

The role of spirituality in Islamic business networks: The case of internationalizing Turkish SMEs

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ABSTRACT

This paper sets out to investigate the role of religion and spirituality in a business network context, with an empirical focus on the international business development of Turkish SMEs. By drawing on the concept of homophily and tie strength, we argue that, while religion can act as a bridge and thus create a multitude of weak ties within a business network, spirituality can deepen these ties and make them stronger through increased emotional intensity, intimacy and reciprocal service. The data were collected from participants in two Islamic business associations in Turkey. The results suggest that spirituality indeed drives members' commitment to the network and the presence of spirituality has a distinctive effect on members' contributions to and demands on the network. More specifically, members who treat their network membership as an extension of their spiritual practice tend to mainly benefit from intangible resources, while members who view their shared religion as an entry point into the network seem to benefit from both tangible and intangible network resources. The findings have several theoretical and practical implications, including the introduction of the spirituality concept into the discussion of homophily and tie strength in business networks, and the role of home networks in the internationalization of SMEs.

1. Introduction

This paper sets out to investigate the role of religion and spirituality in a specific business network context. We seek to explore whether spirituality has a distinctive effect on how small and medium-sized enterprises (SMEs) benefit from the efforts of domestic, religious business networks to support their internationalization. Our main theoretical argument is that, while religion can act as a bridge and thus create a multitude of weak ties within a business network, spirituality can deepen these ties and make them stronger through increased emotional intensity, intimacy and reciprocal service (Granovetter, 1973). To this end, the focal research question of this study is whether there is a difference in network outcomes between those members who view religion as a facilitator in building network connections and those who regard the network as an extension of their spiritual practice. To answer

this question, we collected data from participants in two Islamic business associations in Turkey. The participants are SMEs also known as Anatolian Tigers due to their geographical location and their business success (Kurt, Yamin, Sinkovics, & Sinkovics, 2016).

The two selected business associations, the Independent Industrialists' and Businessmen's Association (MUSIAD) and the Turkish Confederation of Businessmen and Industrialists (TUSKON⁵), were established with the purpose of providing Anatolian Tigers with support nationally and internationally, while using a specific interpretation of Islam to regulate participants' behavior (Hosgör, 2011). In fact, membership of associations with an Islamic identity was a means of survival for a number of small firms, given the nearly monopolistic power of large and mostly secular companies in the domestic market in the 1980s (Cokgezen, 2000; Hosgör, 2011). The emphasis on Sufi principles, such as trust, solidarity, service and a higher-order code of

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⁵ The data collection ended in 2014, before the closure of TUSKON.

ethics that places the benefit of the community above individual gain, and the promotion of the compatibility of entrepreneurial activities with Islam (cf. Cokgezen, 2000; Karakas, Sarigollu, & Kavas, 2015), makes these business associations an ideal context in which to isolate the effects of spirituality from other dimensions of religion.

Religion and spirituality are distinct yet connected and related phenomena (Hill et al., 2000). Religion refers to an organized system of beliefs and practices associated with a particular religious tradition or denomination (Jenkins & Pargament, 1995). Spirituality can be understood as “a natural aspect of human functioning which relates to a special class of non-ordinary experiences and the beliefs, attitudes, and behaviors that cause, co-occur, and/or result from such experiences” (MacDonald et al., 2015). The emphasis of spirituality is on connectedness with oneself, others, nature and the sacred/transcendent (de Jager Meezenbroek et al., 2012; Hill & Pargament, 2003; Pargament, 1999). While spirituality can be developed independently from organized/institutionalized religion, it often occurs in a larger religious context (Hill & Pargament, 2003; Hill et al., 2000; Marler & Hadaway, 2002). As a consequence, spirituality becomes a dimension of religiousness when individuals utilize the practices prescribed by a specific religion to facilitate their search for meaning and connection with a transcendent higher power (Worthington, Hook, Davis, & McDaniel, 2011). Other dimensions of religiousness include participation in congregational activities, private devotional activities such as prayer and reading of religious texts, a theological dimension and affiliative behavior derived from the overarching principles (cf. Lam, 2002).

As many of the Anatolian Tigers are export-oriented, and facilitating internationalization is one of the main goals of the selected business associations, we chose to zoom in on internationalization performance as the outcome of network participation. For example, the MUSIAD website states the following: “*Foreign Relations are the first in importance among our activities and studies since the establishment of our association in 1990. As included in its mission, MÜSIAD has advanced development in foreign relations in terms of encouraging Turkish businessmen to work overseas, setting up investment partnerships, import-export, and technology interchange by relying on the principle of mentality to develop economic, commercial, social and cultural relations among countries*” (MUSIAD, 2019a). Furthermore, it is well documented in the literature that SMEs generally face a number of internationalization barriers, including limited access to distribution channels, potential foreign customers and information about market trends (Kahiya & Dean, 2015; Roy, Sekhar, & Vyas, 2016). This is also true for the Anatolian Tigers (Cokgezen, 2000; Hosgör, 2011). As overcoming such barriers is necessary for successful internationalization, we also examine whether spirituality has a distinctive effect on the way members benefit from network participation.

