
Religiousness and Business Ethical Behaviour of SMEs Owner-Managers in Nigeria: An Empirical Investigation

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Abstract: *The study examines the extent to which religiousness affect business ethical behaviour of small and medium enterprises (SMEs) owner-managers in Nigeria. The main objective of the study is to investigate the extent to which religiousness affect business ethical behaviours of SMEs owner-managers in Nigeria. Survey research design was used in this study to gather the data used. Primary source of data was used, 144 copies of structured questionnaire were retrieved out of 200 copies administered to the SMEs owner-managers to elicit responses relating to the level of their religiousness measured from three dimensions (involvement, influence and hope) and organisational business ethical behaviour also measured from three dimensions (economic consideration, relationship with employees and relationship with suppliers and contractors). Mean and spearman rho correlations were the analytical tools used to assess the responses and test hypotheses. Results showed a weak significant relationship between religious influence and employees' relationship, while no significant relationship was found among other variables. The mean responses showed extremely high involvement in religious influence and hope. Results also revealed moderate mean score for all the three dimensions of organisational business ethical behaviour. Based on these results we concludes that religiousness does not determine business ethical behaviour of the owner-managers. The implications of findings are that, religious teachings do not reflect in day-to-day activities of the SMEs' owner-managers, hence religious leaders need to do more to ensure members adhere strictly to religious teachings. The study recommends that society should look beyond religion in order to promote appropriate business ethical environment and government should strengthen the various regulatory institutions established to maintain a safer business environment. .*

Keywords: *Religiousness, Religious Involvement, Religious Hope, Ethical Behaviour, Owner-managers, Small and Medium Enterprises*

1. Introduction

There is an increased public concern for improved business ethical behaviours; it is the view of the public that business operators do not put emphasis on ethical consideration in their day-to-day business and operational decisions. The public concerns are legitimate and informed by the increased reported cases of unethical conducts among both high profile individuals and corporate entities (Omonobi, 2012 ; Adedola 2013; Omoh and Komolafe, 2009). Phau and Kea (2007) noted that the cost of running business in a corrupt environment is much higher, compared with that of an environment with a high level of integrity. In the report of Ease of Doing Business (2011), Nigeria was rated 137 out of the 183 participating countries as one of the high cost business operations environment. Akindele (2011) also noted that fraud in the Nigerian banking sector has caused many banks to collapse, while investors and depositors funds were trapped in the collapsed banks with resultant negative effects on the individuals and many business organisations whose funds were trapped. Although there are many reasons for either ethical or unethical behaviours in both the social and business organisational settings, the role of religion has been recognised as an important construct in shaping human attitudes (Arnould, Price and Zikhan, 2004; Grullon, Kanatas, and Weston, 2009). Religiosity has been described as a personality-level factor known to affect ethical decision making (Kurpis, Beqiri and Helgeson, 2006).

Micro, Small and Medium Enterprises (MSMEs) constitute the bedrock of many countries' economies, including the Nigerian economy. The Small and Medium Enterprises Development Agency (SMEDAN) (2012) survey of MSMEs posited that the MSMEs subsector contributes about 50% of the GDP and about 32.5 million employment generation in Nigeria. One of the major problems confronting the sector is perceived business ethical in-balance that hampers its development. In addition, studies of this nature are few in Nigeria particularly in Small and Medium Enterprises (SMEs). This study is an attempt to contribute to knowledge and fill this gap in literature by investigating the extent to which religiousness of owner-managers affect the business ethical environment given that SMEs dominate majority of the productive sectors. This study is also expected to stimulate more research interests in this area.

Based on the problem raised, this study sought to provide answers to the following research questions: how does religious involvement influence business ethical behaviour? To what extent does religion influence business ethical behaviour of owner-managers? How does religion hope to affect business ethical behaviour? This study is expected to be of great benefit to owner-managers of SMEs, stir-up research interest among scholars and enlightening religious leaders to emphasize the need for adherents to reflect religious teachings in their daily life.

