher financial motive and a significant lower altruistic motive for SRBC. Executives from the construction industry also have a significant higher financial motive for SRBC. This might be due to the degree of competition within an industry. When there is a high degree of competition, SRBC might become an important instrument to distinguish your company within the market. However, these results indicate that the type of industry does affect the attitude towards SRBC. Further research might reveal how these influences can be detailed.

Religiosity, Financial Motive, Ethical Motive, Altruistic Motive and SRBC
As captured by hypotheses 1b, 2b and 3b the financial motive, ethical motive and altruistic motive may influence SRBC. Moreover, religiosity may also influence executives' SRBC for other reasons than the financial, ethical or altruistic motive, as captured by Hypothesis 4. The next step in my analysis is to

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[47] Matthew 19: 24.
[48] Matthew 5: 16.

test these hypotheses. Table 5.5 reports the results of the regression models used to test Hypotheses 1b, 2b, 3b and 4. The dependent variable in these models is SRBC. In Model 4 SRBC is employed as a general concept encompassing all 14 items of the SRBC scale. In Model 5 to 9 specific types of SRBC, in terms of internal stakeholders, external stakeholders, diversity, natural environment, and charity, are the dependent variables. The independent variables comprise the financial motive, the ethical motive, the altruistic motive, traditional religiosity and various control variables.

Model 4 supports Hypotheses 1b, 2b, and 3b. The financial motive, ethical motive, and altruistic motive all lead to a higher level of SRBC. Hypothesis 4 is, however, rejected by model 4. Hence, I find no direct influence of religiosity on SRBC in general. The total influence of both intrinsic motives, the ethical and altruistic motive, is stronger than the influence of the financial motive. The total influence of the intrinsic motives on SRBC is almost twice as large as the influence of the financial motive. Thus, SRBC seems to be more intrinsically driven than extrinsically driven.

Models 5 to 9 offer more insight into the details of the relationship between religiosity, the other motives for SRBC, and the different types of SRBC. Religiosity has a significant direct negative influence on SRBC in terms of diversity. This negative impact of religiosity on SRBC in terms of diversity has also been found in other empirical research. Guiso, Sapienza and Zingales (2003) conclude that religious people tend to be more racist and less supportive of working women. These issues are precisely what SRBC in terms of diversity is about. This negative influence of religiosity on SRBC in terms of diversity may follow from traditional religious teachings and traditions. Chadwick and Garrett (1995) find that religiosity has a significant negative relationship with women's employment. Anderson (1988, p.230) found that religious texts "reflect and create stereotypical sex roles and legitimate social inequality between men and women". In general, religiosity that is based on a literal interpretation of the Bible, actively oppose gender-related issues that they perceive as a threat to traditional family roles and stability (Feltey and Poloma, 1991). In addition, most religions are patriarchal, not only in belief, but also in practice. Thus, traditional religious executives stand in a tradition and are part of a religious community wherein most (the Protestant tradition), or even all (the Roman Catholic tradition) leaders are men. Whereas the religious teachings and traditions do not favor women's employment, it is also a common conception that the church is one of the most segregated institutions, at least in the U.S. (Dougherty, 2003). Most traditional Roman Catholic and Protestant churches within The Netherlands mainly consist of native Dutch people. The homogeneity of the religious community does not encourage traditional religious executives to look after the interests of immigrants in business, although The Bible does command to take care for immigrants (e.g. "Don't mistreat any foreigners who live in your land. Instead, treat them as well as you treat citizens and love them as much as you love yourself").[49]

As model 9 shows, religiosity has a significant positive influence on SRBC in terms of charity. This finding is also found in other research, for example by Reitsma (2007) who concludes that frequent church visitors are found to be more willing to donate. But also other research has shown that people who often attend religious services donate significantly more money than less frequent visitors (Bekkers, 2003; Brooks, 2004; Scheepers and Te Grotenhuis, 2005).

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[49] Leviticus 19: 33-34.

Table 5.5 Results of Regression Analysis for Religiosity, Financial Motive, Ethical Motive, Altruistic Motive, and SRBC[a]

Variables	Model 4 SRBC in General	Model 5 Internal Stakeholders	Model 6 External Stakeholders	Model 7 Diversity	Model 8 Natural Environment	Model 9 Charity
Independent Variables						
Financial motive (H1b)	.15** (.05)	.16** (.06)	.06 (.06)	.18* (.09)	.18* (.08)	.12 (.07)
Ethical motive (H2b)	.08* (.04)	.03 (.05)	.05 (.05)	.01 (.07)	.11 (.06)	.12* (.06)
Altruistic motive (H3b)	.20*** (.04)	.07 (.05)	.09 (.06)	.21** (.08)	.21** (.07)	.43*** (.06)
Religiosity (H4)	-.11 (.13)	-.18 (.16)	.08 (.18)	-.65** (.24)	-.23 (.21)	.51* (.20)
Control Variables						
Age	.01*** (.00)	.01* (.00)	.01* (.01)	.02*** (.01)	.02** (.01)	.01 (.01)
Gender[b]	-.12 (.14)	-.07 (.17)	-.23 (.19)	-.70** (.26)	.07 (.23)	.05 (.20)
Income	.17 (.10)	-.02 (.12)	.19 (.13)	.25 (.18)	.12 (.16)	.19* (.15)
Director owner[b]	.06 (.09)	.08 (.11)	-.01 (.13)	.05 (.17)	.23* (.15)	.18 (.15)
CEO[b]	.12 (.09)	.07 (.11)	.11 (.12)	.19 (.16)	.17 (.14)	.09 (.13)
Size of the organization	-.13 (.19)	.26 (.23)	-.43 (.26)	-.20 (.35)	-.10 (.31)	-.06 (.29)
Manufacturing[b]	.22* (.09)	.11 (.11)	-.11 (.12)	.28 (.17)	.67*** (.15)	.22 (.14)
Construction[b]	.05 (.09)	-.11 (.12)	.00 (.13)	-.33 (.17)	.47** (.15)	.23 (.15)
Trade[b]	.15 (.09)	.01 (.11)	.09 (.12)	-.04 (.16)	.36* (.14)	.37** (.14)
Financial services[b]	-.09 (.08)	-.05 (.10)	-.12 (.11)	-.04 (.15)	-.12 (.13)	.18 (.12)
Intercept	1.57*** (.42)	2.79*** (.52)	2.89*** (.58)	1.69* (.79)	.67 (.70)	.01 (.66)
R^2	.20	.12	.07	.20	.21	.21
ΔR^2 [c]	.07***	.03*	.01	.05**	.03*	.16***
F	5.23***	3.07***	1.57	5.53***	5.64***	6.09***

Note: * p < .05, ** p < .01, *** p < .001.
[a] Unstandardized coefficients are shown, with standard errors in parentheses.
[b] Dummy variables.
[c] ΔR^2 from previous model (not presented in Table 5.5) consisting of dependent variable and control variables without independent variable.

This positive relationship between traditional religiosity and charity may follow from traditional religious teachings, stressing the importance of benevolence towards people in need. One of the most common ways to practice benevolence is to donate money (Reitsma, 2007). This is in line with religious teachings, that promote sharing one's wealth with the poor and needy. The relatively high contribution to charity of traditional religious executives may also be a means of compensating for shortcomings in other areas of SRBC. As argued before, religious texts often include values, laws and norms with respect to economic life and sustainable development stimulating executives to behave socially responsible. Traditional religions stress, for example, the value of stewardship, calling adherents to take care for the natural environment. Nevertheless, as Model 8 shows, religiosity has a(n) (insignificant) negative influence on SRBC in terms of natural environment. It may be true that traditional religious executives do not bring in practice the value of stewardship knowingly, for example because of the costs that may go along with practicing this kind of SRBC. To compensate for this behavior, that is not in accordance to the religious teachings, traditional religious executive may try to soothe their conscience by contributing additional to SRBC in terms of charity. As the influences of religiosity on SRBC in terms of diversity and charity are opposite to each other, these influences cancel each other out, leading to no significant influence of religiosity on SRBC in general in Model 4.

It is remarkable that I find no positive relationship between religiosity and SRBC in terms of internal stakeholders, external stakeholders and the natural environment (Model 5, 6 and 8). Traditional religions within the Netherlands, Roman Catholicism and Protestantism, both teach their adherents to love their neighbors and to take care for the natural environment as stewards of God the Creator. These core values apparently do not stimulate traditional religious executives to contribute more to SRBC in terms of (internal or external) stakeholders and the natural environment than other executives. Why not? This may be due to the cognitive aspects of traditional religiosity. Traditional religious teachings imply a negative conception of human beings. A strong awareness of the sinful nature of men may result in a feeling of impotence to do any good, including ´good business conduct´. Moreover, assuming all men to be inclined to evil, traditional religious executives may be driven by suspicion and mistrust. Thus, executives may be focused on monitoring and penalizing their employees. Another cognitive aspect of religiosity that may be due to this outcome, is the assumption of life being predestined and the belief that earth will be renewed in eternity. This may lead to an attitude of acquiescence, supposing that executives´ contribution to SRBC, both in terms of stakeholders as well as in terms of natural environment, will not make that much difference. The lack of influence of religiosity on these particular kinds of SRBC may also follow from a difficulty in translating religious values to the business context. Maybe traditional religious executives reserve values derived from religious teachings for the religious context and do not translate those to the business context. Often, people are only capable of valuing something in a particular manner in a social setting that upholds values for that mode of valuation (Anderson, 1993). Moreover, bringing religious values into practice may also be hindered by non-religious stakeholders within the context of the organization, that do not favor religious values.

Nevertheless, although these aspects of religiosity may hinder traditional religious executives´ contribution to SRBC in terms of internal stakeholders, external stakeholders and the natural environment, the results presented in Table 5.5 may also have another cause. Model 5, 6 and 8 indicate that traditional religious executives do not contribute more to SRBC in terms of (internal or external) stakeholders and the natural environment than other executives. These other executives will be inspired by non-religious values such as solidarity, justice, integrity and honesty. These values may stimulate non-traditional religious executives to contribute to SRBC in terms of stakeholders and the natural environment. If both, traditional religious values as well as non-religious values, incite executives to SRBC in terms of stakeholders and the natural environment, the analysis will not show any significant difference between traditional religious executives´ SRBC and non-traditional religious executives´ SRBC. If I consider the data presented in Table 5.3, this latter explanations seems to be reasonable. As Table 5.3 shows, the mean scores of SRBC in terms of internal stakeholders, external stakeholders and the natural environment are relatively high, compared to the other kinds of SRBC. Thus, traditional religious executives as well as non-traditional religious executives contribute relatively much to these kinds of SRBC, although their inspiration to do this will be different.

