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Haddoud, M, Al-Alawi, A, Amjad, S, Aljubari, I and Elbaz, A (2025) Religiosity and resilience in entrepreneurship: uncovering the underlying mechanism through the lens of spiritual capital. International Journal of Entrepreneurial Behaviour and Research. ISSN 1355-2554

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Religiosity and Resilience in Entrepreneurship: Uncovering the underlying mechanism through the lens of Spiritual Capital.

Journal:	<i>International Journal of Entrepreneurial Behavior & Research</i>
Manuscript ID	IJEBR-02-2024-0187.R3
Manuscript Type:	Research Paper
Keywords:	Entrepreneurs, Developing Countries, Structural equation modelling

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Religiosity and Resilience in Entrepreneurship: Uncovering the underlying mechanism through the lens of Spiritual Capital.

Abstract

Purpose:

Drawing on the resilience theory and espousing the spiritual capital approach, the purpose of this study is to assess the indirect effect of religiosity on Omani entrepreneurs' psychological resilience through the intervening roles of coping with failure, perseverance, locus of control, and optimism.

Design and Methodology

The study adopts a quantitative design and gathers data from 125 entrepreneurs in Oman, through questionnaires. A structural equation modelling approach is used to test the hypotheses.

Findings

The study finds that entrepreneurs' religiosity influences resilience indirectly through coping with failure, perseverance, and locus of control. Surprisingly, optimism played a trivial role in this dynamic.

Originality

It has been well acknowledged that religiosity provides a pool of resources crucial to entrepreneurs' survival and success. However, despite this intuitive link, the mechanism whereby religiosity enhances entrepreneurial resilience remains misunderstood. This is problematic as entrepreneurs' psychological resilience is an important attribute for survival, especially during challenging times. Hence, this study advances the current understanding of the religiosity-resilience nexus by uncovering its underlying mechanism.

1. Introduction

In the aftermath of COVID-19, many people turned to religion as a source of support to compensate for the isolation caused by the pandemic (Kumar et al., 2022). A Pew Research Centre survey in 2021 reported that in nearly every country surveyed, people for whom religion is very important are more likely to acknowledge that their faith increased due to the pandemic (Pew Research Centre, 2021). As a result, there has been a growing body of research focusing on the intricate relationship between religion and various aspects of human behaviour, including entrepreneurship (Block, Fisch, and Rehan, 2020). In short, the role of religion has become prominent during the pandemic as people took refuge in religion to compensate for disconnections (McIntyre et al., 2023).

Another area receiving attention in times of crisis is the concept of psychological resilience, which holds high significance for entrepreneurs, as it enables them to recover from failures and persistently pursue their goals despite facing numerous challenges and setbacks (Hartmann et al., 2022; Kromidha and Bachtiar, 2024). Drawing on resilience theory, in the context of entrepreneurship, resilience reflects individuals' psychological capacity to bounce back from failures, adapt to changes, and withstand in the face of adversity (Haddoud et al., 2024). Resilience is a key factor in entrepreneurship that allows entrepreneurs to overcome challenges and setbacks in their journey. Resilient entrepreneurs are better equipped to handle the uncertainties and risks of entrepreneurship and quickly recover from setbacks (Ahmed et al., 2022). Empirical evidence suggests that resilience leads the way to several entrepreneurial outcomes (Bullough and Renko, 2013; Santoro et al., 2020; Ukil and Jenkins, 2023; Steinbrink and Ströhle, 2024)¹.

Taken collectively, scholars began exploring the mechanism through which religiosity influences entrepreneurial resilience, aiming to unravel the indirect relationship between the two concepts. This line

¹ For a comprehensive review of the evidence connecting resilience and entrepreneurship, please see Korber and McNaughton (2018).

of investigation has attracted the interest and dedication of distinguished academics who have made notable contributions to the field (e.g. Balog, Baker, and Walker, 2014; Gursoy et al., 2017; Daou et al., 2019; Dana, 2021). As a result, the study of these intricate mechanisms has emerged as a noteworthy and prominent subject of inquiry, enriching the understanding of the connection between religion and entrepreneurial behaviour. The primary objective of this research is to examine this relationship.

Previous research studies have undertaken a comprehensive examination of the multifaceted relationship between religion and entrepreneurship, approaching the topic from a myriad of perspectives (Dubard Barbosa and Smith, 2024). Several studies have directed their attention towards the positive impact of religion on entrepreneurial behaviour (Baharuddin, and Ab Rahman, 2021; Koburtay and Alqhaiwi, 2024). These emphasised the interplay of values, beliefs, and social networks that are inherently intertwined with religion (Block, et al., 2020; Astrachan et al., 2020), thereby serving as invaluable sources of support and resources for aspiring entrepreneurs. Concurrently, other studies have undertaken a distinct trajectory, delving into the profound role that religion plays in nurturing ethical behaviour, instilling trust, and cultivating a deep sense of social responsibility within entrepreneurial endeavours (Fathallah, Sidani, and Khalil, 2020). Undeniably, these studies have made considerable efforts to advance the extant understanding of the complex dynamics at play.

That said, notwithstanding existing contributions, the specific mechanisms that underline the connection between religion and entrepreneurial resilience have remained relatively unexplored, thereby presenting a compelling and fertile avenue for further investigation and inquiry within the realm of scholarly discourse. Recently, several scholars highlighted the lack of understanding when it comes to the theme of religion and entrepreneurship. McIntyre et al. (2023) highlighted a void vis-a-vis the role of religious beliefs in shaping entrepreneurial behaviour. Giacomini et al (2023) quoted Block et al. (2020: 592) and reported that it remains a 'niche topic and...has only rarely entered highly ranked social science journals'. Likewise, Siwale et al. (2023) posited that findings about religion and entrepreneurial decision-making are still

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3 incomplete and controversial. Miao et al (2022) echoed this and argued that ‘prior studies provide
4 conflicting findings on the links between religiosity and entrepreneurship’, while Neubert et al. (2017)
5 described extant findings as ‘equivocal’. Miao et al. (2022) further added that ‘entrepreneurship research
6 still lacks a fundamental understanding of religiosity’s concrete effects on entrepreneurial decisions and
7 actions’. In particular, Giacomini et al. (2023) and Azim and Mazharul Islam (2022) noted the lack of
8 studies on Muslim societies, due to the Western-centric focus. Kumar et al. (2022) explained that the
9 sensitivity of the topic (i.e. religion) in entrepreneurship research could explain the lack of attention.
10 Recently, Dubard Barbosa and Smith (2024) re-iterated that the existing research on the influence of
11 religion in entrepreneurial action has produced conflicting evidence, suggesting positive, negative, and non-
12 existent relationships. Likewise, Smith et al. (2023) noted the current incomplete understanding of
13 entrepreneurship. Research on entrepreneurial psychological resilience has also been neglected.
14 Entrepreneurs commonly face considerable challenges in their journey, and hence, ‘... growing calls for
15 more research on entrepreneurs’ psychological resilience’ emerged (Hartmann et al., 2022: 1055). Haddoud
16 et al. (2022) noted the limited evidence on the role of psychological coping mechanisms in boosting
17 resilience.