1.1 Objectives of the Study

The main objective of the study sought to investigate the extent to which religiousness affect business ethical behaviours of SMEs owner-managers in Nigeria. Specific objectives of the study are to:

1. Examine the relationship between religious involvement and business ethical behaviour;
2. Study the relationship between religious influence and business ethical behaviour and
3. Investigate if there is any relationship between religious hope and business ethical behaviour

1.2 Statement of Hypotheses

The following hypotheses were formulated:

H₀₁: There is no significant relationship between religious involvement and business ethical behaviour of SMEs owner-managers

H₀₂: There is no significant relationship between religious influence and business ethical behaviour of SMEs owner-managers and

H₀₃: There is no significant relationship between religious hope and business ethical behaviour of SMEs owner-managers.

2. Literature Review

2.1. Religion, Religiousness and Religiosity

Religion means different things to different people, hence the meaning of religion is determined by the social and cultural contexts of the society. It is important to note that within the same religion, there are varieties of interpretations of the meaning of religion and its relations to individuals and society. When the varieties of the world religion are considered, it is obvious that the ultimate reality, or the supernatural being, is the object of worship and this object of worship is different from one religion to the other. Based on different views, religion cannot be perceived as monolithic belief systems, since such a belief fails to appreciate varieties of religious experience and the individual expression of religious belief and faith (Kucukcan, 2005; McAndrew and Voas, 2011). Religion plays an eminent role in contemporary life, religion views divinity's laws as absolute and that they shape the whole of an individual's life (Lunk and Choe, 2010). According to Vitell, Paolullo, and Singh (2006), faith, rather than reasoning and knowledge, provides the foundation for a moral life, built on religion and it also provides the most basic building block for an individual's cognitive world. Delener (1994) posited that religion is an innate value that defines how to do things right and provides series of tools and techniques for social behaviour. Huffman (1988), in Aydemir and Egilnez (2010), opined that religion is a stronger determinant of values than any other predictor. Religion, according to Spiro (1966), is an institution consisting of cultural pattern interactions with cultural postulated superhuman beings. Kucukcan (2005) suggested that religion is one's acceptance of, and position towards, a supernatural being, towards an ultimate reality and its manifestations involve a multidimensional process, comprising attitudes, beliefs, emotions, experiences, rituals, the community and the feeling of belongingness. Hill and Hood (1999), in Kucukcan (2005), argued that 'any construct, as complex as religion, is likely to be multidimensional in nature because religion deals with people's ultimate concerns and provides both personal and social identity within the cosmic or metaphysical background'. Religious belief implies a view of a transcendent being, ultimate reality and Supreme Being, its nature and character and its interaction with humans.

Religiosity, on the other hand, is the extent to which an individual's commitment to religious tenets and teachings influence attitude and behaviour (Johnson, 2001). In other words, religiosity is bound up with attitude, behaviour and values (McAndrew and Voas, 2011). This conclusion suggests that it is possible to have a religion as an important aspect of personal identity without actively participating in the religious rituals. Analysis of research endeavours on religious orientation suggests that the terms religiousness and religiosity are used by researchers essentially in the same way (La Barbera, and Gürhan, 1997; Singhapakdi, Marta, Rallapalli, and Rao, 2000). Kucukcan, (2000 & 2005) posited that religious commitment is not a one-dimensional experience in individuals' lives: this implies that religion orientation has several dimensions. Kucukcan (2005) identifies a number of theorists on the dimension of religiosity, such as Lenski (1961) who proposed four dimensions: first, associational, which includes frequency of religious involvement in worship and prayer services; second, communal which relates to the preference and frequency of one's primary-type relations; third, doctrinal orthodoxy, which refers to the intellectual acceptance of the prescribed doctrines of the church; and finally, devotionism, which involves private or personal communion with God through prayers, meditation and religious behaviour.