Our paper seeks to make a theoretical contribution to network theory (Granovetter, 1983; Parkhe, Wasserman, & Ralston, 2006). We do so by adding the concepts of spirituality and religion to discussions of homophily in the context of business networks (e.g. McPherson, Smith-Lovin, & Cook, 2001) and tie strength (Granovetter, 1973). We demonstrate that, while religion, a catalyst for status homophily, may foster the formation of weak ties, spirituality that is a catalyst for value homophily can be instrumental in deepening these ties. This is because religion can act as a filter in the initial selection and superficial maintenance of ties. Spirituality, on the other hand, creates the need for deeper, more meaningful relationships that can lead to the development of strong ties. This has implications for the achievement of insidership in religious business networks.

Empirically, the paper offers insights into how these homegrown Islamic business networks have supported the internationalization efforts of the Anatolian Tigers and how members' spirituality can shape these efforts. This is in line with recent calls for more empirical contributions on the role of home networks in SME internationalization (Idris & Saridakis, 2018; Prashantham & Birkinshaw, 2015; Zhang, Ma, Wang, Li, & Huo, 2016). While the importance of international

networks has been empirically documented, there is emerging evidence that, under certain conditions, home networks can be more effective in supporting the internationalization efforts of SMEs (cf. Idris & Saridakis, 2018).

This paper is organized as follows. The next section will provide an overview of the study context. The subsequent theoretical background section introduces and discusses our main theoretical arguments. This is followed by the research model and hypotheses section. The methods section, describing the research design and analysis methods, is followed by a detailed reporting of the results. The paper concludes with a discussion of the findings, including the managerial implications, limitations and suggestions for future research.

2. The rise of the Anatolian Tigers

A set of unique historical and socioeconomic context factors enabled the rise of the Anatolian Tigers in Turkey up to the year 2014, which marked the conclusion of the data collection part of our study.

The Turkish economy was mainly organized around a state-led national industry until the mid-1980s. The new economic policies of the 1980s brought the fragmentation between first-generation and second-generation companies to the fore. The term first-generation companies refers to large Turkish conglomerates that grew in the 1960s and 1970s through privileges provided by the state during the import substitution industrialization era (Cokgezen, 2000). Second-generation companies, also known as Anatolian Tigers, are a new breed of entrepreneurial Turkish SMEs that emerged in the post-1980s market liberalization period (Cokgezen, 2000). The majority of local markets were controlled by large, first-generation firms. In order to survive, small second-generation businesses had to adopt an export-oriented outlook and needed to find alternative sources of external financing. Access to credit through the traditional banking route was often unavailable to small firms, due to high interest rates and the entry barriers created by holding companies (Cokgezen, 2000). This is the background against which the Anatolian Tigers emerged. The name ‘Anatolian Tigers’ or ‘Anatolian capital’ is derived from the firms’ geographical location in the new industrial cities of inner Anatolia, and their efforts to follow an export-oriented strategy (Karakas et al., 2015; Özcan & Cokgezen, 2003). They mostly emerged in the booming sectors of the post-1980s, such as textiles, food, furniture, machinery, automotive parts, and electronic and consumer products (Hosgör, 2011). In addition to the opening of the markets, the proliferation of these SMEs was also facilitated by capital inflows from the Gulf countries, in the form of interest-free loans, and the unofficial capital inflows from Turkish guest workers in Europe, through informal, trust-based linkages (Hosgör, 2011).

Furthermore, religious orders played a very important role in this development by spreading the idea of Islamic economic rejuvenation. They encouraged members to pool capital and establish mutual assistance networks for the purchase of raw materials, machinery and other input factors. These activities reduced transportation and transaction costs. Religious networks also played an important role in creating a customer base for religiously sensitive products and services, ranging from Islamic fashion to Islamic entertainment products. Sect-affiliated education institutions ensured a wide-ranging internalization of the promoted values in the population. Lastly, the affiliation with religious sects provided legitimacy for the operations of the Anatolian Tigers (Hosgör, 2011). The organization around religious values further widened the gap between first- and second-generation firms (Cokgezen, 2000). The former were mostly regarded as capital-rich and secular, while the latter were seen as Islamic but more resource-constrained (Hosgör, 2011). This divide also manifested in the choices of business associations made by members of the respective groups. While large first-generation firms tended to be members of the Turkish Industrialist and Businessmen Association (TUSIAD) (Cokgezen, 2000), small

second-generation firms were more likely to affiliate with alternative business associations with an Islamic identity (Hosgör, 2011: 348), such as MUSIAD or TUSKON.