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37 Against this backdrop, this paper delves deeper into the underlying mechanisms through which religiosity
38 exerts its influence on entrepreneurial resilience. The primary objective is to investigate the relationship
39 between religion and entrepreneurship resilience taking into account potential intervening factors, such as
40 locus of control, coping with failure, perseverance, and optimism. Given the challenging nature of
41 entrepreneurship, locus of control can help aspiring entrepreneurs by enhancing their ability to recognise
42 opportunities (Asante and Affum-Osei, 2019; Hoang et al., 2022). Their coping mechanisms will also be
43 useful for facing entrepreneurial adversity (Patzelt and Shepherd, 2011), while perseverance will prevent
44 them from giving up (Wiklund et al., 2018) and optimism will push them to accept and deal with such
45 realities rather than avoid them (Scheier and Carver, 1992). In turn, locus of control (Fiori et al., 2006; Ryan
46 and Francis, 2012), coping mechanisms (Krägeloh et al., 2012), optimism (Ciarrocchi et al., 2008), and
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3 perseverance (Aruguete et al., 2012) can theoretically be improved by religion and religiosity. Hence, this
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5 study extends the resilience theory by highlighting the importance of the process and mechanism through
6
7 which religion facilitates adaptation and resilience behaviours among entrepreneurs.
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11 By examining these crucial interventions, this study aspires to explain how religion shapes the mindset and
12
13 behavioural patterns of entrepreneurs. This consequently yields key implications for their ability to
14
15 surmount obstacles and ultimately attain success in their entrepreneurial endeavours. Therefore, this study
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17 advances entrepreneurship literature by revealing how religiosity contributes to entrepreneurial resilience.
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19 This addresses the aforementioned calls by McIntyre et al. (2023), Giacomini et al. (2023), and Block et al.
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21 (2020) for a deeper understanding of the religion-entrepreneurship nexus. It also responds to Hartmann et
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23 al. (2022) and Haddoud et al. (2022), who advocate for more research on what shapes entrepreneurs'
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25 psychological resilience, as opposed to focusing primarily on outcomes like entrepreneurial intention,
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27 which has been the predominant focus of current entrepreneurship behaviour studies. Although previous
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29 research has explored various factors fostering entrepreneurial resilience, it has often overlooked the
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31 mediating effects of psychological characteristics within a religious framework (Wu et al., 2023; Korber
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33 and McNaughton, 2018).
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37 This paper builds on resilience theory by demonstrating how religion, through aspects such as coping with
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39 failure, perseverance, locus of control, and optimism, enhances entrepreneurship resilience. By delving into
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41 the underlying mechanism of this religiosity-resilience relationship and identifying the intervening factors,
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43 the study aims to address concerns raised by Siwale et al. (2023) and Miao et al. (2022) regarding conflicting
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45 findings in prior research. Furthermore, by focusing on the predominantly Muslim Omani society, this study
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47 offers important evidence to address the calls for research on Muslim societies by Giacomini et al. (2023)
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49 and Azim and Mazharul Islam (2022).
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53 The Sultanate of Oman as context of study offers a unique perspective with respect to religiosity and
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55 entrepreneurship. Oman is a Muslim majority country and people of Oman are mostly practicing Muslims.
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3 So, studying resilience in the context of religion, particularly Islam in a Muslim society like Oman offers
4 great insights. The structure of the remaining sections of this research paper is as follows: The subsequent
5 section provides a concise overview of the theoretical foundation and the development of hypotheses.
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7 Following that, the methodology is described. The next two sections present and discuss the results. Finally,
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9 the paper concludes with a summary along with limitations and future research directions.
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16 **2. Conceptual Framework**

17 **2.1. Religiosity in Entrepreneurship**

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20 Before discussing religiosity in the context of entrepreneurship, it is important to distinguish between
21 religiosity and spirituality. Despite their differences, these terms are sometimes used interchangeably in
22 entrepreneurship studies (Rashid and Ratten, 2022). Spirituality is described as ‘an evolutionary impulse of
23 shifting focus from personality issues to the consciousness of the essence (self, soul or spirit) and connection
24 to God’ (Nwankwo et al., 2012: 151). Individuals feel connected to a higher state of spirituality with certain
25 morals and values that originated in religious teachings. Moya and Toledano (2024) consider spirituality as
26 the personal exploration of meaning and fulfilment through the integration of various aspects of life,
27 encompassing a sense of personal development and purpose, along with a heightened sensitivity to
28 transcendence. As for religiosity, it captures the level of commitment to religious beliefs and practices
29 related to a given religion such as Islam (Gursoy et al., 2017). Religiosity reflects the degree to which
30 individuals personally adhere to and engage with these religious beliefs and practices. It encompasses both
31 cognitive and behavioural aspects, such as commitment to religious values and participation in religious
32 activities. Religiosity is a behaviour, which refers to the extent to which individuals practice religion.
33 Religiosity is about active engagement in religious practices and rituals (Yeganeh, 2015). The higher the
34 commitment and involvement in those religious beliefs and practices, the more likely those individuals to
35 adhere to and abide by such core values, beliefs and behaviours (Giacomin et al., 2023). It includes various
36 aspects such as attending religious events/functions, performing prayers, studying religious scriptures,
37 involvement in religious communities etc (Caputo, 2009).
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3 In short, while spirituality pertains to personal beliefs and experiences, religiosity involves structured
4 practices associated with a specific religion. That said, spirituality underpins religiosity, meaning that
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6 insights from studies on spirituality can inform the current study which focuses on religiosity. While
7
8 acknowledging that the two concepts share similarities and differences, Yonker et al. (2012) noted prior
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10 evidence suggesting that combining the two concepts can be advantageous due in part to their high overlap.
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12 Hence, this study will review the literature on the effect of both concepts [i.e. religiosity and spirituality]
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14 on entrepreneurship. Subsequently, the empirical part will focus on religiosity, specifically the cognitive
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16 religious commitment of Omani entrepreneurs, as it directly informs their personal resilience and coping
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18 strategies in the face of entrepreneurial challenges.
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24 In entrepreneurship, the impact of religion, at a broader level, on individuals' entrepreneurial behaviour and
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26 outcomes has been acknowledged (Audretsch et al., 2007). Religion refers to the structured system of
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28 beliefs, rituals, and practices commonly shared by a group of individuals within a particular faith tradition
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30 (Worthington Jr. et al., 2003). Religion plays a role in shaping people's morality, influencing their decision-
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32 making in career choices and entrepreneurship (Kumar et al., 2022). Rietveld and Hoogendoorn (2022)
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34 explain the mechanisms through which religion shapes entrepreneurship, identifying three main channels,
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36 namely social capital, normative, and cognitive institutions, and values. The authors argue that religion can
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38 provide social capital that encourages entrepreneurial behavior. Moreover, values play a role in this
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40 relationship, as some religions promote values that align with the entrepreneurial spirit. Audretsch et al.
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42 (2007) further emphasise Eisenstadt's (1968) idea of the "transformative potential" of a religion that
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44 promotes transcendentalism, individual responsibility, and activism, thereby enhancing entrepreneurial
45
46 behaviour. Dubard Barbosa and Smith (2024) explain that religious beliefs shape the ways entrepreneurs
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48 identify and evaluate opportunities. Overall, Smith et al. (2021) and Jones et al. (2024) recognise that
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50 understanding the role of religion in entrepreneurial behaviour offers a more comprehensive insight that
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52 can complement the economic approach. That said, Kumar et al. (2022) stress that the relationship between
53
54 religion and entrepreneurship is likely to be indirect, through various traits.
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2.2. Resilience in Entrepreneurship

The concept of resilience is a multifaceted and overarching construct and there is no consensus on how it is conceptualised and examined (Ayala and Manzano, 2014; Corner et al., 2017). Resilience, as an important driver in the pursuit of entrepreneurship in times of adversity (Bullough and Renko, 2013), is defined as “the process by which individuals are able to positively adapt to substantial difficulties, adversity, or hardship” (Fisher et al., 2019, p. 592). It also refers to “the process by which an actor (individual, organization, or community) builds and uses its capability endowments to interact with the environment in a way that positively adjusts and maintains functioning prior to, during, and following adversity” (Williams et al., 2017, p. 742).

Entrepreneurs are confronted with several challenges, unavoidable circumstances, and adverse events at some point(s) in their entrepreneurial journeys (Liu, 2020), be it conflict and political unrest, war and possible displacement, economic crises or any other man-made and natural disasters (Branzei and Fathallah, 2023). Some may survive such adversities and risks and bounce back faster, while others experience substantial disruption (Shepherd et al., 2020). Experiencing adversities of any kind requires resilient selves to develop strategies to navigate ways out and survival of their ventures (Santos et al., 2023). As a personal resource that assists individuals not only survive extenuating circumstances and adversities but also thrive and bounce back faster in such events, resilience is thought of as an important personal positive psychological resource (Cooke et al., 2019). Dimitriadis (2021) highlighted two key sources of resilience: slack resources and adaptability. The first are resources that could be considered at the firm level and may include financial resources that the firm and entrepreneur reserved at times of growth to be used in future anticipated difficult times. The latter, mostly at the entrepreneur level, has to do with adaptative capacities and personality traits demonstrated by the entrepreneur. According to Ayala and Manzano (2014), it is likely that entrepreneurs who exhibit optimism, resourcefulness and hardiness bounce back faster despite the adverse events they are experiencing. Similarly, in their systematic literature review, Korber and McNaughton (2018) highlight that resilience in entrepreneurship encompasses individual and

organisational functioning. They identified several streams in the literature on the intersectionality between resilience and entrepreneurship, including personal traits, entrepreneurial intentions and behaviours, firms' organisational resilience and their broader impact on the macro level benefiting communities, regions, and economies, entrepreneurial failure and bouncing back as well as recovery and transformation allowing individuals and firms to evolve and thrive.