Glock (1972), in Kucukan (2005), also proposed a five-dimensional model: first, experiential dimension of religiosity, which refers to achievement of direct knowledge of the ultimate reality or experience of religious emotions in the form of exaltation, fear, humility, joyfulness and peace; second, ideological dimension, which gives recognition to the fact that all religions expect that a religious person should hold certain beliefs, which followers are expected to adhere to; third, the ritualistic dimension includes specific religious practices, expected of adherent of religion, such as prayers, worship and fasting; fourth, the intellectual dimension which expects that a religious person should have some knowledge about the basic tenets of his/her faith and their scriptures; and finally, the consequential dimension encompasses man's relation to man through the prescriptions of religion which guide the attitudes of the adherents as a consequence of their religious beliefs. King (1967) proposed nine dimensions, which are: (i) Creedal Assent and Personal Commitment, which refers to the acceptance of the fundamental tenets of a religion, such as belief in God, the scriptures, eternal life, salvation and others; (ii) Participation in Congregational Activities, which is about taking part in organised religion, such as participating in church activities regularly and actively; (iii) Personal Religion Experience, which encompasses prayers, repentance and union with God; (iv) Personal Ties in the Congregation, which includes church membership and frequency of meeting fellow-believers and organising social events with them; (v) Commitment to Intellectual Search Despite Doubt, which relates to critical stimulation and search for meaning; (vi) Openness to Religious Growth, which includes moral growth and continuous struggle to understand religion better; (vii a) Dogmatism relates to absolute trust in all that one's religion stands for; (vii b) Extrinsic orientation, which relates to the benefits one is expected to derive from being an adherent of a religion; (viii a) Financial Behaviour, which relates to financial contributions of the adherent, (viii b) Financial attitude relates to the disposition towards giving to projects of the religious organisation; (ix) Talking and Reading about Religion relate to the frequency of reading the Bible and other religious texts and discussions about religion.

This study adopts the Seihi and Seligan (1993) study which broadly classified dimensions of religiosity into three: (i) Religious involvement, which covers frequency of reading the Holy Scriptures, prayers, and attendance at religious services (ii) Religious influence, which relates to the importance attached to religious teachings in the areas of whom to marry, cloth to wear, what to drink and eat, whom one associates with and the social activities one engages in; and (iii) Religious hope, which relates to future expectations, such as heaven/hell, miracles, and rewarding of suffering in the future.

2.2. Ethical Behaviour in Business

There are evidences that reputations of businesses have been hampered, employees have lost their jobs, while investors have lost their investments due to unethical business behaviours. Nigerian banks restructuring exposed significant boardroom manipulations, winding up of many banks and the sack of CEOs of prominent banks (Omoh and Komolafe, 2009). Hamilton, (2002) noted that 'a common feature is unethical behaviour by high-level managers and entrepreneurs, and also by professional such as accountants, lawyers, bankers because of their inability to ethically managed their role conflicts.' Ethical behaviour of owner-managers is important because of the incredible contribution to a nation's economy. In

addition, the inherent capacity of SMEs to generate employment per unit of capital and the locational advantage that have made them the engine of economic growth as well as the sources of technological innovation (Dutta and Banerjee, 2011). Freeman (1984) suggested that stakeholder theory should form the basis for measuring the ethical dimension of business. Employees and suppliers are important stakeholders in any organisation and ethical practices towards them should be the primary concern, if the long-term goal and survival are aimed at. Acceptable ethical behaviour in any organisation is expected to increase employees' motivation and thereby lead to individuals and organisational performance. Clarkson (1995) suggested that survival of organisation and continuous success is predicated upon the ability of its managers to create sufficient wealth, value for all primary stakeholders. Employers' responsibilities to employees according to Weiss, (2003) include prompt and fair wages, absence of discrimination on the basis of gender, race, religion or disability. It is obvious that ethical dilemmas are present in many situations, in which different interests, values, beliefs pertaining to multiple stakeholders are in conflict (Mihelic, Lipienik and Tekavcic 2010). It is in the situation of conflict that each stakeholder is expected to behave ethically.

2.3. Religiosity (Involvement, Influence & Hope) and Business Ethical Behaviour

Religious involvement is one of the critical dimensions of religion, which differentiates the adherents from non-adherents. For anyone to be regarded as religious, such a person is fundamentally expected to be highly involved in his/her religious activities. The studies of Stassen, (1977) and Fritzeche, (1989) provide the theoretical support for the inclusion of religiosity as a construct in the study of business ethics, while Giorgi and Marsh (1990), in Kum-Lung and Tech-Chai (2010), showed a positive effect of religion and religious commitment on individuals' ethics. Similarly, Canroy and Emerson (2004) observed that religiosity is significantly correlated with ethical perceptions, but the study failed to specify any dimension of religiosity.