MUSIAD was established in 1990. It was the first and largest voluntary business association set up in support of the Anatolian Tigers, with a membership base of approximately 10,000 firms in 1997, mostly SMEs, located in peripheral Anatolian cities. At the time of data collection, it had 86 domestic offices and contact points in 68 countries. The organization has several aims. It seeks to foster solidarity and collaboration among its members by encouraging business relationships, ranging from input supply, outsourcing and subcontracting to retailing relationships. Furthermore, through the global Muslim business network it has established, it facilitates mutual assistance, joint venture investment and other types of cross-border relationships between domestic firms and nationals living abroad. It is important to highlight that MUSIAD offers much more than simple interest-group representation. Drawing legitimacy from religion, it formulates projects for promoting economic and technological development, while urging members to anchor their acts in social morality (Hosgör, 2011). TUSKON was another non-governmental and non-profit business association with a similar purpose, established in 2005 (Cokgezen, 2000; Karakas et al., 2015).

3. Theoretical background

The previous section provides insights into the backdrop against which the Anatolian Tigers emerged, as well as an overview of the factors that facilitated their development. The brief historical account highlights the role religion and religious networks played in this process. The first part of this section will discuss the literature on the role of home networks in SMEs' internationalization and how our specific study context fits into this body of literature. The second part of this section will then draw on discussions on homophily (McPherson et al., 2001) and tie strength (Granovetter, 1973) to qualify our main theoretical argument that, while religion can act as a bridge and thus create a multitude of weak ties within a business network, spirituality can deepen those ties and make them stronger through increased emotional intensity, intimacy and reciprocal service (Granovetter, 1973).

3.1. Home country networks and SME internationalization

Networks are an important concept in internationalization research, particularly in studies focusing on SMEs, born-globals and international new ventures (Coviello, 2006; Knight & Cavusgil, 2004; Manolova, Manev, & Gyoshev, 2010; Sinkovics, Kurt, & Sinkovics, 2018; Zhou, Wei-ping, & Xueming, 2007). A key assumption underlying this body of literature is that SMEs, compared to large multinational enterprises (MNEs), are more dependent on the resources controlled by other firms that can be accessed through the development of network relationships (Coviello, 2006; Musteen, Francis, & Datta, 2010). Networks can enable SMEs to gain access to 'external' tangible and intangible resources. This in turn helps them overcome the resource constraints and capability limitations that emerge from their liability of smallness (Musteen et al., 2010). Tangible resources include equipment, raw materials, logistics and distribution channels (Chetty & Wilson, 2003). Intangible resources encompass knowledge about customer needs, market trends and foreign market information (Bruneel, Yli-Renko, & Clarysse, 2010).

In the context of SME internationalization, networks need to be considered along two dimensions: compulsory-voluntary and domestic-international relationships. Bennett (1998) differentiates between compulsory and voluntary network relationships. Compulsory relationships include existing inter-firm ties. Voluntary network relationships include networking activities with a variety of other actors, for example, other members of a business association or members of a religious organization. As suggested by Tang (2011), for SMEs, one way to build networks is to engage with local trade and business

associations.⁶ In this paper, we examine business association networks that are formed through voluntary membership. These voluntary networks play a critical role in the survival and international business development of SMEs. This is because they help SMEs mitigate the disadvantages stemming from their limited resources and capabilities in relation to developing and sustaining compulsory inter-firm relationships.

The other dimension spans the domestic-international continuum (cf. Idris & Saridakis, 2018). There is evidence of the importance of both home country and international networks for internationalization (i.e. Guler & Guillén, 2010; Musteen et al., 2010). However, building and sustaining international networks can be challenging (cf. Sinkovics, Choksy, Sinkovics, & Mudambi, 2019), especially for resource-constrained SMEs. As a consequence, if there are suitable domestic networks that can facilitate SMEs' internationalization, it may be more practicable for them to rely on these channels in the first instance (cf. Idris & Saridakis, 2018; Zhang et al., 2016). Domestic networks offer an effective way to learn about international markets, and how to penetrate them, from the experiences of others (Idris & Saridakis, 2018; Zhang et al., 2016). In our study context, the ability of business associations to build a global Muslim business network blurs the boundaries between their domestic and international reach. Although SMEs initially join the network by taking out a membership at a domestic, local branch, due to the international scale of these business associations, members can easily gain access to branches and affiliated networks across the globe.