2.3. The Impact of Religiosity on Resilience in Entrepreneurship

Since religion is embedded deeply in people's lives, religiosity is expected to influence their attitudes and behaviours in multiple ways and to various degrees. For instance, Koburtay and Abualigah (2024) argued that workers' religiosity improves their psychological well-being. In terms of people's resilience, Schwalm et al. (2022) indicated that religiosity/spirituality are among the basic characteristics that could predict resilience along with purpose and optimism. In this regard, Koburtay et al. (2023) explain that individuals rely on their religiosity to support their psychological well-being through better coping mechanisms, especially during stressful times. In their exploratory study, Bellu and Fiume (2004) found that religiosity may enhance entrepreneurial success. They have also reported that even when entrepreneurs pursue materialistic wealth but have personal religiosity, they are less likely to behave in a dysfunctional manner and exhibit higher life satisfaction. Giacomini et al. (2023) reported that religious affiliation and religiosity affect entrepreneurial behaviour. In Muslim contexts, Tlaiss and McAdam (2021) reported that Muslim women entrepreneurs' religious experiences enhance their resilience and utilize it as a source of inspiration.

2.3.1. Theoretical Framework: The 'Spiritual Capital' lens.

Extant entrepreneurship literature has been exploring the potential role of various forms of psychological resources that can boost entrepreneurial behaviour. Here, it is anticipated that entrepreneurs with higher psychological resources are better equipped to overcome obstacles in the entrepreneurship journey (Margaça et al., 2022). For instance, De Hoe and Janssen (2022) discussed the influence of PsyCap (a Psychological capital construct composed of resiliency, self-efficacy, optimism and hope) in the context of entrepreneurial failure and argued that such a psychological asset could enhance entrepreneurial resilience

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3 in the context of failure. Likewise, Margaça et al. (2021) found that psychological well-being is linked to
4 entrepreneurial intentions in females, but not in males. Haddoud et al. (2024) reported that PsyCAP
5 enhanced implementation entrepreneurial intention.
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10 In this study, the relationship between religiosity and entrepreneurial resilience can be understood through
11 the lens of Spiritual Capital Theory, which posits that religiosity provides individuals with psychological
12 and emotional resources essential for navigating challenges. In this regard, spiritual capital is the power and
13 capacities gained through spiritual belief and practice (Margaça et al., 2022). Adopted from Berger and
14 Redding (2011, p. 2), Neubert et al. (2017) define spiritual capital as “a set of resources stemming from
15 religion and available for use in economic and political development.” According to the authors, spirituality
16 in this context encompasses the perceived connection with a divine essence, which is often related to
17 religion and can be captured through faith. It is thought that spirituality offers a pool of resources that can
18 be helpful to individuals’ development. Spiritual capital has been linked to altruistic motives, behaviour
19 and attitudes, positive coping behaviour, and lower psychological distress (Neubert et al., 2017). However,
20 it is important to note that spiritual capital can exist beyond the context of religion, as it emphasises the
21 importance of faith in peoples’ beliefs rather than any particular belief (Hui et al., 2011). In this study, we
22 utilise the concept of spiritual capital to illustrate the impact of religiosity, while acknowledging that
23 spiritual capital extends beyond the confines of religion.
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40 When it comes to the entrepreneurship context, spiritual capital can play an important role in shaping
41 perceptions toward self-employment, entrepreneurial motivations, and attitudes (Balog et al., 2014).
42 Spiritual practices have the potential to address the challenges of understanding the “entrepreneurial
43 mindset.” Here, entrepreneurs with high spiritual capital would express their morals and values through
44 their new ventures. As for resilience in this context, Kolade et al., (2020) note the alignment between
45 resilience’s characteristics and the features of spiritual capital. They argue that spiritual capital equips
46 entrepreneurs with hardiness, resourcefulness and optimism in adverse situations to overcome difficulties
47 and transform adverse conditions into opportunities. Such attributes constitute the three key ingredients for
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3 building resilience. Kolade et al. (2023) provided empirical evidence that spiritual capital influences how
4 social capital affects entrepreneurial resilience, assisting entrepreneurs in navigating unstable and
5 challenging environments where religion is important. The authors argue that ‘entrepreneurial resilience
6 seems to derive much more from spiritual capital in a turbulent business environment’ (p 32). Despite such
7 evidence, the traditional entrepreneurship literature has typically ignored spiritual capital when studying
8 entrepreneurship behaviour (Balog et al., 2014). Neubert et al. (2017) stressed the promise that spiritual
9 capital holds for explaining entrepreneurial behaviour and called for more research in this area.

10
11 Notwithstanding that spiritual capital can go beyond religion (Neubert et al., 2017), in the current study,
12 this is restricted to religious capital. Religiosity acts as a form of spiritual capital, equipping entrepreneurs
13 with coping strategies, perseverance, and an internal locus of control, which are key components of
14 resilience. Religious beliefs help reframe adversity, encouraging individuals to view setbacks as temporary
15 and surmountable trials. Specifically, religiosity fosters adaptive coping mechanisms, such as religious
16 coping, where faith-based strategies help manage stress and uncertainty.

2.3.2. Islam and Resilience in Entrepreneurship

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18 Islamic teachings provide a robust framework that fosters resilience, particularly in the context of
19 entrepreneurship. Central to this is the concept of “Tawakkul”, which encourages believers to place their
20 trust in Allah while diligently striving to achieve their goals. This dual approach instils confidence and
21 tranquillity, enabling individuals to face challenges with perseverance. The virtue of patience, or “Sabr”, is
22 also emphasised, with the Quran reminding believers that enduring hardships lead to greater rewards. This
23 perspective empowers individuals to navigate adversities without despair, reinforcing their determination.
24 Additionally, the principle of “Shukr”, or gratitude, shifts focus from difficulties to blessings, fostering a
25 positive outlook that enhances psychological resilience. Moreover, Islamic teachings promote community
26 support through the concept of ummah, encouraging individuals to seek help and share burdens, which

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3 strengthens emotional ties and collective resilience. Together, these teachings equip followers with the
4 necessary tools to overcome challenges and thrive in their entrepreneurial pursuits. Islamic teachings
5 provide profound guidance on coping with failure, fostering persistence, nurturing optimism, and enhancing
6 one's locus of control. The Quran emphasises resilience in the face of adversity, as illustrated in Surah Al-
7 Baqarah (2:286): "Allah does not burden a soul beyond that it can bear," reassuring believers that they
8 possess the strength to overcome challenges. This verse encourages individuals to cope with setbacks,
9 knowing that each trial is within their capacity to handle. Additionally, persistence is underscored in Surah
10 Al-Anfal (8:46), which states, "Be steadfast, surely Allah is with those who remain steadfast." promoting
11 the idea that steadfastness in faith and effort will lead to success. Optimism is also a key theme in Islamic
12 teachings; in Surah Al-Hadid (57:23), Allah reminds believers that "(We do so) that you may not grieve
13 over the loss you suffer, nor exult over what He gave you. Allah does not love the vainglorious, the
14 boastful," similarly these two verses (5 & 6) are from the Surah Ash-Sharh "(5) So, surely with hardship
15 comes ease. (6) Surely with 'that' hardship comes 'more' ease." instilling hope that better days will come.
16 Finally, the concept of "Tawakkul" emphasises a proactive approach to challenges, as articulated in "So
17 when you have decided, then rely upon Allah," reinforcing the idea that individuals should actively engage
18 in their endeavors while placing their trust in divine wisdom. Together, these verses highlight how Islam
19 empowers its followers to navigate failures, remain persistent, cultivate optimism, and take control of their
20 circumstances.

21
22 Therefore, this study focuses on how religiosity indirectly impacts resilience by enhancing traits such as
23 coping with failure, perseverance, and internal locus of control, which are crucial for navigating the
24 challenges of entrepreneurship. These relationships are next supported.