Research efforts into the extent of ethical behaviour in SMEs need to be directed towards the owner-managers, as Bower (1998) suggested that an increased attention should be directed at the Chief Executive Officers (CEOs)/owner-managers because of the enormous influence they have on the firms' strategic decision process. Miller, de Vries, and Toulouse (1982), affirmed that the CEO locus of control was strongly associated with organisational strategy and structure in small firms but not in larger firms. Similarly, Hambrick and Finkelstein (1987), in Gibbons and O'Connor (2005), developed the concept of managerial discretion, which refers to the latitude of action available to top executives and argued that the CEOs of SMEs possess considerable discretion in the design of strategy development. Mihelic, Lipicnik and Telkavcic (2010) noted that organisation leaders ought to be a crucial source of ethical guidance for employees and at the same time, be responsible for moral development in organisations; while management team's behaviour affects the entire organisation and the ethical correctness of these behaviours are important and crucial aspects of the organisation's environment and culture. Owner-managers have the responsibility to persuade and influence other members of the organisation. Freeman and Stewart (2006) in Mihelic *et al.* (2010) suggested that ethical leaders should not be seen as preventing people from doing the wrong things, but rather as encouraging and influencing people to do the right thing. Brown, Trevino, and Harrison (2005) described ethical leadership as the 'demonstration of normatively appropriate conduct through personal actions and interpersonal relationship and the promotion of such conduct to followers through two-way communication.' In other words, ethical leadership must be seen as role modeling behaviour through effective communication and justification of actions; setting ethical standards and periodically reviewing ethical behaviours; and incorporating ethical dimension in decision-making process, considering the consequences of decisions made on both employees and the society (Bass and Steidlneier, (1999); Minkes *et al.* (1999) in Mihelic *et al.* 2010).

It is observed in the literature that religiousness and business ethical behaviour has received little attention in Nigeria. In addition, most of the foreign based study reviewed found better business ethical behaviours among highly religious people (Lunk and Choe, 2010; Emami, and Nazari 2012). This study investigated religiousness influence on business ethical behaviour in the Nigerian business environment. It is an attempt to stimulate academic discussion on the issue of religion and business ethical behaviours.

2.4 Theoretical Bases for the Study

This study is anchored on the stakeholder theory in Freeman (1984), which modelled groups that are stakeholders of an organisation, it described how organisational managers give appropriate regards to the different interested parties' action or inaction and how such affect organisations either positively or negatively. Unlike the traditional view, which recognises only the shareholders and that their interests are superior to that of others. On the contrary, the stakeholder theory identified two parties, internal stakeholders, which include: employees, managers and owners, while external stakeholders include: customers, suppliers, government, shareholders, creditors, trade union, competitors and the society. It therefore seeks to define who the stakeholders are, and investigates the conditions under which organisational managers treat them. The perceived recognitions accorded to various stakeholders eventually determine the stability and prosperity of organisations. In other word, stakeholder theory is a conceptual framework of business ethics and organisational management which addresses moral and ethical values in the management of a business or other organisations (Businessdictionary .com, 2016)

3. Research Methodology

3.1 Study Approach

A survey research design was used in this study to gather the necessary data. Structured questionnaire was used as the primary source of data collection, 200 copies were administered to SMEs business owners out of which 144 were found usable representing 72% response rate. The use of primary data for entrepreneurship related research is widely supported in the literature. Chandler and Lyon (2001) in the review of past studies found that 75% of empirical papers used primary data, while a little above 3% used combined survey and interview. The measurements of religiousness scale of Sethi and Seligman (1993) was adopted in the study. The scale were broadly classified into three dimensions of religiosity, the first section measure the level of religious involvement with three items, the response scale were fixed alternative where the respondents were expected to choose one out of six alternatives; the second classification seeks to examine religious influence with six items, on a scale of 1-7 where 1 indicates 'none of my decisions or not at all influential' and 7 represents 'all of my decisions or extremely influential'; the third classification seeks to measure religious hope with six items and a response scale of 1-7, where 1 represents 'strongly disagree' and 7 represents 'strongly agree'. The ethical organisational scale of the Institute for Ethical Leadership scale was adapted to measure SMEs owner-manager business ethical behaviours. The ethical organisation scales were broadly classified into three with a total of sixteen items. The first classification examined organisation's economic considerations and it contains six items, the second classification examined the relationship with the workforce with six items while the third classification examined relationship with contractors and suppliers and it contains four items. The scale of measurement ranged from 1 to 7 where 1 represents 'never in place' and 7 represents 'always in place'. The scale of measurement used was similar to that of Giacalone, and Jurkiewicz (2003) in a study that investigated relationship between spirituality and unethical behaviour. Spearman rho correlation, Mean and Standard Deviation were employed for data analysis.