When I consider the other motives for SRBC, I find a positive influence of the financial motive on SRBC in terms of internal stakeholders, diversity, and natural environment. Possibly, benefits and costs associated with these types of SRBC are highest. It seems to be obvious that the financial motive does not lead to a higher contribution to SRBC in terms of charity, but it is not. Existing research, theoretical as well as empirical, presents a positive relationship between corporate philanthropy and firm financial performance (Brammer and Millington, 2005; Saiia, Carroll and Buchholtz, 2003; Wang, Choi and Li, 2008). Corporate philanthropy improves the company's reputation, thus leading to a higher profitability. Within my sample, the strategic value of corporate philanthropy is possibly not yet known. Another reason may be that most research on the relationship between corporate philanthropy and profitability has been carried out in the U.S. Whereas in the U.S. it is quite common to apprise your charitable donations, within the Netherlands, the adage ´when thou doest alms, let not thy left hand know what thy right hand doeth', is still very common. When charitable donations are not communicated, the effect on the corporate reputation will not occur. Further research might investigate whether the positive relationship between corporate philanthropy and reputation also holds within the Dutch context and if so, why the financial motive does not lead to a higher contribution to SRBC in terms of charity.

The ethical motive only leads to a significant higher level of SRBC in terms of charity. This is a remarkable finding. Why do executives who are ethically motivated to SRBC, thus arguing it is important to behave in a moral responsible manner, not contribute to other aspects of SRBC in behavioral terms? This might be due to the fact that the term 'ethical' is strongly associated with prohibitions: "Thou shalt not …". The focus on prohibitions possibly makes executives more focused on the avoidance of unethical behavior such as cheating and defeating, and less focused on the way in which ethical considerations may lead to desired behavior. Another explanation may be the degree of abstraction of the term 'ethical'. Executives might indicate it is important to behave ethically, while not knowing what

it means in practice to behave ethically. The altruistic motive has the greatest impact of all independent variables, leading to a higher contribution to SRBC in terms of diversity, natural environment, and charity.

The control variables also add to the explanatory power of the model. Age has a significant, but small, positive influence on the contribution to SRBC in general, suggesting that older executives contribute more to SRBC than younger executives. More in particular, model 5, 6, 7, and 8 show that the older executives, the more they contribute to SRBC in terms of internal stakeholders, external stakeholders, diversity, and the natural environment, although the effects are small. Because most studies focus on the organizational level, age is rarely included in empirical analysis. One of the few empirical studies that also controlled for the influence of age on SRBC, also found a positive relationship between age and SRBC (Valentine and Fleischman, 2008). An explanation could be that executives' contribution to SRBC depends on their familiarity with SRBC, which may rise by learning by doing. An alternative explanation is that executives perceive that SRBC will contribute to their reputation. Then the age effect administrates their wish to be remembered as good business(wo)men when their career enters its last phase.

Model 7 shows a strong relationship between gender and the contribution to SRBC in terms of diversity, implying a significant higher contribution of female executives. This kind of SRBC focuses on equal opportunities to women and minorities. This could be explained by the fact that female executives who have had to overcome obstacles to reach their position may be more attuned to these issues compared to their male counterparts. Gender does not seem to have a significant influence on the other types of SRBC. As noted above, existing empirical research suggests female subjects to show a significantly more favorable attitude towards ethical behaviors than males. Apparently, this positive attitude towards ethical behaviors is, at least within this research sample, not translated into SRBC at the behavioral level.

Model 9 shows a positive influence of income on SRBC in terms of charity. Thus, if executives spend more resources on SRBC thanks to a rise in income, these expenses go to charity projects and are not used for investments to advance other types of SRBC. Director-owners within this sample contributed significantly more to SRBC in terms of natural environment than the other executives. This may be due to the fact that a director-owner has more freedom to contribute to non-business related SRBC and does not have to justify his or her acts to others within the company. The size of the organization did not show any significant relationship with any type of SRBC.

Executives within the manufacturing and construction industry contributed more to SRBC in terms of the natural environment. This may be a consequence of these type of industries, wherein pollution is closely connected to the core processes of the organization. Within these industries the focus has already for a long time been on reducing pollution. Executives within the trade sector contributed more to SRBC in terms of the natural environment and charity. Executives within the financial service industry did not significantly contribute more or less to any of the types of SRBC. Possibly, at the time that the questionnaires were set out, there was a low awareness of SRBC within the financial service industry. This might, in the meantime, be changed, due to the crisis in the financial world during the last two years. In this period a lot of unethical practices in the financial service sector have been revealed. Although

there are several studies comparing SRBC in different countries (e.g. Chapple and Moon, 2005; Maignan and Ralston, 2002; Welford, 2005), there are hardly any studies comparing SRBC within several industrial sectors. These outcomes constitute an invitation to study in far more detail the influence of industrial sectors on different types of SRBC.

Table 5.6 Results of Regression Analysis for Religiosity and Social Responsible Business Conduct[a]

Variables	Model 10 SRBC in General	Model 11 Internal Stakeholders	Model 12 External Stakeholders	Model 13 Diversity	Model 14 Natural Environment	Model 15 Charity
Independent Variables						
Religiosity	-.12 (.13)	-.26 (.15)	.07 (.16)	-.66** (.23)	-.23 (.20)	.61** (.20)
Control variables						
Age	.02*** (.00)	.01** (.00)	.01** (.01)	.02*** (.01)	.02*** (.01)	.01* (.01)
Gender[b]	-.19 (.13)	-.16 (.16)	-.18 (.16)	-.71** (.23)	.03 (.21)	-.16 (.20)
Income	.21* (.09)	.08 (.12)	.20 (.12)	.24 (.17)	.14 (.15)	.27 (.15)
Director owner[b]	.11 (.09)	.15 (.11)	-.02 (.12)	.13 (.17)	.27 (.15)	.19 (.15)
CEO[b]	.17 (.09)	.14 (.11)	.13 (.11)	.26 (.16)	.19 (.14)	.15 (.14)
Size of the organization	-.22 (.18)	.12 (.22)	-.47* (.23)	-.20 (.33)	-.17 (.29)	-.25 (.29)
Manufacturing[b]	.11 (.09)	.12 (.10)	-.21 (.11)	.17 (.16)	.52*** (.14)	-.05 (.14)
Construction[b]	.05 (.09)	-.08 (.11)	.05 (.12)	-.35* (.17)	.44** (.15)	.12 (.15)
Trade[b]	.16 (.09)	.11 (.10)	.10 (.11)	-.08 (.15)	.31* (.14)	.31* (.14)
Financial services[b]	-.08 (.08)	-.05 (.10)	-.09 (.10)	-.05 (.15)	-.15 (.13)	.16 (.13)
Intercept	2.39*** (.33)	3.18*** (.41)	3.24*** (.43)	2.70*** (.50)	1.72** (.53)	1.23* (.54)
R^2	.13	.09	.07	.15	.16	.09
ΔR^2 [c]	.00	.01	.00	.02**	.00	.02**
F	4.40***	3.08***	2.43**	5.37***	5.77***	3.33***

Note: * $p < .05$, ** $p < .01$, *** $p < .001$

[a] Unstandardized coefficients are shown, with standard errors in parentheses.

[b] Dummy variables.

[c] ΔR^2 from previous model (not presented in Table 5.6) consisting of dependent variable and control variables without independent variable.

Religiosity and SRBC

Table 5.4 and 5.5 show that religiosity influences SRBC in various opposite ways. Table 5.4 shows a positive effect of religiosity on SRBC through the altruistic motive. At the same time, religiosity exerts a negative influence on SRBC through the financial motive. Table 5.5 shows a negative influence of religiosity on SRBC in terms diversity and a positive influence of religiosity on SRBC in terms of charity. Because these influences cancel each other out, Model 4 in Table 5.5 shows no influence of religiosity on SRBC in general. This calls into question what the net influence of religiosity is on SRBC. For that purpose, Table 5.6 estimates the overall impact of religiosity by dropping the intermediate variables.

As expected from the estimated coefficients in Table 5.4 and 5.5, I find that the overall influence of religiosity on SRBC in general is insignificant and negligible. The financial and altruistic motives cancel out, yielding no net impact of traditional religiosity on SRBC. If I consider the specific forms of SRBC, traditional religiosity leads to a significant lower contribution of executives to SRBC in terms of diversity, but a significant higher contribution of executives to SRBC in terms of charity. These influences of traditional religiosity on specific types of SRBC cancel out each other if I consider SRBC in general.

5.5   Conclusions

Answering the research question of this chapter, 'Whether and how does religiosity influence executives´ SRBC?', I conclude religiosity does influence executives' SRBC. Traditional religiosity has a direct negative influence on SRBC in terms of diversity and a direct positive influence on SRBC in terms of charity. Besides these direct influences, religiosity also indirectly influences an executive's SRBC. Traditional religiosity leads to a higher altruistic motivation, which in turn leads to a higher contribution to SRBC in terms of diversity, natural environment and charity. But, contrary to this, non-traditional religious executives have a significant higher financial motivation, leading to a higher contribution to SRBC in terms of internal stakeholders, diversity and natural environment. For the further development of theory about the relationship between religiosity and business behavior, it is important to acknowledge these indirect influences of religiosity on SRBC.

The analysis presented in this chapter, contributes to existing research in three ways. Firstly, in response to the criticism on the use of one-dimensional concepts and measures of religiosity in existing empirical research, I used a multidimensional concept in measuring the religiosity of executives. Surprisingly, the empirical analysis of the various dimensions of religiosity showed a very uniform picture of the religiosity of the executives in my sample, with high correlations between the cognitive, affective and behavioral aspects of religiosity. Thus, measuring religiosity as a multidimensional concept does not provide much additional insight into the relationship between religiosity and SRBC.