25 26 27 **2.3.3. Hypothesis Development**

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29 As mentioned above, the relationship between religion [in this study through religiosity behaviour] and
30 entrepreneurship is more likely indirect (Kumar et al., 2022). Entrepreneurship is challenging and demands
31 specific attributes for entrepreneurs to remain resilient in the face of these obstacles. Traits such as
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3 perseverance, coping with failure, optimism, and locus of control have been identified as key factors for
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5 enhancing resilience in entrepreneurship.
6

7 *Locus of control*

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9 Locus of control is a personality attribute that refers to the perception of control attribution of events and
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11 situations based on the individual interaction with them. It is about the perception of whether an outcome
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13 of such events is within one's control or beyond. It can be classified into two main categories that explain
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15 the extent to which events are under whose control: internal locus of control (control attributed to the self
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17 as able to influence the outcome through effort, skill, and ability) and external locus of control (control
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19 attributed to powerful others/external forces that determine an outcome) (Mueller and Thomas, 2001).
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21 Locus of control was found to be related to religiosity in several studies. In their meta-analysis, Coursey et
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23 al. (2013) reported a significant relationship between the two constructs (i.e. internal locus of control and
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25 religiosity), albeit small. Likewise, Fiori et al. (2006) found that locus of control mediates the link between
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27 religiosity and life satisfaction, with both age and gender being moderators. They found that the link was
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29 only positive for older adults and females. The authors explain that reliance on God can potentially improve
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31 the sense of internal control, which subsequently improves psychological outcomes. Here, Ryan and Francis
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33 (2012) noted that awareness of God is positively related to internal locus of control.
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39 In turn, those with internal control tendencies tend to trust their skills and abilities, make efforts to influence
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41 outcomes and deal with challenges and difficulties positively. As such, they exhibit a sense of achievement
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43 and willingness to enhance their knowledge and capabilities. Conversely, those with an external locus of
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45 control attribution believe that outcomes and rewards are determined by external factors (e.g., luck), and
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47 thus, their opportunity recognition alertness is less or attributed to luck rather than their abilities, skills and
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49 effort (Hsiao et al., 2015). For instance, aspiring entrepreneurs with an internal locus of control are more
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51 likely to recognise business opportunities mediated by entrepreneurial intention and moderated by self-
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53 efficacy as compared to those with an external locus of control (Asante and Affum-Osei, 2019). Similarly,
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55 the internal locus of control positively moderates the opportunity recognition link whereas the external
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locus of control moderates the relationship negatively (Hoang et al., 2022). Based on such evidence along with the spiritual capital lens, one may suggest that driven by religiosity, locus of control is likely to affect entrepreneurial resilience, given that internal locus equips individuals with relevant skills and abilities to deal with difficult scenarios. Therefore, the first hypothesis stipulates that:

H1: Locus of control mediates the link between religiosity and entrepreneurial resilience.

Coping with failure

Folkman and Moskowitz (2004: 746) define coping as the “thoughts and behaviors that people use to manage the internal and external demands of situations that are appraised as stressful”. Coping ability is regarded as an essential component for personal functioning and resilience as it enables stress mitigation and functioning (Ahmed et al., 2022). Since coping is about how individuals deal with challenging situations, it could include a range of emotions, cognitions, and behaviours (Fisher et al., 2019). Religiosity and coping are interrelated aspects through the religious coping concept. Krageloh et al. (2012) explain that religion and spirituality equip individuals with resources to confront and solve problems that cause stress, leading to the development of religious coping strategies, whereas lack of religiosity and spirituality pushes those individuals to come up with avoidant and escapist strategies. In a healthcare context, Thune-Boyle et al. (2006)’s review paper (2006) reported a few studies showcasing the positive role of religious coping when it comes to illness adjustment. In entrepreneurship, facing stressful events such as business failure or fear of failure is common among entrepreneurs. Thus, they may use coping strategies to deal with it. Patzelt and Shepherd (2011) found that both problem-focused and emotion-focused coping can help entrepreneurs (self-employed) mitigate negative emotions associated with self-employment. Singh et al., (2007) indicated that coping methods help manage stress and overcome complexities resulting from failure. They also highlight that both problem-focused coping and emotion-focused methods could contribute to overall resilience. Coping methods can be activated and used to reduce the burden and to navigate ways out of failure (Klimas et al., 2021). Religion, in this regard, can be a source of coping, particularly emotion-focused coping, to enhance entrepreneurial resilience (Ahmed et al., 2022). Based on the above, and in line with the spiritual capital lens, the study posits that the resources gained from religiosity will encourage

entrepreneurs to develop an effective coping strategy, which will enhance their resilience. Hence, the following hypothesis is offered:

H2: Coping with failure mediates the link between religiosity and entrepreneurial resilience.

Perseverance

Entrepreneurs often face setbacks and obstacles throughout their entrepreneurial journey and thus they require high perseverance to keep their motivation to continue despite these setbacks. Van Gelderen (2012) defines perseverance as the continuous goal of striving despite adversity. Religion can act as a driver for perseverance. Based on evidence from Damisch et al.'s (2010) showing that superstition increases task persistence, Aruguete et al. (2012) anticipated a link between religion and perseverance yet failed to confirm this empirically. In this study, using the spiritual capital lens, entrepreneurs would exploit the set of resources gained through religiosity to persist in their entrepreneurial tasks. Successful entrepreneurs tend to pursue actions despite counter influences (Muehlfeld et al., 2017). Perseverance is linked to many personal and organizational outcomes. It was found to have a strong positive association with job performance and a negative relation with counterproductive behaviours at work (Littman-Ovadia and Lavy, 2016). Similarly, in a study conducted among Nigerian entrepreneurs, resilience mediated the relationship between effort perseverance and entrepreneurial career success factors (career satisfaction, perceived career achievement and perceived financial attainment (Salisu et al., 2020). Similarly, persistence (used interchangeably with perseverance) was found to positively influence entrepreneurial career success (Al Issa, 2022). On the other hand, People who lack of perseverance struggle to persist when faced with difficult and challenging tasks, which hinders their ability to learn from these challenges and feedback, and consequently give up (Wiklund et al., 2018). Thus, based on the above evidence and in accordance with the spiritual capital approach, the study postulates that religiosity will offer entrepreneurs the means to persist in their business venturing tasks and develop stronger resilience against challenges. The following hypothesis is provided:

H3: Perseverance mediates the link between religiosity and entrepreneurial resilience.

Optimism

In theory, optimism is a critical factor in entrepreneurship as the entrepreneurial scene is characterised by uncertainties and adversities, where some will be more resilient, use coping methods to reduce adverse impact and maintain dispositional optimism (inclination to expect optimistic outcomes even in the absence of rational justification) despite being in challenging situations where others cannot (Ozgen et al., 2021). On the one hand, the religiosity-optimism nexus has been noted in several studies. Mattis et al. (2003) reported a positive relationship between subjective spirituality, a positive relationship with God and optimism. Likewise, Ciarrochi et al. (2008) concluded that religiosity predicted hope, optimism, and pessimism. In a healthcare Muslim context, Abbas et al. (2022) concluded that religiosity is positively associated with optimism through decreasing anxiety.

On the other hand, optimism is linked to several entrepreneurial outcomes, including entrepreneurial success and life satisfaction (Lindblom et al., 2020), strategic decision, and venture profitability (Persson and Seiler, 2022), among others. Optimism is a personality trait that refers to expecting one's efforts to result in more positive, desirable, and favourable outcomes (Bunjak et al., 2022). Those with an optimistic disposition tend to manage and cope with stressful events with less anxiety as compared to pessimistic minds. They accept and deal with such realities rather than avoid them and wish them away and act in a way to make them better (Scheier and Carver, 1992). Individuals high in optimism generally exhibit positive outcomes such as better physical health and well-being during adversities, higher resilience and persistence in goal achievement, better coping strategies and work/task engagement, lower avoidance, etc. (Carver et al., 2010). Optimism was found to mediate the relationship between work passion and jobs satisfaction, psychological well-being and employee performance (Tolentino et al., 2022). In contrast, (over)optimism could lead to negative consequences as one may assess the situation in a less realistic manner leading to less effort and weaker performances. This could impact them/their organizations in a negative manner (Bunjak et al., 2022). Several studies have highlighted the optimism and resilience link. For instance, optimism has a positive direct effect on Filipino students' resilience and well-being (Miranda and Cruz,

2022). Similarly, Rius-Ottenheim et al. (2012) reported that optimism helped in developing resilience in the face of loneliness at a later age. As reported earlier religiosity/spirituality are fundamental characteristics that serve as predictors of resilience, optimism and hope (Schwalm et al., 2022). Optimism (included with entrepreneurial self-efficacy as a psychological capital second-order construct), has a positive effect on entrepreneurial success via the mediation role of persistence and risk-taking propensity (Al Issa, 2022). Based on the evidence above, and drawing on the spiritual capital approach, it is anticipated that religiosity will encourage entrepreneurs to adopt a more optimistic approach that will make them more resilient when facing challenges. Hence, the following hypothesis is offered.