3.2 Population and Sample size of the Study

The population of the study is about 1880 undergraduate students of Accounting and Business administration of the Distance Learning Institute, University of Lagos, Nigeria. These students combined work with study. A purposive sampling technique was used to select the study sample of 200 who owned and manage their own business.

4. Results and Discussion

4.1 Characteristics of Respondents

Descriptive statistics simple percentage, mean and standard deviation were used to analyze biodata information of the respondents and also responses to the key research questions respectively. Spearman rho correlations was used to test the three hypotheses raised in the study.

Table 1: Characteristics of Respondents

Variables	Frequency	Percent (%)
Gender		
Male	83	57
Female	61	47
Total	144	100
Age Brackets		
21 years but less than 40	113	78.5
40 years but less than 60	31	21.5
Total	144	100
Religion Affiliations		
Chritainity	129	89.6
Islam	13	9.0
Others	2	1.4
Total	144	100
Educational Qualifications		
SSCE/WASC/GCE O/L	69	48.0
OND/NCE	32	22.1
HND/B.Sc	43	29.9
Total	144	100
Number of Workers employed		
No staff	23	16.0
1 to 5 Staff	74	51.4
6 to 10 Staff	22	15.3
11 to 50 staff	22	15.3
More than 50 Staff	03	2.1
Total	144	100

Source: Computed by the Authors

In Table 1, distribution according to gender indicated that 57.6% or 83 were male entrepreneurs, this suggested that both sex are well represented in the study. The age brackets of between 21 and 40 years were 78.5% ,while 40 years but less than 60 were 21.5%. Since the data collected were University of Lagos Distance Learning Institute students who combined work with study and minimum age for admission was pegged at 21 years justified the age distribution. while religious affiliation revealed that 89.6% were Christians and 9% Muslims while the rest indicated they practice other religions. In spite of lopsidedness of religion affiliations, the three predominant religion in Nigeria were represented in the study. 48% indicated Secondary School Certificate as their highest qualifications, 22.1% and 29.9% claimed to possess NCE/OND and HND respectively. The minimum entry requirement for undergraduate study is a minimum of SSCE/GCE O/L. The level of education of the respondents were adequate to be able to respond appropriately to relevant research items. In addition, about 51.4% of the respondents employed between 1 and 5 staff, while 15.3% and 2.1% employed between 6-10 and 11-50, respectively. About 2.1% engaged more than 50 workforce; while 16% did not engage any paid workforce. This showed that 84% of the respondents actually relate with both employees and suppliers/contractors hence they are qualified to respond to the research items.

4.2 Test of Hypotheses

In line with the objectives of the study, hypotheses i, ii and iii were tested with Spearman Rho correlations. Hypothesis (i) tested shows that there is no significant relationship between religious involvement and business ethical behaviour of SMEs owner-managers, we accept the null hypothesis and reject the alternative hypothesis as shown Table 2. where religious involvement is not significant to any of the three dimensions of organisational ethical scale.

Hypothesis (ii) tested shows no significant relationship between religious influence and business ethical behaviours of owner-managers. Hypothesis (ii) is partially accepted as religious influence is positively and significantly related to organisational ethical scale (Economic consideration) $\rho(144) = .269$; $p > .01$, as shown in Table 2, while religious influence is not significantly related to 'relationship with employees' as well as 'relationship with suppliers and contractors'. Finally hypothesis (iii) accepted the null hypothesis that there is no significant relationship between religious hope and business ethical behaviour of owner-managers.