Furthermore, business associations offer a number of services in addition to business links that can support SMEs' internationalization efforts, including benchmarking, special reports, training and technical advice (Bennett, 1998). Indeed, existing evidence points to the positive effect of the membership of local business associations on SMEs' propensity to export (e.g. Boehe, 2013). Additionally, business associations in developing countries frequently play a more significant role than in developed economies. This is because of potential institutional weaknesses and larger market imperfections in developing countries (Doner & Schneider, 2000). Business associations can contribute to the alleviation or mitigation of these weaknesses and imperfections by undertaking a broad range of market-supporting and market-complementing activities (see Doner & Schneider, 2000). Through market-supporting activities, they can facilitate the overall functioning of markets by supporting the provision of public goods such as stronger property rights, infrastructure and public administration (Cali & Sen, 2011). Market-complementing activities address market imperfections and involve the promotion of direct coordination among firms. This in turn can facilitate the exchange and cooperation among members as well as reduce transaction costs and increase information flows (Cali & Sen, 2011; Doner & Schneider, 2000). For instance, Recanatini and Ryterman (2001) show how the emergence of business associations in Russia was a strategic response to missing markets and poor information during the country's institutional transition from a planned to a market economy.

In our specific context, the two Islamic business associations perform both market-supporting activities, in terms of lobbying, and market-complementing activities, in terms of the direct coordination of members to create interdependent production and investment efficiencies (cf. Cokgezen, 2000; Doner & Schneider, 2000). In the next section, we use the concept of homophily to anchor our theoretical arguments about the role of religion and spirituality in this specific business network context.

⁶ The other two categories of network-building efforts are 'personal network channels' such as family, friends and study colleagues, and 'indirect institutional channels' including government departments and the media, to name a few (see Tang, 2011).

3.2. Homophily and tie strength in business networks

Homophily is the principle that similar people are more likely to engage with each other than dissimilar people. This implies that the more characteristics individuals in a network share, the smaller the network distance between these individuals becomes. That is, a piece of information between two as yet unconnected individuals will need to travel through fewer intermediate relationships (McPherson et al., 2001). One can distinguish between different types of homophily. Status homophily includes ascribed sociodemographic dimensions such as race, ethnicity, sex and age, and acquired characteristics such as religion, education, occupation and behavior patterns. Value homophily, on the other hand, encompasses internal states that are expected to shape individuals' orientation towards future behavior (Lazarsfeld & Merton, 1954; McPherson et al., 2001). This is in line with Granovetter's (1973) discussion of weak and strong ties. While the sociodemographic dimensions of status homophily can be expected to foster the formation of weak ties based on relatively easily discernible similarities, value homophily can be expected to be conducive to the formation of stronger ties. For our business network context, two further types of homophily are relevant. While status and value homophily are driven by individual-level characteristics, induced and choice homophily are driven by group-level characteristics. Induced homophily can arise as an indirect consequence of social structures such as segregation that constrain the types of people to whom one is exposed (Huber & Malhotra, 2017). It occurs when people find themselves in a social context where they are disproportionately surrounded by others who they perceive as similar to themselves (Kleinbaum, Stuart, & Tushman, 2013). This means that, if a group is perceived as homogeneous by its members, they can choose among each other randomly, because they expect each member to be more similar to themselves than dissimilar. Choice homophily assumes a more heterogeneous group composition. As a consequence, pair formation will be based on a more conscious selection process (cf. McPherson & Smith-Lovin, 1987).

In our study context, this manifests in the following way. The power of religion to induce a baseline homophily (cf. McPherson et al., 2001) is well documented in studies investigating the impact of religion on individuals' likelihood to help others or participate in voluntary associations (e.g. Bennett & Einolf, 2017; Feld, 1984; Lam, 2002). Against the backdrop of the Islamification process that contributed significantly to the rise of the Anatolian Tigers (Cokgezen, 2000; Hosgör, 2011), Islamic business associations in Turkey used religion in an attempt to engineer group homogeneity and thus induce homophily among their members. This approximates a focus model of tie formation emphasizing homogeneity, as opposed to a network model of tie formation that assumes heterogeneity, among members. The latter is characteristic of Western non-religious business associations promoting choice homophily (cf. McPherson & Smith-Lovin, 1987). However, in reality, these two models rarely manifest in their respective pure forms of complete homogeneity and complete heterogeneity, especially in more complex network systems. Furthermore, religiousness is a multi-dimensional construct and there is evidence that each dimension has a distinctive impact on voluntary association participation (Lam, 2002).

As a consequence, despite their best efforts to bind members through the idea of religion-based homogeneity, the Islamic business associations could not avoid a certain degree of spiritual-values-based fragmentation (cf. Karakas et al., 2015). This is in line with Granovetter's (1973: 1378) proposition that, while weak ties are "indispensable to individuals' opportunities and to their integration into communities", strong ties can lead to fragmentation. The reason for this is that weak ties are more likely to be induced by status homophily, for which religion is a catalyst. More specifically, due to the comparatively easier discernibility of sociodemographic and acquired characteristics, status homophily can act as a filter in the initial selection of ties (cf. Kerckhoff & Davis, 1962). It can also serve as the binding agent in superficial relationships. However, beyond the tie initiation phase, value

homophily becomes more dominant (cf. Kerckhoff & Davis, 1962). In other words, while individuals may use attributes such as religion, race, occupation or class to select ties, the more they get to know each other, the less important these factors will be compared to shared values. Put differently, two individuals can have the same religion, age and occupation, but if there are fundamental differences in what they perceive as right and wrong or important in life, it is unlikely they will sustain the relationship, or, at least, these value differences will affect the quality of the relationship.