H4: Optimism mediates the link between religiosity and entrepreneurial resilience.

Figure 1 Here

3. Method

3.1. Data

This study involved entrepreneurs in Oman who faced failure in their previous ventures. Data were gathered from 125 Omani participants enrolled in training and education programs offered at the University of Technology and Applied Sciences, Salalah, Oman (UTAS) in collaboration with the Oman Academy of SMEs. The Oman Academy of SMEs had a screening procedure to ensure that only eligible candidates were selected for this three-week training program. After completing the training requirements and passing the program's terminal assessment, participants were awarded a certificate by the Oman Academy of SMEs as proof of their successful completion. With this certificate, entrepreneurs become eligible for subsidised financing and support from designated financial institutions. Entrepreneurs from diverse industrial sectors, including construction, E-commerce, engineering, IT and communication, hospitality, and real estate, were enrolled in this program. The trainee entrepreneurs had a range of experience spanning from 1 to more than 25 years. This training program was conducted in multiple cohorts from July to September 2022, a member of the research team and a research assistant facilitated the distribution of paper-based questionnaires to

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3 participants across different cohorts of the programme. The survey was conducted at the training venue
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5 designated for the entrepreneurs participating in the 'Rehabilitation and Incubation Program'. The selection
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7 of this setting was intentional, given that the program was specifically designed to cater to entrepreneurs
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9 seeking additional skills and support to enhance their ventures.
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13 A total of 146 questionnaires were received, yet only 125 responses were deemed suitable for inclusion in
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15 the subsequent analysis. A non-probability convenience sampling method was employed in this study.
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17 Despite its inherent limitations, such as potential selection bias, the use of a non-probability approach was
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19 inevitable to reach the target respondents. The complex and dynamic nature of engaging with entrepreneurs
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21 often necessitates a pragmatic approach, and conventional probabilistic sampling strategies face challenges
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23 related to accessibility and engagement (Haddoud et al., 2022; Nowinski et al., 2020). The selected sample
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25 exhibited diverse characteristics. Over 75% of the respondents were aged over 25 years, reflecting a range
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27 of experiences and maturity in their entrepreneurial endeavours. Additionally, approximately 73% of the
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29 participants identified as males, indicating a predominant gender distribution within the sample. Both age
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31 and gender have been used as control variables.
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37 **3.2. Measures**

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39 This study involves six latent variables, all measured using previously validated scales. To begin with,
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41 Religiosity was captured using six items on cognitive religious commitment aspects adapted from
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43 Worthington Jr et al. (2003: 85). Worthington Jr et al. define religious commitment as 'the degree to which
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45 a person adheres to his or her religious values, beliefs, and practices and uses them in daily living', which
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47 can gauge how religion a person is. However, Worthington Jr. et al.'s inventory covers two aspects:
48
49 cognitive and behavioural. The current study chose to only focus on the cognitive aspect, as asking about
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51 behavioural aspects related to religion, particularly Islam, may be sensitive. Locus of control was captured
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53 using five items on internal control adapted from Anwar and Saleem (2019). Perseverance was assessed
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55 with seven items adapted from Kyndt and Baert (2015). Coping with failure was measured with seven
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3 items sourced from Ortega et al. (2016) about acceptance and growth. Optimism was captured with five
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5 items extracted from Scheier et al.'s (1994) life orientation test. Lastly, resilience was assessed through four
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7 items adapted from Billingsley et al. (2021). All the variables were gauged by using a seven-point Likert
8
9 scale, ensuring a nuanced and comprehensive evaluation of participants' perceptions and attitudes. The full
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11 list of items is presented in appendix 1.
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13 14 15 16 **4. Results**

17 18 **4.1. Measurement Model**

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21 To test the study's hypotheses, a structural equation modelling approach is adopted using WarpPLS version
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23 8.0 (Kock, 2022). The measurement model captures the relationships between the constructs and their items
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25 to indicate the measurement quality in terms of reliability and validity. To begin with, the variables'
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27 reliability is assessed using composite reliability (CR), and Cronbach's alpha (α). For the variables to be
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29 reliable, they need to show values of 0.7 and more. Next, both forms of validities, namely convergent and
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31 discriminant validities, are inspected. Here, items' loadings and the Average Variance Extracted (AVE) are
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33 used to assess convergent validity. Valid measurement constructs need to indicate AVE scores and item
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35 loadings of 0.5 and higher. The presence of discriminant validity is checked through the square roots of
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37 AVE. Here, values should be higher than the scores in the diagonal (in line with Fornell and Larcker's
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39 (1981) criterion). As per Table 1, all constructs met the thresholds for reliability and validity. Likewise,
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41 Table 2 suggests no major issues with discriminant validity. Hence, the measures are deemed of acceptable
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43 quality. Thereafter, collinearity amongst the constructs should also be inspected through the Variance
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45 Inflation Factor (VIF). Values here should not exceed 5 (See Table 1).
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49 **Table 1 Here**

50 **Table 2 Here**

4.2. Structural Model

Figure 2 illustrates the outcomes of the proposed relationships, shedding light on the indirect relationship between religiosity and resilience among entrepreneurs. The findings provide nuanced insights into the factors that shape and contribute to entrepreneurs' resilience. Religiosity emerged as a potent factor, exhibiting a robust and statistically significant positive influence on entrepreneurs' traits. Notably, religiosity demonstrated a substantial positive impact on entrepreneurs' optimism ($\beta = 0.64, P \leq 0.01$), coping with failure ($\beta = 0.56, P \leq 0.01$), perseverance ($\beta = 0.42, P \leq 0.01$), and locus of control ($\beta = 0.29, P \leq 0.01$). These results suggest that individuals who espouse stronger religious beliefs tend to exhibit higher levels of optimism, a greater ability to cope with failure, increased perseverance, and a more internalised locus of control. Furthermore, locus of control ($\beta = 0.33, P \leq 0.01$), perseverance ($\beta = 0.38, P \leq 0.01$), and coping with failure ($\beta = 0.15, P \leq 0.05$) collectively contributed to entrepreneurs' resilience. However, the anticipated influence of optimism on resilience did not materialize as expected ($\beta = 0.13, P \geq 0.05$). Delving into the indirect effects, religiosity continued to exert a substantial impact on entrepreneurs' resilience ($\beta = 0.42, P \leq 0.01$) through its influence on locus of control, coping with failure, and perseverance. Intriguingly, the direct effect of religiosity on resilience was found to be non-significant ($\beta = 0.11, P \geq 0.10$), indicating full mediation through the intermediary traits. The overall model demonstrated a robust explanatory power, elucidating 66% of the variance in entrepreneurs' resilience. As a result, Hypotheses 1, 2, and 3 were all supported affirming positive relationships. In contrast, Hypothesis 4 was rejected, suggesting a more complex relationship between optimism and entrepreneurs' resilience in the Omani entrepreneurial context. These findings contribute valuable insights to the understanding of the indirect dynamics between religiosity, and resilience among entrepreneurs, paving the way for further exploration in this evolving field.