Table 2: Spearman Correlations Matrix

Variables	1	2	3	4	5	6
1 RInv.	1					
2 RInf.	.090	1				
3 RHp	.017	.366**	1			
4 EcConsd.	.042	.269**	.107	1		
5 REmpl.	.008	.166	.148	.486**	1	
6 RSuContr.	.074	.124	.060	.333**	.511**	1

Source: Computed by the Authors

**correlation is significant ($p < .01$), *correlation is significant ($p < .05$)

Key: **RInv:** Religious Involvement; **RInf:** Religious Influence; **RHp:** Religious Hope; **EcConsd:** Economic Consideration; **REmpl:** Relationship with Employees and **RSuContr:** Relationship with Suppliers and Contractors.

4.3 Major Findings

4.3.1 Religiousness and organisational ethical

When the three dimensions of religiousness are compared with the three dimensions of organisational business ethical behaviour of owner-managers, the results only showed positive and significant relationship between religious influence and economic consideration. The result of the study showed that religious involvement does not influence the organisation's ethical behaviour in all the three dimensions of business ethical behaviours. Generally, it is observed in this study that religious involvement, influence and hope do not determine business ethical behaviour of owner-managers of the SMEs (Table 2). This result corroborates Saat *et al.* (2009) argument that the effect of religiosity on ethical attitudes of people are situational, and Rashid and Ibrahim's (2008), opined that high religiosity does not always mean high ethical values. However, despite this result, there are many other studies that have found significant and positive relationship between religiosity and business ethical behaviour (Delener, 1994; Johnson, 2001; Aydemir and Egilmez, 2010 and McAndrew and Voas, 2011).

4.3.2 Religiousness Scale (Religion involvement, influence & Hope)

Religious involvement includes such activities as frequency of reading the Holy Scripture, saying personal prayers and attendance at religious services. A mean of 4.64 was obtained from the three items and a standard deviation of 1.1069. The result in Table 3 showed moderate involvement in religious activities. The implication that can be drawn from this is that business owners and entrepreneurs are more committed to prayers more than any other religious practices. This could have implications on whether one is an intrinsic or extrinsic religious person. Prayer activities involve times to make request for blessings, victory over enemies and for progress in business. High involvement in prayer activities may therefore not necessarily indicate high ethical value as those who engage in extremely high involvement in prayer may tend towards extrinsic religion. Aydemir and Egilmez (2010) observed that intrinsically motivated people are more prone to behave ethically than extrinsically motivated people.

Religious influence examined the extent to which religion determines both the actions and decisions of individuals involved. The mean score of all the six items measuring religious influence showed (5.7044, standard deviation of 1.5192 in Table 3) that religion is highly influential in life's important decisions. Religious influence is expected to be most pronounced in determining business ethical behaviour of business owners. The implication of this is that the business owners are expected to be guided by religious beliefs, even in their business decisions.

Religious hope is basically futuristic, as it proposes that the actions, decisions and behaviours of today have some future consequences. The future consequences may be either a reward or punishment, heaven or hell. The extent of belief in religious hope and the future is therefore expected to guide decisions and behaviours of today. The mean of all six items is 6.10 and standard deviation of 1.3971 (in Table 3) showed an extremely high religious hope. This finding supports the study of McCabe and Trevino (1993), they posited that unethical behaviour is negatively correlated to the severity of penalties due to the fear of God's punishment in this life and hereafter. Kennedy and Lawton, (1998) also observed a negative relationship between religiosity and willingness to engage in unethical behaviour as a result of possible negative consequences.

Table 3: Religiousness Dimensions' Variables

Variables	N	Min.	Max	Mean	Std Deviation
Religious Involvement	144	1.00	7.00	4.6387	1.1069
Religious Influence	144	1.00	7.00	5.7044	1.5192
Religious Hope	144	1.00	7.00	6.1030	1.3971

Source: Computed by the Authors

4.3.3 Organisational Ethical Scales

Economic consideration of organisational ethical scale assessed the business ethical behaviour organisation leaders put into consideration in arriving at important decisions related to financial and economic activities of the organisation. The results in Table 4 show that the mean of the six items is 4.76, with a standard deviation of 1.6941. This implies that most owner-managers can be said to be moderate in their business ethical behaviour. If this result is compared with the religiousness scale (religious influence and hope) there seems to be deviations, as business owners who were rated high on religious influence scale are now rated moderate, particularly when it comes to economic considerations. This result has an important implication on the extent of business ethical behaviour that can be demonstrated by the owner-managers.