Secondly, measuring SRBC as a multidimensional concept does, however, offer rich insight into the complex relationship between religiosity and SRBC. I found significant but opposing influences of religiosity on various types of SRBC. In particular, at the behavioral level, the analysis showed a negative impact of traditional religiosity on SRBC in terms of diversity and a positive impact on SRBC in terms of charity. At the attitudinal level, the analysis showed a negative relationship between traditional religiosity

and the financial motive, and a positive relationship between traditional religiosity and the altruistic motive. Therefore, further research might focus on the further development of scales and measures to investigate SRBC, both on the attitudinal as well as the behavioral level.

Thirdly, my empirical analysis is based on a dataset provided by a large sample of executives. The analysis shows that, for example, the type of industry executives are in, and the type of function executives have, have a significant influence on executives' contribution to SRBC. Because these kinds of factors are substantially different for students and executives, it is important to test the hypotheses on a sample of executives instead of students. Moreover, the use of a sample of executives made it possible to ask the respondents about their perception of their personal contribution to different types of SRBC. Using a sample of students would have yielded substantially less reliable data, since students cannot evaluate their actual contribution to SRBC. They could only make hypothetical projections of SRBC had they occupied the position of an executive.

The relationship between religiosity and SRBC has become more transparent by the analysis presented in this chapter. Nevertheless, this study has some limitations. Firstly, there are some methodological limitations. I worked with self-reported behavior and used a single-base and single-source method to empirically test the hypotheses. As indicated above, I took several methodological steps in order to avoid the negative impact of these methodological problems. This approach seems to be successful: the pattern of results is not consistent with common method effects. Had the relationships observed in this study been a function of common method bias, I would have found significant structural links among all of the relations posited (Bacharach, Bamberger and Vashdi, 2005). The diversity of the empirical results suggests that it is unlikely that the presented findings can be attributed to method variance. Secondly, my study has been carried out within the Netherlands. Geographical context may be important, as other countries have other ´religious maps´. Further research is required to verify that these findings are generalizable to other countries.

"Religion hinges upon faith, politics hinges upon who can tell the most convincing lies or maybe just shout the loudest, but science hinges upon whether its conclusions resemble what actually happens."

(Ian Stewart) [50]

[50] http://thinkexist.com/quotation/religion_hinges_upon_faith-politics_hinges_upon/186009.html.

6

Findings, Discussion, Implications, and Further Research

Summary

In this chapter, I present the findings of my research as described in the preceding chapters. These findings will be discussed in Section 6.2. Based on these findings, I formulate some managerial implications and some recommendations for further research in the two closing sections.

6.1 Findings

The research presented in this thesis aims to answer the question whether religiosity influences executives´ socially responsible business conduct (SRBC) and if so, how this influence can be specified. The analysis revealed that religiosity does influence the SRBC of executives, although this influence is complex. The results show significant but opposing influences of religiosity on various types of SRBC.

The core concepts of the central research question, i.e. religiosity and SRBC, were defined in Chapter 1. Religiosity has been defined as "an orienting worldview that is expressed in beliefs, narratives, symbols, and practices of worship; it is an inner experience of the individual, connects individuals with each other and orients their actions". SRBC has been defined as "the conscious direction of business activities towards creating value in economic, ecological and social sense in the long term, while being accountable for their impact on all relevant stakeholders".

In order to answer the central research question, I started with an inductive exploration of the relationship between religiosity and SRBC. Because religiosity is a complex phenomenon, in this first phase of my research, I focused on just one aspect of religiosity: the conception of God. Next, I carried out a complementary study on the relationship between the Islamic religion and SRBC, based on theoretical research as well as empirical research among 48 Dutch Islamic executives who filled out a questionnaire. Then, I investigated whether religiosity leads to business dilemmas. If the values of one's religiosity are diverging from the common values of the business someone is in, religiosity may lead to business dilemmas. Finally, I answered the central research question by a quantitative research by means of a questionnaire that has been completed by 473 Dutch executives.

Chapter 2 presented a study on the relationship between the conception of God and SRBC. Based on in-depth interviews with twenty executives, I found inductive evidence of a relationship between executives' conception of God, their values and norms, and SRBC. The analysis of the interviews showed that the values and norms of executives are often related to their conception of the nature of God. The interviews also pointed out that business conduct in general is related to executives' conception of God and their values and norms. The interviewed executives cited several examples of business behavior that served religious ends and that followed from their religious values and norms. In an examination of the relationship between the conception of God and SRBC, I found a higher level of engagement with SRBC among respondents with a monotheistic conception of God, compared to executives with a pantheistic conception of God. The difference is most prominent with respect to philanthropic forms of SRBC, such as contributing to local community projects. The monotheistic executives also had a higher level of engagement with SRBC compared to atheistic executives, except with respect to the importance of internal stakeholders (e.g. employees).

Chapter 3 described a complementary study on the relationship between Islamic religion and SRBC. I found that the common idea of SRBC, namely that companies should conduct their business in a manner which demonstrates consideration for the broader social environment in order to serve constructively the needs of society, appeared to correspond with the view on business in Islam. Although there are, however, also some notable differences. For example, Islam has laid down strict rules and regulations

whereas SRBC leaves much of the realization of SRBC to the corporate executives themselves. Based on the empirical analysis, I found that Islamic executives have a positive view on SRBC. They attach a higher weight to specific elements of SRBC - such as respectful contact with customers, compliance to legal obligations, providing information to the general public, the natural environment, and support of social projects in the local community - than non-Islamic executives. On the other hand, I found that Islamic executives are less involved with applying SRBC in practice than non-Islamic executives. Furthermore, the analysis showed that norms and values derived from Islamic religion motivate Islamic executives to contribute more to SRBC, whereas individually developed values and norms lead to a lower contribution to SRBC. The analysis also revealed that the Islamic view on human nature, i.e. preaching the natural goodness of man as a social being, leads to a positive view on SRBC. Finally, the analysis showed no relationship between the intensity of religious activities of Islamic executives and SRBC.

Chapter 4 discussed the relationship between religiosity and business dilemmas. I found that religiosity was positively related to the frequency with which the interviewed executives encountered business dilemmas. Nevertheless, most of the dilemmas presented by the interviewed executives represent a conflict between a moral standard and a practical standard. Specifically religious standards (standards that are directly related to the religious background of an individual and that do not meet the criteria of moral standards) seldom generate business dilemmas. Therefore, the positive relationship between religiosity and the number of business dilemmas is not related to religious standards as such. The positive relationship can be explained by a higher moral awareness of religious executives. Most dilemmas resulted from a conflict between two or more internalized standards of the executives and not because the executives were confronted with standards of others that are different to their own standards.

In Chapter 5, I described my quantitative research on the relationship between religiosity and SRBC. Based on the analysis, I conclude religiosity does influence executives´ SRBC. Traditional religiosity has a direct negative influence on SRBC in terms of diversity and a direct positive influence on SRBC in terms of charity. Besides these direct influences, religiosity also indirectly influences executives' SRBC, as illustrated by Figure 6.1. Traditional religiosity leads to a higher altruistic motivation, which in turn leads to a higher contribution to SRBC in terms of diversity, natural environment, and charity. But, contrary to this, non-traditional religious executives have a significantly higher financial motivation, leading to a higher contribution to SRBC in terms of internal stakeholders, diversity, and natural environment.

An important secondary finding of the research presented in Chapter 5, concerns the measures I used in this research. Both religiosity and SRBC were measured by multiple measures. The analysis showed, on the one hand, that the several measures of religiosity strongly correlated with each other. Thus, the complex measurement of religiosity did not add much explanatory power to the analysis. On the other hand, measuring SRBC with different measures created much more insight, because the relationship between religiosity and SRBC appeared to be different for different types of SRBC.

Figure 6.1   **Indirect Relationship between Religiosity and SRBC**
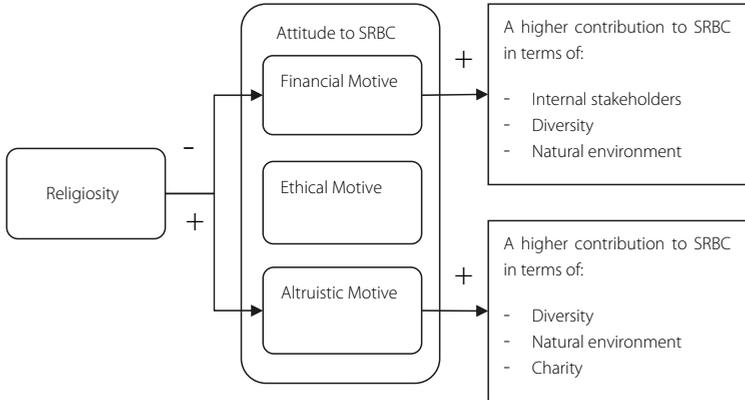
6.2   Discussion

In this section, I discuss the findings of each chapter. Moreover, I will also compare the findings of the various chapters with each other.

Discussing Chapter 2

Discussing the results of Chapter 2, I first have to accentuate the tentativeness and preliminary nature of the findings presented in Chapter 2. These findings are based on a small research sample, and are thus not representative. Nevertheless, the qualitative analysis of the relationship between executives´ conception of God, their values and norms, and SRBC offers some interesting insights. In this section, I will discuss these insights and compare them to the results of the quantitative analysis presented in Chapter 5.

In general, Chapter 2 presents a positive relationship between traditional monotheistic religiosity and SRBC. This is surprising when we compare this finding with one of the findings of Chapter 5, presenting a neutral relationship between traditional religiosity and SRBC in general. But there is an important difference between Chapter 2 and Chapter 5 when it comes to measuring SRBC. In Chapter 2, the positive relationship between traditional religiosity and SRBC depends on the view on SRBC and the perceived importance of external stakeholders. The relationship between the conception of God and other aspects of religiosity on the one hand and the personal contribution to SRBC on the other hand did not show any significant correlations (see Table 2.9). In Chapter 5, when analyzing the large database, based on the extensive questionnaire, I focused on the self-perceived contribution of executives to SRBC. The influence of religiosity on the executives´ own contribution to SRBC became clear by distinguishing several types of SRBC at the behavioral level. This difference has not been made in the first qualitative inquiry presented in Chapter 2. Therefore, the outcomes with respect to the relationship between (elements of) religiosity and SRBC as presented in Chapter 2 and Chapter 5 are the same when we focus

on the behavioral level of SRBC: no significant relationship between religiosity and SRBC in general.