Figure 2 Here

5. Discussion

This paper has explored the mechanism underlying the indirect influence of religiosity on Omani entrepreneurs' psychological resilience. Here, the intervening roles of locus of control, coping with failure, perseverance, and optimism have been captured. To begin with, for Omani entrepreneurs, religiosity was found to improve all four intervening factors [i.e. coping with failure, perseverance, locus of control, and optimism]. This substantiates the 'spiritual capital' approach. Religiosity does offer a pool of resources (spiritual capital) in the form of individual attributes and attitudes boosting their hardiness, resourcefulness, and optimism, crucial to driving psychological resilience (see Balog et al. 2014; Neubert et al., 2017; Kolade et al., 2020). Specifically, religiosity improves locus of control, in line with prior evidence by Fiori et al. (2006); Ryan and Francis (2012), and Coursey et al. (2013). Likewise, the findings show that religiosity enhances coping with failure since it is considered as a coping mechanism, known as religious coping (Ahmed et al., 2022). Echoing prior evidence (Thune-Boyle et al., 2006; Krägeloh et al., 2012), the spiritual capital gained through religiosity encourages individuals to adopt an effective coping strategy. Also, religiosity increases both perseverance and optimism. Similarly, through such a capital, individuals are more likely to persist in their tasks (Damisch et al., 2010) and adopt an optimistic stance (Mattis et al., 2003; Ciarrocchi et al., 2008; Qasir et al., 2022)

As for the influence on entrepreneurial resilience, only coping with failure, perseverance and locus of control held a significant effect. Locus of control equips entrepreneurs with the right skills and abilities to deal with challenging situations (Hsiao et al., 2015) and makes them better at recognising business opportunities (Asante and Affum-Osei, 2019), which will help them navigate through a crisis by bouncing onto new opportunities. Similarly, perseverance fuels entrepreneurs' motivations during setbacks (Van Gelderen, 2012) as a lack of perseverance prevents entrepreneurs learning from challenges and acting on feedback, leading them to abandon (Wiklund et al., 2018). Regarding coping with failure, the latter can regulate distress (Ahmed et al., 2022) and help individuals overcome complexities resulting from failure (Singh et al., 2007). Ability to cope can be a way to reduce the burden caused by failure (Klimas et al.,

2021). In contrast, the impact of optimism did not materialise. This is intriguing since the inclination to expect positive outcomes shows less stress compared to their pessimistic counterparts. They also enjoy better physical health and well-being during adversities (Carver et al., 2010). Hence, optimism was linked to resilience in prior works (Rius-Ottenheim et al., 2012; Miranda and Cruz, 2022). However, for Omani entrepreneurs, this impact was not confirmed. This result could be explained by literature arguing (over)optimism as detrimental to various outcomes (Hmieleski and Baron, 2009; Amore et al., 2021; Bunjak et al., 2022; Dell'Era et al., 2023). In fact, when entrepreneurs are over-optimistic about their business prospects, it prevents them from acting upon negative feedback (Amore et al., 2021). It is believed that when Omani entrepreneurs do not take their negative feedback onboard and act upon it because of over-optimism, their resilience will not be improved. This is in contrast with traits such as perseverance and coping with which entrepreneurs are thought to focus specifically on the negative feedback and endeavor to address challenges.

6. Implications

The study findings hold important implications for practitioners, especially organisations in charge of promoting entrepreneurship in Middle Eastern region and possibly beyond. In this regard, such organisations should consider the positive impact of religiosity. In such environments, entrepreneurship support organisations like incubators could assist aspiring entrepreneurs in reflecting on the deeper significance of their entrepreneurial pursuits and their positive contributions to the community. These organisations can also offer access to resources that address their spiritual well-being, such as quiet spaces for reflection, meditation and prayer. This environment can provide a tranquil space for contemplation and inspiration. These organisations should arrange workshops and seminars that focus on integrating faith with entrepreneurial practices. Topics should include ethical decision-making, purpose-driven business, and cultivating resilience through faith. Furthermore, digital or physical resource libraries should be established, featuring books, articles, and materials that explore the intersection of faith and entrepreneurship. This can help aspiring entrepreneurs appreciate the benefits of integrating their values into business practices.

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3 Additionally, in collaboration with entrepreneurship educators, these organisations should emphasise traits
4 like perseverance, resilience in the face of failure, and internal locus of control when developing their
5 support systems and curricula. This could involve arranging activities such as inviting motivational
6 speakers, establishing peer support networks, conducting workshops on emotional management, providing
7 programs on coping strategies, and offering mentorship programs to nurture these traits. However, it is
8 important to be cautious when it comes to optimism. It should be regulated carefully to prevent excessive
9 optimism.
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11
12 Theoretically, this research has several implications for literature on resilience, entrepreneurship, and
13 religion. First, clarifying the precise psychological mechanisms by which religion affects resilience
14 improves our understanding of spiritual capital in the context of entrepreneurship. The theoretical
15 underpinnings of spiritual capital theory and its use in entrepreneurial research are strengthened by this
16 improvement. Second, this study incorporated religious effects into the larger literature on resilience by
17 illustrating the indirect effect of religion on resilience through coping strategies, including dealing with
18 failure, perseverance, and locus of control. It emphasises the importance of considering religious practices
19 and beliefs as significant influences on how people respond psychologically to adversity, adding ideas from
20 the fields of spirituality and religion to resilience theory. Third, the research emphasises the importance of
21 coping strategies in forming entrepreneurs' resilience. By stressing the value of overcoming obstacles and
22 adjusting to failure, this study broadens our understanding of how people move through and beyond
23 obstacles in an entrepreneurial setting. This stresses the importance of dealing with particular psychological
24 processes to help businesses become resilient.
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45 46 47 **7. Limitations**

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49 This paper has several limitations that should be considered. First, in this study causality is inferred based
50 on theoretical foundations. Cross-sectional data were used, however, which restricted the ability of the
51 statistical model to establish a direction of causality among the variables. Further longitudinal data research
52 would provide better evidence of the causal linkages. Second, drawing from both the spiritual capital
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3 approach and literature, this study determined four important variables. This list is not exhaustive as other
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5 psychological attributes may apply. Future studies can consider alternative factors. Third, Oman represents
6
7 a suitable and interesting context for exploring the role of religion. While it is believed that the current
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9 findings could apply to similar contexts such as the UAE, Qatar, Saudi Arabia, Bahrain, and Kuwait,
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11 researchers in the area can replicate the tested model in those regions and beyond to confirm its
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13 applicability. Fourth, while this study provides valuable insights into the role of religiosity in shaping
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15 entrepreneurial resilience, we acknowledge that our approach may oversimplify the nuances between
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17 religion, religiosity, and spirituality. We focused primarily on religiosity—specifically, cognitive religious
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19 commitment—as the central variable in our analysis. However, religion and spirituality represent distinct
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21 constructs with their own unique impacts on behavior and psychological outcomes. For instance, religion
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23 involves organised practices and beliefs, whereas spirituality often reflects a more personal, non-
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25 institutional connection to the divine. This study did not fully disentangle these constructs, and future
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27 research could benefit from further exploration of how each uniquely contributes to entrepreneurial
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29 resilience. A more granular approach could help clarify the individual and combined roles of religion,
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31 religiosity, and spirituality in fostering resilience, particularly across diverse cultural and religious contexts
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35 Finally, Qualitative research techniques or mixed-method approaches, including focus groups and
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37 interviews, can shed more light on entrepreneurs' resilience and how their religious beliefs have shaped
38
39 their experiences in life. A more in-depth investigation of the cultural and religious factors impacting
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41 entrepreneurial activity and psychological resilience might be possible using qualitative methodologies.
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43

44 **8. Conclusion**

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47 To conclude, this study uncovers the mechanism underlying the influence of Omani entrepreneurs'
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49 religiosity on their psychological resilience. Based on a spiritual capital approach, it shows that religiosity
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51 offers a pool of resources in the form of greater perseverance, an internal locus of control, and an enhanced
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53 ability to cope with failure, which in turn drives their psychological resilience. In contrast, optimism played
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55 a trivial role in shaping resilience. The paper adds to the current literature on entrepreneurial behaviour by
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presenting novel evidence on the factors that influence entrepreneurial resilience. This behaviour deserves more attention (Hartmann et al., 2022; Haddoud et al., 2022), compared to other commonly studied entrepreneurial outcomes, such as entrepreneurial intention. Moreover, by demonstrating how religiosity fosters entrepreneurial resilience, it also addresses recent claims about the lack of understanding vis-à-vis the link between religiosity and entrepreneurial behavior (e.g. McIntyre et al., 2023; Giacomini et al., 2023; Block et al., 2020). In the same way, uncovering the intervening conditions shaping this relationship is a step forward in reconciling extant findings on such a role described as ‘controversial’ and ‘conflicting’ in recent works (Siwale et al., 2023; Miao et al., 2022). A key message of this study is that religiosity influences entrepreneurial resilience indirectly by enhancing entrepreneurs’ coping with failure, perseverance, and locus of control. These factors, in turn, boost resilience. In this context, no direct impact of religiosity on resilience was observed. Thus, future research should focus on uncovering indirect effects instead of direct impacts. Religiosity became a prominent factor in the aftermath of the COVID19 pandemic, but its sensitivity hindered academic attention (McIntyre et al., 2023; Kumar et al., 2022). Contextually, the paper provides new and important evidence to address the lack of attention given to Muslim societies, with a focus on entrepreneurs in Oman (Giacomini et al., 2023; Azim and Mazharul Islam, 2022).