To this end, we argue that spirituality has its own distinct impact on the way members participate in Islamic business associations. To develop this argument further, we need to draw on Piedmont et al.'s (2007) differentiation between spirituality and religiosity. These authors regard spirituality as the intrinsic motivation of individuals to create a broad sense of personal meaning in the face of the knowledge that they will one day die. In contrast, they view religiosity as a sentiment that is the product of a "learned, emotional tendency that develops out of social traditions and educational experiences" (Piedmont et al., 2007: 55). While spirituality can develop independently from religion, it often occurs in a larger religious context (Alshehri, Kauser, & Fotaki, 2019; Hill & Pargament, 2003; Hill et al., 2000; Marler & Hadaway, 2002). As a consequence, while individuals may derive sentiments of unity from their religious affiliation and practices (cf. Diop, Johnston, Le, & Li, 2018), whether they pursue a deeper meaning and connection to a higher-order goal will depend on their individual intrinsic motivation to do so. In turn, the pursuit of a deeper meaning can be expected to shape a variety of cognitive and behavioral traits, which may create a fragmentation between the more spiritually inclined and the less so. The next section builds on these theoretical arguments to develop a number of hypotheses.

4. Research model and hypothesis development

The main question that drives this research is whether there is a difference in network outcomes between those members who regard religion as a facilitator in the creation of network ties and those who regard the network as an extension of their spiritual practice. Given that an international orientation is key to the survival of many Anatolian Tigers, and thus facilitating the internationalization of member firms is one of the key aims of the selected business associations, we have chosen internationalization performance as the outcome of network participation. Fig. 1 depicts our overall research model. When we discussed the rise of the Anatolian Tigers in Section 2, we highlighted the importance of these alternative Islamic business associations in reducing the barriers to internationalization that small firms in general (cf. Kahiya & Dean, 2015; Roy et al., 2016), and the Anatolian Tigers in particular (cf. Hosgör, 2011), face. As a consequence, we have included in the model two constructs measuring the degree to which participation in MUSIAD and TUSKON helped members gain access to tangible and intangible resources. Tangible resources include access to distribution channels, logistics support, and input factors such as raw materials, machinery and other equipment. Intangible resources include dimensions such as know-how about foreign market entry, the identification of potential foreign customers, risk management, customer needs and trends. We have also included a construct operationalizing members' applied individual spirituality; that is, whether or not they regard network participation as an extension of their spiritual practice. Lastly, we have added another construct capturing the ensuing behavioral dimension in terms of long-term commitment to the network, a sense of belonging and support of the network's overarching goals.

We argue that the level of applied individual spirituality of network members will be positively associated with their commitment to the network. We furthermore expect a positive relationship between members' network commitment and their tangible and intangible resource outcomes that, in turn, will have a positive impact on their