Table 4: Organisational Ethical Dimensions' Variables

Variables	N	Min.	Max	Mean	Std Deviation
Economic consideration	144	1.00	7.00	4.7557	1.6941
Relationship with employees	144	1.00	7.00	5.2708	1.6114
Relationship with suppliers and contractor	144	1.00	7.00	5.1337	1.7908

Source: Computed by the Authors

Relationship with employees of organisational ethical scale assessed the business ethical behaviours' organisational leaders put into consideration in arriving at important decisions relating to employees' welfare and wellbeing. The results showed in Table 4 that the mean score of the five items is 5.27 with a standard deviation of 1.6114. This implies that most owner-managers can be said to be moderate in their business ethical behaviour towards the welfare and wellbeing of the workforce. If the owner-managers' self appraisal in terms of employees' relationship/welfare is moderate, one wonders what it will look like if the employees were asked to assess their perception of business owners' relationship with employees. If this result is compared with the religiousness scale (religious involvement, influence and hope), there seems to be deviations, as SME business owners who were rated high in religious influence, rated moderate, particularly when it comes to employees' relationship/welfare.

Relationship with suppliers and contractors of organisational ethical scale assessed the business ethical behaviour organisation leaders put into consideration in arriving at important decisions relating to suppliers and contractors. The results in Table 4 show that the mean score of the four items is 5.13 a standard deviation of 1.7908. This implies that most owner-managers can be said to be moderate in their business ethical behaviour towards the contractors and suppliers. If the owner managers' self appraisal in terms of contractors and suppliers relationship is moderate, one wonders what it will look like if the contractors and suppliers were asked to assess their perception of business ethical behaviour of owner-managers relationship with them. If this result is compared with the religiousness scale (religion involvement, influence and hope) there seems to be deviations as business owners who were rated high in religious influence rated moderate particularly when it comes to contractors and suppliers relationship.

5. Conclusion & Recommendations

5.1 Conclusion

The study examined religiousness using three dimensions: religious involvement, influence, and hope as they affect the business ethical behaviour of owner-managers of SMEs in Lagos, Nigeria. Owner-manager business ethical behaviour was also examined from three dimensions: economic consideration, relationship with employees and relationship with contractors and suppliers. In conclusion, we are pleased that our study has delved into an important area with few empirical evidence locally. We expect that more researchers to take up the challenge to proffer workable solution to the increasing business ethical situation. Massive involvement of Nigerians in religious activities have not shown positive effect on cases of unethical business practices in both private organisations and public enterprises. This development is worrisome as it may encourage capital flight, while discouraging direct foreign investment thereby increasing youth unemployment. McGhee and Grant (2008) argued that spirituality through religious experience should form the basis for ethical conduct in business. The result of this study did not support this assertion.

5.2 Recommendations

The study hereby makes the following recommendations:

1. SMEs owner-managers need to improve their business ethical behaviour, considering the stakeholder theory proposition that appropriate business ethical behaviour across all the stakeholders will improve organisational performance.
2. Religion leaders need to do more to ensure members adhere strictly to religious teachings,
3. Government should strengthen the various institutions established to maintain safe business environment

5.3 Suggestions for Further Studies

This study of religiousness and organisational ethical behaviour is limited by a number of factors. First, the sampled respondents are few in number and they are restricted to the University of Lagos, Lagos. Second, SMEs owner-managers were asked to rate their level of religiousness as well as business ethical behaviour which may not necessarily be objectively done. On the basis of these limitations, it is suggested that there is need for larger sample with a wider coverage in terms of geographical areas and number of participants; also more investigations of religiousness and business ethical behaviour should be undertaken requesting employees and other stakeholders to assess the business ethical behaviour of owner-managers as this may be a better assessment of their business ethical behaviour. In addition, religiousness cannot be the only determinant of business ethical behaviour, it is therefore important that other variables such as environmental and cultural orientations may be explored in future research.

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