The positive relationship between traditional religiosity and the perceived importance of external stakeholders as described in Chapter 2 also seems to conflict with the outcomes of Chapter 5, where SRBC in terms of external stakeholders did not show any significant relationship with religiosity. But again, the measures of the analysis do not fully correspond with each other. The first qualitative inquiry as presented in Chapter 2 focused on the attitudinal level of SRBC, while the quantitative analysis in Chapter 5 focused on the behavioral level. Moreover, in Chapter 2, several items were taken together to create the attitudinal measure "importance of external stakeholders". One of the questions that was bundled in this measure concerns the importance of supporting local community projects. As stated before, the answers on this question showed the most prominent difference between traditional religious executives and other executives. In Chapter 5, the contribution to community projects is part of SRBC in terms of charity. The analysis in Chapter 5 shows, just as the analysis in Chapter 2, a strong positive relationship between traditional religiosity and SRBC in terms of charity.

The positive relationship between the monotheistic conception of God and the view on SRBC as described in Chapter 2 raises questions when we compare this result with the outcomes of the quantitative analysis in Chapter 5. The view on SRBC is a composition of strategic and moral attitudinal measures for SRBC. These may be compared to the financial and ethical motives for SRBC as presented in Chapter 5. The analysis in Chapter 5 shows a negative relationship between traditional religiosity and the financial motive and no relationship between traditional religiosity and the ethical motive. Again the questions that were used may be the cause of these seemingly contradictory outcomes. The questions that were used in Chapter 2 to measure the attitude of the respondents towards SRBC focused on how they perceive SRBC. The questions that were used in Chapter 5 to measure the attitude of the respondents towards SRBC focused on how they value different aspects of SRBC. The questions used in Chapter 2 were also included in the questionnaire analyzed in Chapter 5. When I carry out a correlation analysis, the questions with respect to the view on SRBC (as used in Chapter 2) are partly negatively correlated to the financial motive for SRBC (as measured and analyzed in Chapter 5). Thus, executives who indicate that SRBC has to be integrated in the strategy of the company are not by definition financially motivated to contribute to SRBC. In other words: executives´ view on SRBC does not necessarily match with executives´ motive for SRBC, although both are attitudinal measures with respect to SRBC.

Chapter 2 presented two more findings that are notable when comparing them to the results presented in Chapter 5. First, the analysis of the interviews showed that the values and norms of executives are often related to their conception of the nature of God. The analysis of the different aspects of religiosity in Chapter 5 also shows high correlations between all aspects of religiosity. The cognitive elements (conception of God, view on human beings, and eternal expectations), the affective elements (the degree of intrinsic motivation towards someone's religion), and the behavioral aspects (the intensity of participating in religious practices) appeared to be strongly related to each other. Thus, both the qualitative and the quantitative analysis show a coherent picture of the religiosity of executives within

the Netherlands, distinguishing between traditional religious executives and other executives. This was also found by another empirical research within the Netherlands. De Jong (2004) concludes that, although the number of traditional believers within the Netherlands decreases, the ideas and images of those believers have not changed through the years.

Another remarkable finding presented in Chapter 2 (Table 2.8) is the negative relationship between traditional monotheistic religiosity and the importance of internal stakeholders. The quantitative analysis presented in Chapter 5 also shows a slight indirect negative relationship between traditional religiosity, through the financial motive, and SRBC in terms of internal stakeholders. This corresponds with recent research by Van den Belt and Moret (2010), who found a significant effect of Protestant religion on management's opinions. They found that Protestant managers within the Netherlands are less people orientated in their leadership than non-Christian and Roman Catholic managers. This negative attitude towards internal stakeholders may be due to the traditional religious assumption that all men are inclined to evil. Consequently, traditional religious executives may be driven by suspicion and mistrust.

Discussing Chapter 3

When discussing the findings of Chapter 3 about the relationship between Islam and SRBC, again it has to be said these findings are tentative and preliminary. The sample used is small and thus not representative. Moreover, the research on the relationship between Islam and SRBC is new, cannot build on an existing body of research, and thus is explorative in nature, just as Chapter 2. In Chapter 3, a comparison between the outcomes of the analysis and the results of Chapter 2 was already presented. The complementary study on the relationship between the Islamic religion and SRBC did not question the respondents on their business dilemmas. Thus, in this section, the results of Chapter 3 will only be compared to the outcomes of the quantitative analysis presented in Chapter 5.

It is noteworthy to see that the theoretical analysis of the relationship between Islam and SRBC shows that the core values of Islam and SRBC are not incompatible with each other. Moreover, the Islamic executives within the sample highly value the concept of SRBC, although their contribution to SRBC seems to lag behind compared to non-Islamic executives.

An important improvement to the analysis of the relationship between Islam and SRBC can be made by applying the above presented methodological findings of Chapter 5. In the analysis of the relationship between Islam and SRBC, the differentiation between several forms of SRBC at the behavioral level was not made. Applying this differentiation might reveal a stronger influence of Islamic religion on the contribution to SRBC. Just as in the analysis presented in Chapter 5, these influences might be opposed to each other, thus canceling each other out. Just as with traditional religious executives with a Christian background, one might expect that religious teachings lead to a higher level of all kinds of SRBC. Islamic religion promotes the values of brotherhood (and thus maintaining good relationships with internal and external stakeholders), stewardship (and thus caring for the natural environment), and equality (and thus offering opportunities to women and minorities and being charitable). Nevertheless, just as the findings in Chapter 5 showed, daily practice of executives with respect to SRBC may not

always be in accord to their religious teachings.

Another issue to take into consideration is the question whether Islamic executives are familiar with the concepts and expressions of SRBC, in particular in comparison with non-Islamic executives. The questionnaire used in this research questions executives' contribution to SRBC in quite abstract terms. The same was done in the qualitative explorative research as presented in chapter 2. By using the same set of questions, the answers of both samples become comparable to each other. However, maybe Islamic executives would indicate a higher contribution to SRBC if the questions focused on more concrete behavioral forms of SRBC, just as in the extended questionnaire that I used for the quantitative analysis presented in Chapter 5. Before further investigating the relationship between Islam and SRBC, it is important to examine to what degree Islamic executives are familiar with the concepts and expressions of SRBC.

Discussing Chapter 4

Just as with the preceding chapters, the findings presented in Chapter 4 are tentative and preliminary. They are based on a small research sample, and thus not representative. Nevertheless, the qualitative analysis presented in Chapter 4 offers some interesting findings. These findings will be discussed below and related to the findings of Chapter 2 and Chapter 5.

The analysis presented in Chapter 4 showed that religiosity is positively related to the frequency with which the interviewed executives encounter business dilemmas. This might be due to the fact that executives who believe that their standards have a transcendental origin are less flexible in adapting their standards to the practical requirements and harsh realities of the business world. Another possible explanation is that religious executives may have relatively high internalized standards derived from their religious belief. Because of these relatively high standards, they are more likely to experience a tension between what they believe they ought to do on the basis of their internalized standards and what they want to do or what others want them to do in certain situations. A third explanation is that religious executives do not have higher ethical standards, but are more aware of them, because of their participation in religious activities.

The last explanation suggests a higher moral awareness among traditional religious executives. Based on this, one might expect that traditional religious executives are relatively strongly ethically motivated to contribute to SRBC. Nevertheless, the quantitative analysis in Chapter 5 shows no significant relationship between traditional religiosity and the ethical motive for SRBC. Thus, the supposed higher moral awareness of traditional religious executives does not lead to an increased attention to the ethical aspects of SRBC.

If the supposed moral awareness of traditional religious executives does not influence their attitude towards SRBC, it might directly influence their personal contribution to SRBC. When I compute a correlation analysis between the number of dilemmas executives encounter and the executives' personal contribution to SRBC (as described in Chapter 2), this correlation analysis does not show any significant relationship. This may be due to the fact that executives' contribution to SRBC within this small research

sample has not been measured in terms of different kinds of SRBC. As Chapter 5 showed, the influence of both religiosity and the different motives for SRBC are different for several types of SRBC, such as SRBC in terms of internal stakeholders, natural environment, and charity. These opposite influences cancel out if SRBC is measured as only one compound measure. Further research should investigate whether the sensitivity to recognize business dilemmas is related to executives' contribution to SRBC.

Discussing Chapter 5

The findings presented in Chapter 5 are based on a questionnaire completed by 473 Dutch executives. These findings, which will be discussed in this section, showed two opposite direct influences of religiosity on SRBC: a negative influence on SRBC in terms of diversity and a positive influence on SRBC in terms of charity. As argued in Chapter 5, the negative influence of religiosity on SRBC in terms of diversity was also found in other empirical researches. Religious people tend to be more racist and less supportive of working women. The positive relationship between religiosity and SRBC in terms of charity, which was also found in other researches, may be due to the explicit religious teachings about sharing one's wealth with the poor and needy. But it is remarkable that I found no positive relationship between religiosity and SRBC in terms of internal stakeholders, external stakeholders, and the natural environment. Traditional religions within the Netherlands, i.e. Roman Catholicism and Protestantism, both teach their adherents to love their neighbors and to take care of the natural environment as stewards of God the Creator. These core values apparently do not stimulate traditional religious executives to contribute more to SRBC in terms of (internal or external) stakeholders and the natural environment than other executives.

The analysis also showed two opposite indirect influences of religiosity on SRBC: a negative influence on the financial motive for SRBC and a positive influence on the altruistic motive for SRBC. The financial motive leads to a higher contribution to SRBC in terms of internal stakeholders, diversity, and the natural environment. The altruistic motive leads to a higher contribution to SRBC in terms of diversity, the natural environment, and charity. The analysis revealed no significant influence of religiosity on the ethical motive for SRBC. Seemingly, there are also other sources than someone's religiosity, for example law, ethics, and society, that impose duties on executives to contribute to SRBC. The altruistic motive for SRBC of traditional religious executives may follow from an attitude of thankfulness because of what God did to them.