Acknowledgement

The authors acknowledge using generative AI Grammarly to enhance the language, and they ensured all revised text is reviewed.

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Appendix 1: Items before deletion

Religiosity (Cognitive Factors)	<ul style="list-style-type: none"> ▪ My religious beliefs lie behind my whole approach to life. ▪ I spend time trying to grow in understanding of my faith. ▪ It is important to me to spend periods of time in private religious thought and reflection. ▪ Religious beliefs influence all my dealings in life. ▪ Religion is especially important to me because it answers many questions about the meaning of life ▪ I often read the Quran. 	Adapted from Worthington Jr et al. (2003).
Optimism	<ul style="list-style-type: none"> ▪ In uncertain times, I usually expect the best. ▪ I'm always optimistic about my future. ▪ I hardly ever expect things to go wrong. ▪ I always expect good things happening to me ▪ Overall, I expect more good things to happen to me than bad. 	Adapted from Scheier et al. (1994).
Coping with Failure (Acceptance)	<ul style="list-style-type: none"> ▪ I accept that this has happened and that it can't be changed. ▪ I try to see it in a different light, to make it seem more positive. ▪ I look for something good in what is happening. ▪ I think about how I might best handle the problem. ▪ I accept the reality of the fact that it happened. ▪ I learn to live with it. ▪ I learn something from the experience. 	Adapted from Ortega et al. (2016).
Perseverance	<ul style="list-style-type: none"> ▪ If I start an assignment, I finish it, even if I am tired of it ▪ Even if there is distraction, I keep on working in a concentrated way ▪ I place high demands on myself when I am working ▪ Even after a setback or failure I continue with the task at hand ▪ I work with clear goals ▪ Only important reasons can make me change my plans ▪ Even if the assignment is difficult, I start working on it immediately 	Adapted from Kyndt and Baert (2015).
Control Locus	<ul style="list-style-type: none"> ▪ My life is determined by my own actions ▪ I feel in control of my life ▪ My life is not controlled by accidental happenings ▪ When I get what I want, it is usually because I worked hard for it, and not because of luck. ▪ My success depends mostly on my ability and hard work. 	Adapted from Anwar and Saleem (2019).
Entrepreneurial Resilience	<ul style="list-style-type: none"> ▪ I can handle stressful events in business ▪ It does not take me long to recover from a stressful event in business. ▪ It is easy for me to come back when something bad happens in business. ▪ I usually come through difficult times in business with little trouble. 	Adapted from Billingsley et al. (2021).

Appendix 2: Items' Loadings and Descriptive Statistics

	(Mean)	(SD)	Loadings
Religiosity 1*	5.536	1.89	-
Religiosity 2	5.616	1.528	0.676
Religiosity 3	5.76	1.411	0.763
Religiosity 4	5.536	1.73	0.823
Religiosity 5	5.904	1.428	0.809
Religiosity 6	5.752	1.564	0.794
Optimism 1	5.752	1.412	0.742
Optimism 2	5.88	1.495	0.844
Optimism 3	5.568	1.483	0.827
Optimism 4	5.744	1.464	0.869
Optimism 5	5.936	1.366	0.841
Coping 1*	5.128	1.769	-
Coping 2	5.632	1.394	0.709
Coping 3	5.84	1.266	0.707
Coping 4	5.72	1.365	0.748
Coping 5	5.68	1.383	0.778
Coping 6	5.76	1.411	0.675
Coping 7	5.856	1.281	0.757
Perseverance 1	5.608	1.402	0.66
Perseverance 2	5.632	1.335	0.752
Perseverance 3	5.576	1.404	0.754
Perseverance 4	5.648	1.387	0.728
Perseverance 5	5.96	1.187	0.759
Perseverance 6	5.632	1.228	0.702
Perseverance 7	5.712	1.288	0.666
Locus of Control 1	5.288	1.534	0.641
Locus of Control 2	5.488	1.36	0.823
Locus of Control 3	5.208	1.483	0.75
Locus of Control 4	5.648	1.233	0.768
Locus of Control 5	5.84	1.291	0.766
Resilience 1	5.552	1.273	0.824
Resilience 2	5.352	1.346	0.811
Resilience 3	5.592	1.245	0.86
Resilience 4	5.616	1.355	0.799

*Item deleted.

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3 **Letter for revised manuscript submission to IJEER**
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5 **Title: Religiosity and Entrepreneurial Resilience: Uncovering the underlying mechanism**
6 **through the lens of Spiritual Capital**
7

8 Dear Editor
9

10 We are very grateful to you for the constructive comments and the opportunity to improve and
11 resubmit the paper. We have revised the paper thoroughly in response to the issues raised and
12 believe it is now a more robust and cohesive piece.
13
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15 Our detailed responses to all comments are provided below. This document provides a detailed
16 overview how we addressed each comment.
17

18 We hope you will find the changes satisfactory and look forward to hearing from you in due course.
19

20 Authors.
21

22 **Referee: 1**
23

24 **Comment**
25

26 Recommendation: Accept
27

28 Comments:
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30 Dear authors: Thank you for the opportunity to read your revised study. As mentioned before, this
31 field has flourished in recent years and paying more attention to this area is crucial.
32

33 I have now reviewed your study and I am happy to recommend acceptance of this well-improved
34 version. In my last review, I shared one comment and I can see the authors have addressed it in a
35 very comprehensive manner. Well done.
36
37

38 **Response:**
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40 We appreciate your positive feedback. We are pleased that our changes met your expectations and
41 you recommended acceptance. Your insights were essential for enhancing our manuscript.
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43
44

45 **Referee: 2**
46

47 Recommendation: Accept
48

49 Comments:
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51 Well done. Good luck.
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52 **Response:**
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54 We appreciate your positive feedback. We are pleased that our changes met your expectations and
55 you recommended acceptance. Your insights were essential for enhancing our manuscript.
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3 **Referee: 3**
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5 Recommendation: Minor Revision
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7 Comments:
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9 Congratulations, this new version really represents an improvement compared to the last one. You
10 have answered most of my questions. Thank you. I have one remaining remark: your response to
11 the clarification of the concepts of religion, religiosity, etc. is still somewhat confusing, and needs
12 to be restructured as : 1. spirituality; 2. religion; 3. religiosity. By the way, Saroglou speaks about
13 religiosity.
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16 Good luck!
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18 **Response:**
19

20 We appreciate your positive feedback. We are pleased that our changes met your expectations and
21 you recommended acceptance. Your insights were essential for enhancing our manuscript. To
22 address the remaining comment, we have reviewed the structure of the section on “religiosity and
23 entrepreneurship’ and have followed the suggested flow. Please see below:
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27 **Religiosity in Entrepreneurship** 28