The total influence of the intrinsic motives, i.e. the ethical and the altruistic motive, on SRBC is stronger than the influence of the financial motive. This is an important finding, in particular when it comes to the question how to motivate executives to contribute to SRBC. As argued by Graafland and Van der Ven (2006), many researchers found that extrinsic motives may crowd out intrinsic motives. Thus, when governments or social groups want to advance SRBC, they should carefully identify what motives for SRBC executives find most important. If these motives are intrinsic, stressing the strategic value of SRBC may have a negative influence on executives´ attitude and contribution to SRBC, since these strategic aspects may crowd out their intrinsic motives.

Another noteworthy result of the analysis presented in Chapter 5 concerns the measures used in the analysis. Following the criticisms of Weaver and Agle (2002) on existing research in the field of religion and ethics, I measured religiosity as a multidimensional concept by using different scales to measure different aspects of religiosity. Nevertheless, because all elements of religiosity strongly correlated with each other, this did not add explanatory power to the analysis of the relationship between religiosity and SRBC. Contrary to this, measuring SRBC as a multidimensional concept created deep insight into the relationship between religiosity and SRBC. Measuring SRBC at the attitudinal level as well as the behavioral level created insight into the different influences of religiosity on motives for SRBC and the perceived own contribution to SRBC. In particular, the difference between several types of SRBC on the attitudinal as well as at the behavioral level revealed opposed influences of religiosity on several motives for and types of SRBC. Because these opposed influences tend to cancel out, the differentiation between several types of SRBC is essential in order to create insight into the relationship between religiosity and SRBC.

6.3   Managerial Implications

The findings, as presented and discussed above, have received serious attention by practitioners and opinion makers. This is illustrated by a wide range of newspaper articles and other popular publications that have been written about the outcomes of the empirical research (see Appendix A). In the introduction, I argued the relevance of this research for executives, governments and social groups that try to advance SRBC, and Dutch society in general. For all of those, I will formulate some implications of the findings of my research.

Implications for Executives

For executives, this research may increase their awareness of the interrelatedness of religiosity and SRBC. Such awareness can help them to better understand their own business conduct (and that of others) and the underlying normative convictions. Discerning the relationship between someone's normative convictions on the one hand and someone's attitude and contribution to SRBC on the other hand, may prevent executives from a mindless emphasis on one or some types of SRBC, while ignoring other types of SRBC.

More in general, following from the analysis of the business dilemmas, it is valuable if executives ask themselves what normative convictions are important for them. Discerning these values and norms, and communicating them to others in their business context, may prevent the coming about of business dilemmas. If executives make values and norms explicit, both for themselves and towards others, the good practices based on these normative convictions will in many occasions be obvious for both the executives and the other stakeholders of the organization. If business dilemmas do occur nonetheless, the conflicting normative convictions that underlie these dilemmas will be easily recognized if executives have reflected on these values and norms in advance. Following from the analysis presented in Chapter

3, executives should be aware that most business dilemmas come about because a moral or a religious value, on the one hand, and a practical value, on the other hand, are conflicting with each other. If such a dilemma occurs, executives will be most satisfied with their own decision, if they give priority to the moral or religious value at the expense of the practical value involved.

In the introduction, I argued there might be executives who find it difficult to translate their religiosity into business behavior. Although SRBC might be an instrument to implement religious values and norms into business behavior, traditional religious executives should be aware of their emphasis on the philanthropic motive for SRBC and the charitable accent in their actual contribution to SRBC. Traditional religious executives might become more aware that SRBC should not only be favored based on philanthropic considerations, but may also be considered as a strategic instrument within the company. Both motives may mutually reinforce each other. Even more important for traditional religious executives is to become aware of the emphasis on SRBC in terms of charity at the behavioral level. Traditional religious executives might study the concept of SRBC in order to differentiate between several kinds of SRBC in behavioral terms. Although religious teachings do explicitly promote the sharing of one's wealth with the poor and needy, traditional religiosity does not ignore other aspects of SRBC. Traditional religious executives face the challenge to implement in their business behavior important religious values that correspond with core values of the concept of SRBC, such as stewardship, human dignity, and helpfulness.

Those executives who are primary focused on the financial motive for SRBC might become more aware that SRBC may go beyond the strategy of the organization. Business conduct that is responsible in a social sense includes philanthropic activities of the organization. Some executives argue that charity is not socially responsible behavior, but socially relevant behavior. Nevertheless, the concept of SRBC may imply philanthropic motives and charitable acts that may go beyond the scope of the core processes of the organization, but that do favor society in the broad sense. These charitable acts can be closely connected to the core processes of the organization. For example, the business platform of 'Woord en Daad' (Word and Deed, a Dutch development organization) organizes so-called expert-missions. Members of the business platform go to developing countries in order to share their specific knowledge and skills with people over there in order to help them develop themselves. And although charitable acts seem to conflict with the financial motive, existing research outcomes present a positive relationship between corporate philanthropy and firm financial performance (Brammer and Millington, 2005; Saiia, Carroll and Buchholtz, 2003; Wang, Choi and Li, 2008).

Implications for Governments and Social Groups

Governments and social groups that want to advance executives' contribution to SRBC should be aware of the different motives for SRBC. Because traditional religious executives are more intrinsically motivated to SRBC and non-traditional religious executives are more extrinsically motivated to SRBC, different strategies for different groups should be followed. If traditional religious executives are encouraged to SRBC by stressing the (financial) benefits, their intrinsic motive for SRBC may be undermined, thus leading

to a lower level of SRBC. On the contrary, stressing the (financial) benefits of SRBC will be effective to strengthen the strategic motive for SRBC of non-traditional religious executives.

Governments and social groups may also advance executives´ contribution to SRBC by spreading knowledge about SRBC. For example, if non-traditional religious executives, who are primarily extrinsically motivated to SRBC, become more aware of the positive financial effects of charity, this may lead to a higher contribution to SRBC in terms of charity. It is important for governments and social groups to spread these kinds of research outcomes among practicing non-traditional religious executives. When approaching traditional religious executives, governments and social groups may spread knowledge about the different kinds of SRBC and their connectedness with traditional religious values and norms.

Nevertheless, although the last recommendation is valuable for governments and social groups in general, it is probably most appropriate to be applied by a particular kind of social institutions: the traditional religious churches within the Netherlands. Traditional religious executives within the Netherlands are generally loyal members of churches, actively involved in church-related activities. Therefore, the religious community might play an important role in translating religious values and norms into daily business practices. The social teachings of the church, communicated during services, bible study groups, home visits, and other church-related activities, should not disproportionally stress charity as a practical expression of traditional religiosity. Traditional religious churches should teach the executives among their members that they have a far-reaching responsibility towards their employees and other stakeholders of the company ("Treat others as you want them to treat you. This is what the Law and the Prophets are all about") and towards the natural environment ("The Lord God put the man in the Garden of Eden to take care of it and to look after it").[51]

A final particular kind of social groups that may apply the outcomes of this research are the employers' organizations within the Netherlands. Employers' organizations face the challenge to promote and to spread knowledge about SRBC among there members. Within the Netherlands, there are two Christian employers' organizations, of which most members are traditional religious. Because most traditional religious executives are organized in these particular employers´ organizations, most members of other employers´ organizations are non-traditional religious. Because of this clear distinction between the religious background of the members of the employers´ organization, these organizations might consciously choose one of the above presented strategies in promoting SRBC among their members. One of the instruments of employers´ organizations to promote SRBC may be the arrangement of discussion platforms, where their members discuss SRBC. The findings of this research may be helpful in structuring these discussions. Instead of getting stuck in discussions about whether a specific behavior is socially responsible or not, these findings may lead to discussions about the motives for SRBC and the translation of these motives into concrete behavior.

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[51] Matthew 7: 12 and Genesis 2: 15.

Implications for Dutch Society

SRBC is a current trend in Dutch society. At the same time, within Dutch society there is a negative feeling towards religiosity, that is quite often publicly expressed. This negative attitude towards religiosity may result in a retreat of traditional religious people into religious communities, away from the public sphere. If religious people withdraw themselves from public life, this will diminish their feeling of being responsible for societal issues, in favor of a sense of responsibility for the own religious community. Instead of contributing to society inspired by religious values and norms, religious people may put their energy in defending their religious community towards the attacks from society on their religiosity. It should be far more desirable if opinion makers within Dutch society would challenge religious people to translate their belief into social responsible behavior, without negatively judging the underlying normative convictions. In this context, it is important to accentuate the common values of social trends such as SRBC and religious teachings, instead of stressing the differences between traditional religious values and current social values.

6.4 Directions for Further Research

The research presented in this thesis leads to the conclusion that religiosity does influence executives´ SRBC. But there are some open ends that invite for further research. In this closing section, I will describe some promising directions for further research on the relationship between religiosity and SRBC. These directions are divided into three tracks of further research. First, a track of research that focuses on further testing and explaining the presented results. Next, a track of research that focuses on the influence of those variables that were used as control variables in the presented analysis, such as type of industry. And at last, a track of research that extends the presented research geographically.

Further Testing and Explaining the Results

The research presented in this thesis presents convincing arguments for discerning a relationship between religiosity and SRBC. Nevertheless, although the contours of this relationship have been sketched, there are some remaining questions and blind spots.

First, it should be challenging to carry out another qualitative inquiry in order to find further explanations for the findings of the quantitative research as presented in Chapter 5. For example, a negative view on human beings, which is related to traditional religiosity, may form an explanation for the indirect negative influence of traditional religiosity on SRBC in terms of internal stakeholders. If executives think people are inclined to evil, they may be driven by suspicion and mistrust. But, on the other hand, if executives think people are inclined to evil, they will be convinced they themselves are also inclined to evil. This may lead to an attitude of vulnerability and being open to criticism. However, at this point, the view on men and the conception of God may be intertwined. Possibly, traditional religious executives argue that they are only responsible to God when it comes to their evil inclination. Parallel to this, they may think they are only responsible to their own superiors when it comes to their shortcomings

in business. In that case, the positive aspects of their belief in their own evil inclination are eliminated. In the explorative part of this dissertation, as presented in Chapter 2, I focused on one cognitive aspect of religiosity, namely the conception of God. Further qualitative research on the relationship between the view on men and SRBC might further explain why traditional religious executives are not focused on SRBC in terms of internal stakeholders as much as other executives. Another finding that may be further explained by new qualitative research is the lack of significant relationships between the ethical motive for SRBC and several behavioral forms of SRBC. Some possible explanations for this finding have already been suggested, such as a focus on prohibitions and the high degree of abstraction of the term ´ethical´, but further research may test these hypothetical suggestions.

Secondly, the findings presented in Chapter 5 constitute an invitation to carry out further research on the measures of SRBC. As argued before, the measurement of SRBC in several attitudinal and behavioral measures offered rich insight into the relationship between religiosity and SRBC. Because of criticism on previous research in this field, stressing the importance of accurate measurement of religiosity (e.g. Weaver and Agle, 2002), the emphasis in my empirical research has been put on the measurement of religiosity. Because the length of a questionnaire is not unrestrained, the questioning about SRBC in my questionnaire has been limited. Now the analysis has shown that in particular accurate measuring of SRBC offers deep insight into the relationship between religiosity and SRBC. Further research might therefore focus on the development of measures of SRBC. In particular, instruments to measure SRBC in behavioral terms might be further developed, including other aspects of SRBC, such as consumer issues, product specifications, process specifications, and shareholder issues.

Thirdly, the findings with respect to the relationship between religiosity and business dilemmas and the relationship between Islam and SRBC are preliminary and tentative. In order to further prove these findings, further research has to be carried out on a larger scale. Concerning the relationship between religiosity and business dilemmas, the difficulty of further research lies in the complexity of business dilemmas. Because of this complexity, business dilemmas can hardly be investigated with a quantitative research method. Thus, further qualitative research is needed. This will be very labor intensive and time consuming. Nevertheless, in particular the classification of dilemmas in accordance to the values that give rise to the dilemmas creates valuable insight in the occurrence of dilemmas and into the best practices when coping with business dilemmas. Concerning the relationship between Islam and SRBC, further research might in particular focus on a more detailed and concrete measuring of SRBC. Besides, further research may also take into account differences between various groups of Muslims. Further research among this target group, either qualitative or quantitative, will be difficult because Dutch Islamic executives are hardly involved in research settings. The challenge of this kind of research will in particular be to reach a representative group of Muslim executives.

Further Investigating the Influence of Control Variables

The quantitative analysis of the relationship between religiosity and SRBC, as presented in Chapter 5, showed some influences of the control variables that were included. For example, director-owners

contribute more to SRBC in terms of the natural environment compared to CEO's. Property and ownership thus might influence the emphases executives put on practicing SRBC. Also the type of industry showed several significant influences on the kind of SRBC that executives give most attention to. For example, executives from the manufacturing industry contribute significantly more to SRBC in terms of natural environment. The same goes for executives from the construction industry and from the trade sector, although this influence is less.

Further research on the influence of these control variables on the contribution to several forms of SRBC may generate deeper insight into the motives for SRBC and the clues to promote SRBC. Moreover, further research on those relationships may also create deeper insight into the relationship between religiosity and SRBC, because there may be cross connections. It is conceivable that traditional religious executives avoid particular industries or, on the contrary, concentrate in particular industries. This suggestion receives support if I carry out a correlation analysis on the sample described in Chapter 5, showing a significant negative correlation between traditional religiosity and the manufacturing industry (p = -.15) and a significant positive correlation between traditional religiosity and the trade sector (p = .14). If the type of industry someone is in influences the contribution to SRBC, this may create an indirect relationship between religiosity and SRBC. A comparable argument can be set up for the aspect of ownership. Traditional religious executives may have such strong personal values and norms based on their religiosity, that they prefer starting their own business instead of working within an organization that has been set up by other people with other value systems. Again, a correlation analysis on the sample described in Chapter 5 gives some support to this suggestion, presenting a significant positive correlation between traditional religiosity and director-ownership (p = .27). These hypotheses form a promising invitation for further research.

Further Research in Other Countries

The research presented in this paper has been limited to the Netherlands in order to minimize cultural and institutional differences within the sample. Nevertheless, the geographical context may be important, as other countries have other ´religious maps´. Further research is required to verify that the findings are generalizable to other countries, particularly to countries such as Denmark, Sweden and Estonia, where most people are not at all traditional believers, and countries such as Ireland, Poland and Romania, where most people are very traditional believers (Halman, Luijkx and Zundert, 2005). Moreover, further international research may also focus on the generalizability of the findings towards countries with other dominant religions that were not included in the large research sample as described in Chapter 5, such as Islam, Orthodox religion, Buddhism, and Hinduism.

Further research focusing on the geographical expansion of this research may also overcome the difficulty presented before, with respect to the approach of specific target groups within the Netherlands. But, on the other hand, when investigating the relationship between religiosity and SRBC in other countries, one has to take into account cultural differences and possibly differences in the definition and practical design of SRBC in other countries. In some countries, SRBC may even be an unknown or little

known concept. These kind of differences with respect to the definition and elaboration of the concept of SRBC has to be investigated before exploring the relationship between religiosity and SRBC in other countries.

6.5   Doing Business for Heaven's Sake

A comparison of official church documents, such as the Catholic encyclical `Centesimus Annus´, promulgated by Pope John Paul II in 1991, the Ecumenical document ´Economy as a Matter of Faith' (1992) and the Evangelical Document ´Oxford Declaration on Christian Faith and Economics´ (1990) shows various similarities (Graafland, 2008). One of those similarities is the notion that work is central to God's purpose for humanity. As argued by Médaille (2007), this implies business to be a vocation, a calling from God, which involves not only the building up of a business, but the building up of society as well. From this perspective, the title of this thesis (Doing Business for Heaven's Sake) may be read as: do (your) business as a calling from heaven. If business is considered as a heavenly calling, it cannot be true that the only calling is to be as profitable as possible. Following the heavenly call to do business implies the building up of society by practicing 'heavenly values', such as love one's fellow-men and stewardship.

But the title of this thesis can also be read as a kind of encouragement. Although executives are running their own businesses, these businesses are within the scope of ´heaven´. There is heavenly support in conducting business, which will inspire executives to practice ´heavenly values´. Executives have to acknowledge their own far-reaching responsibility, in particular towards the stakeholders of their organization, in conducting their business. But they may expect inspiration and guidance from heaven.

Finally, the title of this thesis can be read as a vision. At the end of business, heaven awaits. When reaching heaven, executives have to give account for the way in which they conducted their business. This might form an incentive to do good business: not (only) good in the sense of profitable business, but also good in the light of heavenly values.

Those executives who do not believe in heaven will in no way be inspired by heaven to perform SRBC. Nevertheless, the notion of the finitude of life may inspire non-religious executives to do their business in a socially responsible way. One of the interviewed executives argued that it is important to lead a meaningful life, just because this executive was convinced of the absence of life after death. The absence of life after death accentuates the (quality of) existence here and now. Following this argument, SRBC may be an instrument to enrich the meaning of life as an executive in business.

Appendix A

Publications

This Appendix presents an overview of publications that have appeared and presentations that have been given within the context of this research project. First, I list the scientific publications and the conference paper that have been published. These are double blind refereed articles. Next, I list the popularizing articles. These articles, that are mostly published in Dutch, have appeared as chapters in books or in opinion magazines. Thirdly, I list the newspaper articles that have been written on account of the outcomes of the empirical research. Finally, I present an overview of presentations that I have given within the scope of this research project.

Scientific Publications

Graafland, J., M. Kaptein and C. Mazereeuw – van der Duijn Schouten. 2007. Conceptions of God, Normative Convictions and Socially Responsible Business Conduct: An Explorative Study among Executives. *Business & Society*, 43(3), 331-369.

Graafland, J. and C. Mazereeuw - van der Duijn Schouten, 2007. The Heavenly Calculus and Socially Responsible Business Conduct: An Explorative Study among Executives. *De Economist*, 155(2), 161-181.

Graafland, J., M. Kaptein and C. Mazereeuw – van der Duijn Schouten. 2006. Business Dilemmas and Religious Belief: An Explorative Study among Dutch Executives. *Journal of Business Ethics*, 66(1), 53-70.

Graafland, J., C. Mazereeuw – van der Duijn Schouten and A. Yahia. 2006. Islam and Socially Responsible Business Conduct: An Empirical Study of Dutch Entrepreneurs. *Business Ethics: a European Review*, 15(4), 390-406.

Conference Paper

Mazereeuw – van der Duijn Schouten, C., J. Graafland and M. Kaptein. 2008. Unfolding the Relationship between Religion and Socially Responsible Business Conduct. In: G.T. Solomon (Ed.) *Proceedings of the Sixty-Sixth Annual Meeting of the Academy of management* (CD), 1-6. Anaheim: The Academy of Management.

Popularizing Articles

Graafland, J., M. Kaptein and C. Mazereeuw – van der Duijn Schouten. 2005. Religious Belief, Values and Corporate Social Responsibility: An Explorative Study among Entrepreneurs. In: Jonker, J. and J. Cramer (Eds.) *Making a Difference: The Dutch National Research Program on Corporate Social Responsibility,* 85-111. The Hague: Ministry of Economic Affairs, Publ. nr. 05OI12.

Graafland, J., M. Kaptein en C. Mazereeuw – van der Duijn Schouten. 2005. Omgaan met ethische dilemma´s. In: Cramer, J., M. Jacobs en J. Jonker (Red.). *Ondernemen met MeerWaarde: een overzicht van de praktische resultaten van het Nationale Onderzoeksprogramma Maatschappelijk Verantwoord Ondernemen,* 37-45. Ministerie van Economische Zaken, Publicatienummer 05OI11.

Graafland, J. en C. Mazereeuw - van der Duijn Schouten. 2007. Geloven in MVO: met de voeten in de modder en het hoofd in de wolken. *Daadkracht*, 4-7.

Graafland, J. en C. Mazereeuw – van der Duijn Schouten. 2005. Levensovertuiging en dilemma´s binnen organisaties. In: Hardjono, T. en H. Klamer (Red.). *Breng spirit in je werk,* 75-92. Zoetermeer: Meinema.

Graafland, J. en C. Mazereeuw 2005. De hemelse winstrekening en maatschappelijk verantwoord ondernemen. *Radix*, 31(1), 8-19.