29 Before discussing religiosity in the context of entrepreneurship, it is important to distinguish
30 between religiosity and spirituality. Despite their differences, these terms are sometimes used
31 interchangeably in entrepreneurship studies (Rashid and Ratten, 2022). Spirituality is described as
32 ‘an evolutionary impulse of shifting focus from personality issues to the consciousness of the
33 essence (self, soul or spirit) and connection to God’ (Nwankwo et al., 2012: 151). Individuals feel
34 connected to a higher state of spirituality with certain morals and values that originated in religious
35 teachings. Moya and Toledano (2024) consider spirituality as the personal exploration of meaning
36 and fulfilment through the integration of various aspects of life, encompassing a sense of personal
37 development and purpose, along with a heightened sensitivity to transcendence. As for religiosity,
38 it captures the level of commitment to religious beliefs and practices related to a given religion
39 such as Islam (Gursoy et al., 2017). Religiosity reflects the degree to which individuals personally
40 adhere to and engage with these religious beliefs and practices. It encompasses both cognitive and
41 behavioural aspects, such as commitment to religious values and participation in religious
42 activities. Religiosity is a behaviour, which refers to the extent to which individuals practice
43 religion. Religiosity is about active engagement in religious practices and rituals (Yeganeh, 2015).
44 The higher the commitment and involvement in those religious beliefs and practices, the more
45 likely those individuals to adhere to and abide by such core values, beliefs and behaviours
46 (Giacomin et al., 2023). It includes various aspects such as attending religious events/functions,
47 performing prayers, studying religious scriptures, involvement in religious communities etc
48 (Caputo, 2009).
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50 In short, while spirituality pertains to personal beliefs and experiences, religiosity involves
51 structured practices associated with a specific religion. That said, spirituality underpins religiosity,
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3 meaning that insights from studies on spirituality can inform the current study which focuses on
4 religiosity. While acknowledging that the two concepts share similarities and differences, Yonker
5 et al. (2012) noted prior evidence suggesting that combining the two concepts can be advantageous
6 due in part to their high overlap. Hence, this study will review the literature on the effect of both
7 concepts [i.e. religiosity and spirituality] on entrepreneurship. Subsequently, the empirical part
8 will focus on religiosity, specifically the cognitive religious commitment of Omani entrepreneurs,
9 as it directly informs their personal resilience and coping strategies in the face of entrepreneurial
10 challenges.
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16 In entrepreneurship, the impact of religion, at a broader level, on individuals' entrepreneurial
17 behaviour and outcomes has been acknowledged (Audretsch et al., 2007). Religion refers to the
18 structured system of beliefs, rituals, and practices commonly shared by a group of individuals
19 within a particular faith tradition (Worthington Jr. et al., 2003). Religion plays a role in shaping
20 people's morality, influencing their decision-making in career choices and entrepreneurship
21 (Kumar et al., 2022). Rietveld and Hoogendoorn (2022) explain the mechanisms through which
22 religion shapes entrepreneurship, identifying three main channels, namely social capital,
23 normative, and cognitive institutions, and values. The authors argue that religion can provide social
24 capital that encourages entrepreneurial behavior. Moreover, values play a role in this relationship,
25 as some religions promote values that align with the entrepreneurial spirit. Audretsch et al. (2007)
26 further emphasise Eisenstadt's (1968) idea of the "transformative potential" of a religion that
27 promotes transcendentalism, individual responsibility, and activism, thereby enhancing
28 entrepreneurial behaviour. Dubard Barbosa and Smith (2024) explain that religious beliefs shape
29 the ways entrepreneurs identify and evaluate opportunities. Overall, Smith et al. (2021) and Jones
30 et al. (2024) recognise that understanding the role of religion in entrepreneurial behaviour offers a
31 more comprehensive insight that can complement the economic approach. That said, Kumar et al.
32 (2022) stress that the relationship between religion and entrepreneurship is likely to be indirect,
33 through various traits.
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List Figures and Tables

Figure 1: The Research Models.

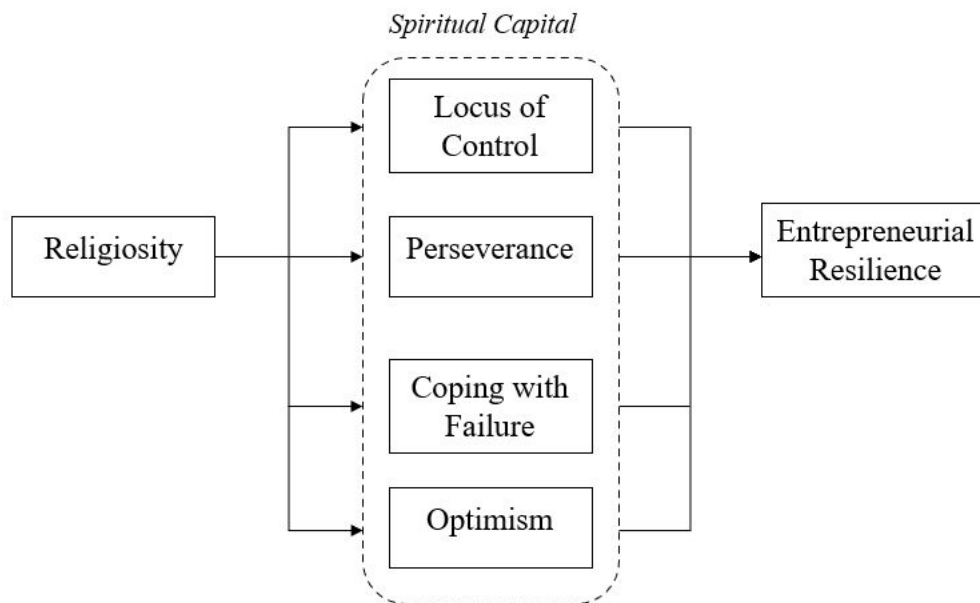


Figure 2: The Structural Model

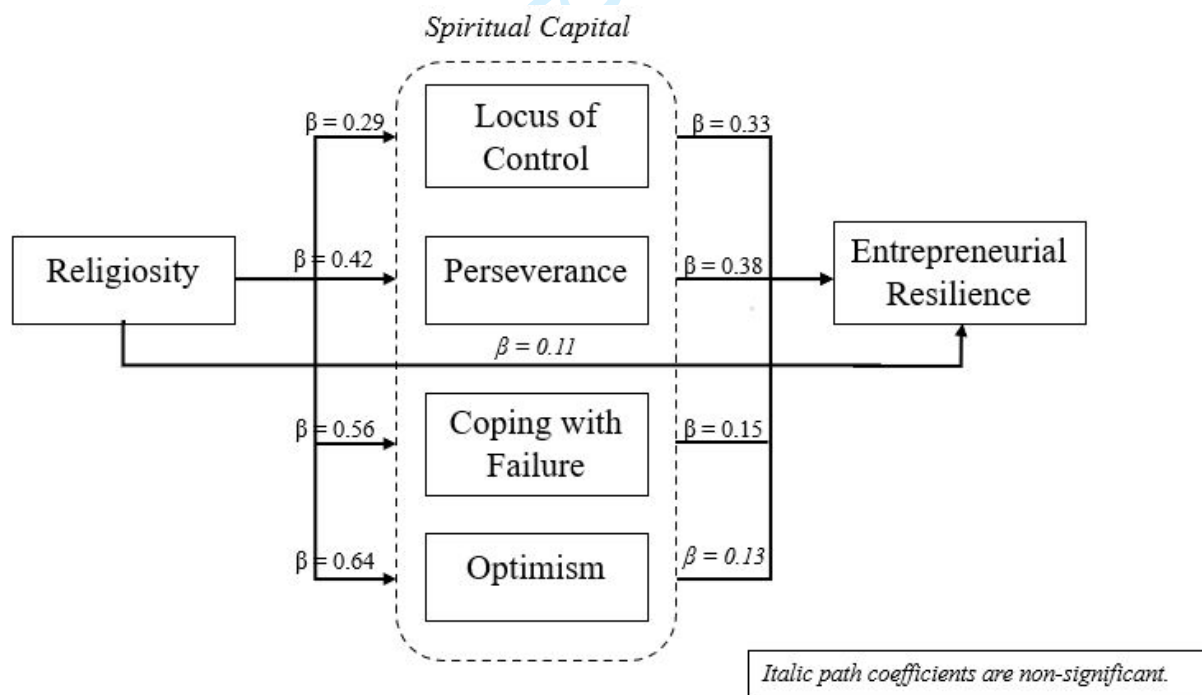


Table 1: CR, α , AVE, and VIF

	Religiosity	Optimism	Coping with Failure	Perseverance	Locus of Control	Resilience	Age	Gender
CR	0.882	0.914	0.872	0.882	0.866	0.894	1	1
α	0.832	0.882	0.824	0.843	0.806	0.842	1	1
AVE	0.600	0.682	0.533	0.516	0.566	0.679	1	1
VIF	1.874	2.559	2.692	3.365	2.151	2.283	1.151	1.142

Note: CR = Composite reliability; α = Cronbach's alpha; AVE = Average variance extracted, VIF = Variance Inflation Factors

Table 2: Discriminant validity

	Relig	LOCUS	COPING	PERSEV	OPTIM	RESIL	Age	Gen
Relig	0.775							
LOCUS	0.213	0.752						
COPING	0.55	0.514	0.73					
PERSEV	0.417	0.656	0.714	0.718				
OPTIM	0.638	0.363	0.665	0.642	0.826			
RESIL	0.377	0.651	0.582	0.665	0.433	0.824		
Age	-0.124	-0.1	-0.105	-0.194	-0.177	-0.019	1	
Gen	0.105	0.198	0.075	0.188	0.082	0.132	-0.283	1

Note: Relig = religiosity; LOCUS = locus of control; COPING = coping with failure; OPTIM = optimism on resilience; RESIL = entrepreneurs' resilience; Gen = gender.