Graafland, J. en C. Mazereeuw – van der Duijn Schouten. 2001. Winst of principes? Over Christelijke motieven van maatschappelijk verantwoord ondernemen. *Wapenveld*, 51(6), 17-24.

Mazereeuw - van der Duijn Schouten, C. 2009. Islam en maatschappelijk verantwoord ondernemen. In: Dool, E. van den en C. Visser (Red.). *Spiritualiteit werkt,* 23-31. Amsterdam: Buijten & Schipperheijn Motief.

News Paper Articles

Gelovige doet minder aan MVO. *Reformatorisch Dagblad*, 2 februari 2008.

Spagaat tussen zondag en maandag. *Reformatorisch Dagblad*, 2 februari 2008.

Ondernemen met God. *Het Financieele Dagblad*, 26 juni 2006.

Protestantse managers zijn vaak gelukkiger dan hun katholieke collega's. *Dagblad van het Noorden*, 8 april 2006.

Gelovige baas betaalt altijd op tijd. *De Volkskrant*, 7 april 2006.

Geloof ondernemer beïnvloedt werk. *ANP*, 6 april 2006.

Vooral katholieke managers vinden winst zaligmakend. *Brabants Dagblad*, 6 april 2006.

Geloof bevordert duurzaam ondernemen. *Nederland Dagblad*, 6 april 2006.

Geloof als inspiratie in zaken doen. *Friesch Dagblad*, 6 april 2006.

Geloof beïnvloedt duurzaam werken. *Reformatorisch Dagblad*, 6 april 2006.

Ethiek hoog in vaandel bij protestantse ondernemer. *Leeuwarder Courant*, 6 april 2006.

Presentations

EBEN, Annual Conference, 2009, Athens, Greece: Unraveling the Relationship between Religiosity and Socially Responsible Business Conduct.

Academy of Management, Annual Meeting, 2008, Anaheim, California: Unfolding the Relationship between Religion and Socially Responsible Business Conduct.

VNO-NCW, Wat bezielt de ondernemer? Over passie, zingeving en levensovertuiging, 2007, Kampen, Nederland: Religie in bedrijf: inspirerend of irriterend?

Centrum voor Maatschappelijk Ondernemen, Passie, geloof en ondernemen, 2006, Tilburg, Nederland: Inspireert geloof tot maatschappelijk verantwoord ondernemen?

EBEN, Research Conference, 2006, St. Petersburg, Russia: The Heavenly Calculus and Socially Responsible Business Conduct.

EBEN, Research Conference, 2005, Tallinn, Estonia: Religion and Corporate Social Responsibility.

EBEN, Annual Conference, 2005, Bonn, Germany: Religious Belief, Values, and Corporate Social Responsibility: An Explorative Study Among Entrepreneurs.

VNO-NCW, Engagement, Drijfveer voor maatschappelijk betrokken handelen, 2004, Vught, Nederland: Levensbeschouwing en maatschappelijk verantwoord ondernemen.

NIDO, Managing on the Edge: International Research Conference on CSR, 2003, Nijmegen, the Netherlands: Religion and Corporate Social Responsibility.

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Samenvatting (Summary in Dutch)

Maatschappelijk verantwoord ondernemen (MVO) is 'in'. MVO is het bewust richten van de ondernemingsactiviteiten op lange termijn waardecreatie in economisch, sociaal en ecologisch opzicht, met inachtneming van de belangen van alle betrokkenen bij de organisatie. De reden om in de bedrijfsvoering niet alleen financieel economische doelstellingen na te streven, maar ook sociale en ecologische doelstellingen te formuleren, kan gebaseerd zijn op een drietal uitgangspunten. In de eerste plaats kan men maatschappelijk verantwoord ondernemen omdat het *loont*. Uit eerder onderzoek is naar voren gekomen dat MVO de winstgevendheid van een onderneming vergroot, bijvoorbeeld omdat het een goede uitwerking op de reputatie van een organisatie heeft. In de tweede plaats kan men maatschappelijke verantwoord ondernemen omdat dat zo *hoort*. Morele overwegingen en persoonlijke overtuigingen kunnen motiveren om niet alleen economisch verantwoord, maar ook bewust sociaal en ecologisch verantwoord te ondernemen. Een derde motief is dat men er zelf *behagen in schept* om bij te dragen aan het welzijn van anderen, bijvoorbeeld omdat men graag zorg wil dragen voor de eigen sociale en natuurlijke omgeving.

Bij alle drie de uitgangspunten komt religie als mogelijk motief om maatschappelijk verantwoord te ondernemen naar voren. In de eerste plaats beloven religieuze teksten zoals de Thora, de Bijbel en de Koran dat God goed gedrag beloont met welvaart hier op aarde. Daarnaast bevatten religieuze teksten waarden en normen met betrekking tot het economische verkeer die gelovigen stimuleren te ondernemen met inachtneming van de belangen van vele groepen mensen in en rondom de organisatie. In de derde plaats impliceert religie vrijgevigheid en zorg voor de medemens. Maar de vraag is of religie in de praktijk ook daadwerkelijk de uitgangspunten en het gedrag van managers beïnvloedt. Naar deze vraag is tot nu toe heel weinig onderzoek gedaan. De onderzoeken die wel betrekking hebben op dit onderwerp, of op het meer algemene gebied van religie en bedrijfsethiek, laten tegenstrijdige uitkomsten zien. Dit proefschrift beoogt in deze lacune te voorzien. De centrale onderzoeksvraag van dit proefschrift luidt dan ook: is religie van invloed op MVO en, zo ja, hoe kan deze invloed worden gespecificeerd?

Religie is een complex verschijnsel, dat bestaat uit overtuigingen, gevoelens en gedragingen. Overtuigingen hebben betrekking op hetgeen men gelooft ten aanzien van God, de mensheid en de eeuwige bestemming van een mens. Gevoelens hebben betrekking op de mate waarin en manier waarop men een religie aanhangt. Men kan religie als doel in zichzelf beschouwen, maar men kan religie ook als middel voor andere doeleinden beschouwen, bijvoorbeeld voor het opdoen van sociale contacten. Gedragingen hebben betrekking op zichtbare uitingen van een religie, zoals het bezoeken van religieuze bijeenkomsten, bidden, mediteren en dergelijke.

In de eerste studie van het onderzoek heb ik mij beperkt tot het onderzoeken van één aspect van religie: het beeld van God. Is het godsbeeld van een leidinggevende van invloed op zijn of haar bijdrage aan MVO? Met het oog op deze onderzoeksvraag heb ik een twintigtal diepte interviews gehouden met leidinggevenden uit diverse sectoren en met diverse levensbeschouwelijke achtergronden in combinatie met een korte enquête over MVO. Een systematische analyse van de diepte interviews toont aan dat, binnen deze kleine sample, de kenmerken die geïnterviewden aan God toekennen vaak

zijn gerelateerd aan de waarden en normen die zij aanhangen. Een voorbeeld zijn de geïnterviewden die God beschrijven met relationele eigenschappen (bijvoorbeeld liefdevol, genadig en bewogen) en die zelf ook sociale waarden aanhangen zoals zorgzaamheid, behulpzaamheid en dienstbaarheid. De interviews laten verder zien dat de normen en waarden van geïnterviewden inspireren tot overeenkomstig gedrag. Een voorbeeld hiervan zijn geïnterviewden die sociale waarden aanhangen en die in de praktijk projecten in ontwikkelingslanden ondersteunen.

Voor een verdere analyse van de relatie tussen het godsbeeld en MVO, heb ik onderscheid gemaakt tussen drie godsbeelden: een atheïstisch godsbeeld (er is geen god), een pantheïstisch godsbeeld (god is overal en in alles) en een monotheïstisch godsbeeld (er is één God, die het karakter heeft van een persoonlijk wezen). Deze godsbeelden heb ik gerelateerd aan de visie op MVO, het belang dat geïnterviewden hechten aan interne (bijvoorbeeld medewerkers) en externe (bijvoorbeeld klanten) belanghebbenden van de organisatie en de bijdrage die de geïnterviewden leveren aan MVO binnen hun organisatie. Uit de analyse komt naar voren dat geïnterviewden met een monotheïstisch godsbeeld meer betrokken zijn op MVO dan de andere geïnterviewden. Dit geldt met name als het gaat om filantropische aspecten van MVO, zoals het sponsoren van maatschappelijke projecten. Alleen aan het belang van interne belanghebbenden van de organisatie, hechten de atheïstische geïnterviewden meer waarde dan de monotheïstische geïnterviewden.

De tweede studie die in dit boek gepresenteerd wordt, gaat in op de relatie tussen Islam en MVO. Is de Islamitische levensovertuiging van invloed op de bijdrage die managers leveren aan MVO? Een vergelijking van de waarden van Islam en MVO leidt tot de conclusie dat de waarden van Islam in grote mate overeenstemmen met de principes van MVO. De voornaamste verschillen hebben betrekking op de mate waarin men zelf invulling kan geven aan de bedrijfsvoering. Binnen het concept van MVO is er veel ruimte om zelf concreet invulling te geven aan MVO. Binnen de Islam daarentegen zijn er strikte regels en voorschriften voor de bedrijfsvoering waar men zich als Moslim aan dient te houden. In het bijzonder verbiedt de Islam om actief te zijn in diverse sectoren zoals de handel in varkensvlees en alcohol en de gokindustrie. Binnen het concept van MVO zijn er ook sectoren die als maatschappelijk onverantwoord aangetekend worden, zoals de porno- en de wapenindustrie. Maar binnen het concept van MVO worden veel minder sectoren uitgesloten dan binnen de Islam.

Om te onderzoeken welke visie Islamitische managers hebben op MVO, welk belang zij hechten aan diverse aspecten daarvan en in hoeverre zij MVO ook in de praktijk brengen, heb ik een enquête ontwikkeld die specifiek gericht is op Islamitische leidinggevenden. Deze enquête is verzonden naar een vijftigtal Islamitische ondernemers. Daarvan zijn er 48 compleet ingevuld retour ontvangen. De uitkomsten van de vragenlijst heb ik vergeleken met de uitkomsten van de enquête onder de (niet-islamitische) managers uit het eerder genoemd onderzoek. Islamitische managers blijken een positieve visie ten aanzien van MVO te hebben. Hierin wijken zij weinig af van de groep niet-islamitische managers. Islamitische managers hechten grote waarde aan de belangen van diverse betrokkenen bij de organisatie, zoals de personeelsleden, klanten, aandeelhouders en concurrenten. Op al deze aspecten van MVO scoren zij hoger dan de niet-islamitische managers, uitgezonderd als het gaat om de zorg

voor het eigen personeel. Opmerkelijk genoeg blijkt dat deze hoge waardering van de diverse aspecten van MVO niet tot een hogere bijdrage aan MVO leidt. In tegendeel: als het gaat om de persoonlijke inzet om MVO te stimuleren en in de praktijk te brengen, scoren de Islamitische managers aanzienlijk lager dan de groep niet-islamitische managers. Hier kunnen verschillende oorzaken voor zijn. MVO zou een te abstracte notie kunnen zijn, waardoor Islamitische managers het concept als zodanig wel positief waarderen, maar er in de praktijk moeilijk mee uit de voeten kunnen. Ook zou het kunnen dat de Islamitische managers, die vrijwel allemaal werkzaam zijn binnen een klein bedrijf, van mening zijn dat MVO niet op hen van toepassing is, omdat het bij grotere bedrijven zou horen. In de derde plaats kan het zijn dat bij de visie op MVO de respondenten meer sociaal wenselijke antwoorden hebben gegeven dan bij de vragen over de concrete bijdrage die men levert aan MVO. Tenslotte kan de relatief kleine bijdrage die Islamitische managers leveren aan MVO te maken hebben met het feit dat zij relatief weinig georganiseerd zijn in bijvoorbeeld werkgeversorganisaties, waardoor zij mogelijk minder gestimuleerd worden om MVO in de praktijk te brengen.

De derde studie die in dit proefschrift wordt gepresenteerd, onderzoekt de relatie tussen religie en bedrijfsdilemma´s. Een dilemma is een situatie waarin twee of meer waarden met elkaar in conflict zijn. De onderzoeksvraag die in deze studie centraal staat is of religie leidinggevenden voor een groter aantal dilemma´s binnen de organisatie stelt. Om antwoord te geven op deze vraag, heb ik dilemma´s op twee manieren geclassificeerd. De eerste classificatie heeft betrekking op het type waarden dat hierbij in het geding is. In een dilemma kan sprake zijn van morele waarden (waarden die universeel zijn, zoals rechtvaardigheid of vrijheid), religieuze waarden (waarden die specifiek zijn voor een bepaalde religie, zoals het bewaren van de zondagsrust), en operationele of praktische waarden (alle niet-morele en niet-religieuze waarden, zoals winstgevendheid). Daarnaast heb ik gekeken naar de bron van conflicterende waarden. Waarden die betrokken zijn in een bedrijfsdilemma kunnen voortkomen uit iemands persoonlijke overtuigingen, vanuit de bedrijfscultuur, vanuit de omgeving van een organisatie en vanuit de religieuze gemeenschap waartoe iemand behoort.

Op grond van een analyse van de twintig diepte-interviews komt naar voren dat managers die geloven in God en in een hiernamaals en relatief vaak bidden en deelnemen aan religieuze activiteiten (zoals het bezoeken van kerkdiensten) vaker met dilemma's geconfronteerd worden. De meeste dilemma's die zich voordoen, zijn het gevolg van een botsing tussen een praktische waarde en een morele waarde. Specifiek religieuze waarden spelen nauwelijks een rol in het ontstaan van bedrijfsdilemma´s. Verder blijkt uit een analyse van de diepte-interviews dat in de meeste gevallen een dilemma wordt veroorzaakt omdat twee of meer persoonlijke waarden van de manager niet met elkaar in overeenstemming zijn. De waarden van de religieuze gemeenschap waartoe een manager behoort, van de organisatiecultuur en van de omgeving van de organisatie leiden zelden tot een dilemma. Alhoewel religieuze managers dus relatief vaak geconfronteerd worden met bedrijfsdilemma's, worden deze niet veroorzaakt door hun specifiek religieuze waarden, noch door de invloed van de religieuze gemeenschap waar zij toe behoren. Mogelijke oorzaken van het relatief grote aantal dilemma´s waarmee zij zich geconfronteerd zien, zijn een gebrek aan flexibiliteit omdat de morele waarden verankerd zijn in de religieuze overtuiging van

de manager en daardoor niet onderhandelbaar zijn; relatief hoge ethische standaarden als een gevolg van de religieuze overtuiging; en een hogere mate van bewustzijn van de eigen ethische standaarden doordat in religieuze bijeenkomsten morele waarden vaak aan de orde komen.

Alhoewel de bovengenoemde studies nieuwe kwalitatieve inzichten in de relatie tussen religie en MVO bieden, is de onderzoeksgroep tot nog toe te klein om algemeen geldende conclusies te trekken. De vierde studie beoogt een meer representatief beeld van de invloed van religie op MVO te ontwikkelen. Daartoe heb ik een uitgebreide vragenlijst ontwikkeld en uitgezet onder 2500 leden van drie werkgeversorganisaties, te weten VNO-NCW, RMU en CBMC. Van de bijna 2.500 vragenlijsten die verzonden zijn, zijn er 473 ingevuld retour gezonden. In de enquête zijn diverse vragen opgenomen die het complexe samenstel van religieuze overtuigingen, gevoelens en gedragingen van leidinggevenden in beeld brengen. Uit een correlatie- en factoranalyse blijkt evenwel dat deze diverse aspecten van religie sterk met elkaar samenhangen en gereduceerd kunnen worden tot één factor. De respondenten die geloven in God als degene die goed en kwaad bepaalt, geloven doorgaans ook dat mensen geneigd zijn tot het kwade, dat het leven is voorbestemd en dat er een hiernamaals is. Ook zijn deze leidinggevenden doorgaans sterk persoonlijk betrokken op hun geloof en nemen zij relatief vaak deel aan religieuze activiteiten. De managers die deze religie aanhangen, noem ik traditioneel religieus. Diegenen die niet de bovengenoemde overtuigingen aanhangen, zijn niet per definitie niet religieus. Echter, als zij religieus zijn, dan is dit een religie die op meerdere van bovengenoemde kenmerken afwijkt. Deze laatste groep noem ik niet-traditioneel religieus.

Vervolgens heb ik onderzocht of de religieuze overtuiging van de respondenten verband houdt met hun motivatie voor MVO. Hierbij heb ik drie motieven voor MVO onderscheiden: een financieel motief (omdat het loont), een ethisch motief (omdat het hoort) en een altruïstisch motief (omdat men er behagen in schept). Het financiële motief is extrinsiek. Dat wil zeggen dat men aan MVO doet omdat het bijdraagt aan een ander doel, namelijk geldelijk gewin. De twee andere motieven zijn intrinsiek. Dat wil zeggen dat MVO als een doel in zichzelf beschouwd wordt. Een regressieanalyse tussen religie en deze drie motieven laat zien dat traditionele religie geen significante invloed heeft op het ethisch motief, maar wel een significant negatief verband vertoont met het financiële motief en een significant positief verband met het altruïstisch motief.

Vervolgens heb ik onderzocht op welke wijze religie van invloed is op MVO, zowel direct als indirect via de drie genoemde motieven van MVO. Uit een regressieanalyse blijkt dat religie geen directe invloed op de bijdrage van leidinggevenden aan MVO heeft. Wel blijkt uit de analyse dat zowel het financiële als het altruïstische motief een positieve invloed heeft op de bijdrage die men levert aan MVO. De indirecte invloeden van religie op MVO, via het financiële en het altruïstische motief, heffen elkaar echter op. Zowel direct als indirect is er derhalve geen invloed van religie op MVO te traceren.

Om het inzicht in de relatie tussen religie en MVO verder te vergroten, heb ik met behulp van factoranalyse vijf deelcategorieën van MVO onderscheiden: MVO ten aanzien van interne belanghebbenden (bijvoorbeeld personeel), MVO ten aanzien van externe belanghebbenden (bijvoorbeeld klanten), MVO in termen van integratie van minderheden (bijvoorbeeld van allochtonen

in het arbeidsproces), MVO ten aanzien van het milieu en MVO in termen van liefdadigheid. Lineaire regressieanalyse met betrekking tot de relatie tussen religie en de vijf onderscheiden deelcategorieën van MVO laten wel een significante directe invloed van religie op MVO zien: traditioneel religieuze managers doen aanzienlijk minder aan MVO in termen van integratie en aanzienlijk meer aan MVO in termen van liefdadigheid. Ook het indirecte effect is genuanceerder in deze gedetailleerde analyse. De strategische motivatie, die met name belangrijk is voor niet-traditioneel religieuze managers, leidt tot een grotere bijdrage aan MVO ten aanzien van interne belanghebbenden, integratie en het milieu. Het altruïstische motief daarentegen, dat met name belangrijk is voor de religieuze managers, leidt tot een grotere bijdrage aan MVO ten aanzien van integratie, het milieu en liefdadigheid.

Wat kunnen managers en beleidsmakers met deze onderzoeksresultaten? Allereerst kunnen managers deze inzichten ten aanzien van de invloed van religie op hun bijdrage aan MVO gebruiken om te voorkomen dat zij onbewust te veel de klemtoon leggen op één of enkele vormen van MVO ten koste van andere vormen van MVO. Traditioneel religieuze managers bijvoorbeeld, kunnen op grond van deze uitkomsten onderzoeken of zij eenzijdig de klemtoon leggen op een charitatieve invulling van MVO en tegelijkertijd andere belangrijke aspecten zoals zorg voor het eigen personeel onderbelicht laten. Overheden en maatschappelijke groeperingen kunnen naar aanleiding van de gepresenteerde studies gerichter actie ondernemen als zij MVO willen stimuleren. Managers die voornamelijk financieel gemotiveerd zijn, kunnen ze bewust prikkelen met een beloning. Een beloning werkt echter mogelijk averechts bij managers die altruïstisch gemotiveerd zijn. Uit de economische literatuur is bekend dat een beroep op extrinsieke motieven bestaande intrinsieke motieven kan uithollen. Voor de doelgroep die intrinsiek gemotiveerd is ten aanzien van MVO, zal men dus een andere benadering moeten kiezen als men MVO wil stimuleren.