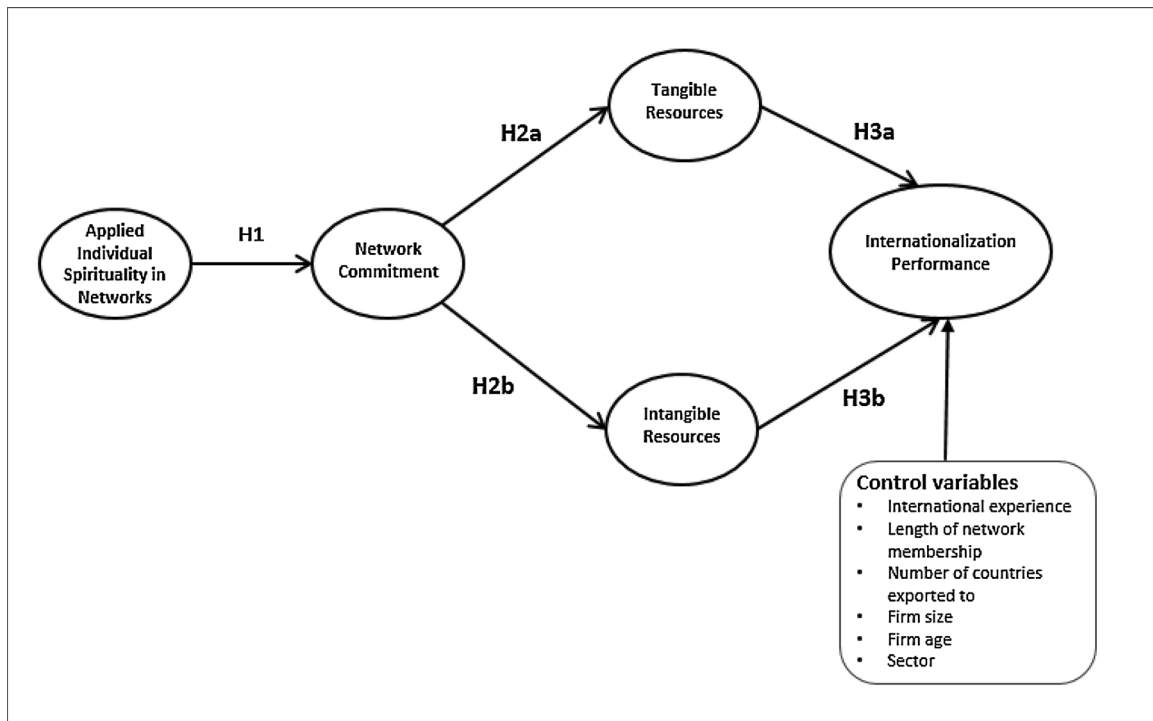


Fig. 1. Conceptual model.

internationalization performance. Furthermore, we propose that the socio-geographic context of the network members will shape the way they benefit from the network. The underlying argument is that it is easier to follow up one's innate need for spiritual expression with actual actions in an external environment that is supportive of such expression. Put differently, an environment that would judge unfavorably the open display of such spiritually infused business behavior, or in which the majority of other network participants would exploit such business behavior, could be expected to make it more difficult for members to fully apply their spiritual values to their business activities. As a consequence, the alignment/synchronicity of an individual's private spiritual value system with the prevalent collective value system of their socio-geographic context will have an impact on the way members commit to and benefit from the network.

The concepts of applied individual spirituality (H1) and the alignment between members' individual spiritual values and the collective values of their socio-geographic context (H4a,b) are incorporated into the model differently. The former is measured by a construct in the main model that captures members' individual stances and actions. The latter is operationalized by splitting the full sample into two groups according to the socio-geographic context of individual members. As suggested by Sarstedt, Henseler, and Ringle (2011) and Henseler (2012), multi-group analysis is an appropriate approach for examining the heterogeneity of observations where the social context (e.g. country, region, and culture) plays the role of a grouping variable. Splitting the full sample in this way allows us to explore how the impact of applied individual spirituality plays out in the business network in terms of commitment to the network and the resulting benefits from the network. We will provide a more detailed explanation of the proxy we used to split the sample in the methods section. The remainder of this section elaborates on these concepts and presents the main hypothesized relationships between them.

Karakas et al. (2015) identify three main theoretical themes of collective spirituality derived from Sufism among Anatolian Tigers. These are transcendence, connectedness and virtuousness. Transcendence refers to long-term orientation towards, and prioritization of, the greater good and collective well-being, over short-term self-interests.

Connectedness encompasses high-quality interpersonal relationships characterized by trust, friendship, authenticity and a sense of belonging. Virtuousness is concerned with being a good person and leaving a good legacy for the future. In our context, we expect individuals with an intrinsic motivation to internalize these collective spiritual values at an individual level to also apply them in the context of their business association participation. More specifically, we expect members to embrace, and derive additional meaning for their lives from, the business associations' higher-order goals of reducing inequalities, respecting human rights, and contributing to social, cultural, political, economic, scientific and technological development on a national and international scale (MUSIAD, 2019b). In other words, individuals who extend their spiritual practice to their business association participation will increase their commitment to the business association. The link between spirituality and organizational commitment is empirically supported in the workplace spirituality literature (e.g. Milliman, Czaplewski, & Ferguson, 2003; Milliman, Gatling, & Kim, 2018; Rego & Cunha, 2008). However, members who embrace their religion without infusing their business actions with spiritual meaning are expected to adopt a more instrumental view of their membership. In other words, they will be less dedicated to ensuring the long-term success of the network as a whole, and are less likely to feel a sense of belonging and devotion to the network. Accordingly, we put forward the following hypothesis:

H1. *There is a positive relationship between the applied individual spirituality of network members and their commitment to the network.*

We furthermore hypothesize a positive relationship between the extent of members' commitment to the business association and the extent to which they benefit from resources shared through the network. The links between network commitment and network performance (e.g. Clarke, 2006), and network commitment and access to tangible and intangible resources such as foreign market information, foreign clients or other business contacts, foreign sales and distribution channels (e.g. Tang, 2011), have been empirically established. The underlying mechanism of the relationship between network commitment and network resources is related to the assumption that

committed members tend to exert greater effort in working towards successful relationships (Clarke, 2006). For example, Blankenburg, Eriksson, and Johanson (1999) present empirical evidence that synergy and commitment foster network resources. However, these results come from data collected in a secular business network context. While we expect the link between commitment and tangible and intangible resources to hold up, in our research model we also expect commitment to be fueled by spirituality. Accordingly, we put forward the following hypotheses:

H2a. *There is a positive relationship between members' level of commitment to the network and the tangible resources they obtain through the network.*

H2b. *There is a positive relationship between members' level of commitment to the network and the intangible resources they obtain through the network.*

Similarly, existing evidence also suggests that there is a significant positive relationship between resources obtained through an SME's network and the SME's internationalization performance (Mesquita & Lazzarini, 2008; Musteen, Datta, & Butts, 2014; Tang, 2011; Zhou et al., 2007). Tangible and intangible network resources help SMEs to overcome their lack of resources and liability of smallness, which in turn contributes to their internationalization performance (Musteen et al., 2014; Zhou et al., 2007). More specifically, tangible resources can contribute to SMEs' internationalization performance through enabling them to leverage their competitive advantage in exploring and exploiting foreign market opportunities and also operating in complex environments (Sui & Baum, 2014). Intangible resources, on the other hand, enable SMEs to adapt efficiently to the cultural and institutional plurality and the needs of foreign markets, and thus develop value-added offerings for given markets (Knight & Kim, 2009; Sui & Baum, 2014). These resources also help SMEs to cope with the challenges associated with foreign-market entry decisions (Johanson & Vahlne, 2003; Musteen et al., 2010). Accordingly, we put forward the following hypotheses:

H3a. *There is a positive relationship between the tangible resources members obtain through the network and their internationalization performance.*

H3b. *There is a positive relationship between the intangible resources members obtain through the network and their internationalization performance.*

While the common Islamic identity induces a baseline homophily, which in turn creates a trusting atmosphere and willingness to lend a helping hand, we expect a greater tie strength in the presence of spirituality. Drawing on Fischer (1982), McPherson et al. (2001) propose that multiplex ties between two individuals generate greater homophily than simplex ties. As a consequence, we expect individuals who infuse their business dealings with their spiritual values to have more in common, and to be able to connect at a deeper level, with each other than those who regard religion as an entry ticket into the network. However, as discussed at the beginning of this section, members' socio-geographic context is expected to have an influence on whether, and if so how, they incorporate their individual spiritual values into their business activities. In other words, individuals who live in a geographic area where the prevalent collective values encourage the application of individual spiritual values beyond one's private sphere will be more likely to extend those values to their network participation than will individuals who live in geographic areas where such behavior is penalized in some way. An alignment between individuals' private spiritual values and the prevalent collective spiritual values will also safeguard members from exploitation by other members.

As a consequence, in a geographical area where applied individual spirituality is collectively encouraged, the attitudinal and behavioral patterns Karakas et al. (2015) identified in an intra-organizational context can be expected to extend to inter-firm relationships in a

business network context. For instance, members who try to apply "the Sufi principle of encountering, discovering and disciplining the self within the self through control of lower desires and passions" (Karakas et al., 2015: 816) are more likely to adopt an attitude of service and sacrifice and to put a lot of effort into helping others without expecting anything in return. This is in line with member statements from our preliminary interviews. For example, one interviewee, stated: "The reason for me becoming a member here was not accessing certain benefits and resources. I would rather aim to contribute/add something to this community" (BRS3). Individuals from regions where there is synchronicity between individual and collective spiritual values are also more likely to engage in meaningful conversations and spend more time with each other, which will in turn foster friendship.

As a consequence, it can be expected that, in geographical areas where individual and collective spiritual values are aligned, spirituality will significantly enhance tie strength through increased emotional intensity, intimacy and reciprocal service in a business network (Granovetter, 1973). Reciprocal service may not necessarily manifest as benefiting from tangible resources, given that individuals who can freely apply their individual spirituality in their business dealings may be more interested in helping out than in asking for help. Nevertheless, they know help is available to them if they need it. Another interviewee stated: "It [accessing resources] is not our motivation for being here. I know they provide support and resources for members. I also know that, if we requested any resources and support, they would provide [it to] us" (KYS2). For this reason, we still expect a positive relationship between commitment and tangible resources, albeit a weaker one than in regions where the alignment between individual and collective spiritual values is weaker. We also expect that individuals who live in geographic areas where the prevalent collective values foster the application of spiritual values to the business sphere will benefit from intangible resources in the form of information and tacit know-how. This is because they will be able to develop stronger ties with their business partners than will individuals from regions where the collective values do not foster the wider expression of individual spiritual values. In sum, we propose that, in regions where Islamic spiritual values are widely shared, members will benefit more from intangible resources but less from tangible resources than members who are located in more socially liberal regions. Accordingly, we put forward the following hypotheses:

H4a. *Members who are located in more socially liberal regions will benefit more from tangible resources than members who are located in regions where Islamic spiritual values are widely shared.*

H4b. *Members who are located in more socially liberal regions will benefit less from intangible resources than members who are located in regions where Islamic spiritual values are widely shared.*

5. Methods

5.1. Data collection and sampling

We initially conducted semi-structured interviews with twelve owners/top managers of firms that were members of MUSIAD or TUSKON. The idea behind the initial exploratory study was to obtain a better understanding of the context. This was particularly useful in the hypothesis development stage of the research. The insights helped us when we were refining the research model and adapting existing measures to our study context. The interviews were conducted over five weeks during April and May 2013. The respondents were chosen using a non-probability purposive sampling technique, from four different cities in which both business associations had a strong presence. We followed predetermined criteria for the sampling procedure: the companies had to be (i) members of one of the selected business associations, (ii) SMEs and (iii) involved in foreign market operations. The

respondents were asked about their network commitment, its antecedent conditions including spirituality, and outcomes such as the benefits received from the networks and their impact on international operations.

In the second phase, the survey was administered in face-to-face meetings with the owners/top managers of 120 SMEs. They were all members of either MUSIAD or TUSKON. We followed a multistage sampling technique, given that our target population was geographically dispersed and face-to-face interaction was required. We first randomly chose sub-locations, and then respondents from each sub-location. The collection of survey data happened in two rounds, from mid-April to mid-May 2014, and from July to September 2014.

5.2. Measures

We adapted existing and validated scales to our particular research context. All constructs were measured as reflective multi-item six-point Likert scales (1 = strongly disagree, to 6 = strongly agree, 0 = undecided). To guarantee the context validity of the questionnaire, we had extensive discussions with academics and practitioners.

The applied individual spirituality construct was adapted from the “spirituality in the workplace” literature to the network context as a superordinate multidimensional construct. *Applied individual spirituality* was measured with nine items adapted from Ashmos and Duchon (2000) and Milliman et al. (2003). *Network commitment* was measured with a four-item scale adapted from Morgan and Hunt (1994) and Sherer (2003). *Intangible resources* was measured via a six-item scale adapted from Hsu and Pereira (2008) and Yeoh (2004). The three items of the *tangible resources* construct were adapted from Elfring and Hulsink (2003) and Westhead, Wright, and Ucbasaran (2001). Finally, *internationalization performance* was measured with five items adapted from Nummela, Saarenketo, and Puumalainen (2004). The respondents were asked to evaluate their firms’ internationalization performance over the previous five years. Table A1 presents the measurement scales.

To be able to test how members’ socio-geographic context and the ensuing alignment or misalignment of individual spiritual values with the prevalent collective spiritual values impacts the extent to which they benefit from tangible and intangible network resources and ultimately in terms of internationalization performance, we divided our sample into two groups. Group 1 represents respondents from economically underdeveloped and socially conservative Anatolian towns. This is the region where Islamic spiritual values are widely shared (Dede, 2011; Karakas et al., 2015). Group 2 includes respondents from more socially liberal, pro-western and economically developed business districts in Turkey, where religion is separated from other aspects of life, particularly business activities. The underlying theoretical reasoning for using this proxy is that the social and institutional context in which firms and individuals are embedded shapes the way members commit to and benefit from their network relationships (Kiss & Danis, 2008). This is because the impact of individuals’ value orientation on their network is strengthened or weakened depending on the alignment between their individual values and the prevalent collective values (Roth, Kostova, & Dakhli, 2011). Accordingly, we expect that the model paths in the full sample will behave similarly to the model paths in Group 1. However, we expect the model paths to behave differently in Group 2. From an empirical perspective, cities have been successfully used in past studies as proxies for contextual factors (e.g. Groenewold, de Valk, & van Ginneken, 2014; Ukah, 2018).

We used international experience, length of membership, total number of countries to which the firm was exporting, firm age, firm size and sector as control variables. International experience was measured as the numbers of years since the firm had started its foreign operations.

Length of membership was defined and measured as the number of years since the firm had become a member of the business association (Bhattacharya, Rao, & Glynn, 1995). Firm size was measured as the number of full-time employees. Firm age was measured by the number of years since the firm’s establishment. Sector was defined as the sector in which the firm operated; the sectors observed in the sample included the automotive, machinery, textiles, furniture, durable goods, food and metal/mining industries.

5.3. Common method variance

As with all self-reported data gathered from single respondents at a single point in time, there was a potential issue of common method variance (CMV) and bias (Podsakoff & Organ, 1986). In order to address this, we used procedural and statistical remedies to test for CMV. First, we carefully examined the construction of the items, with the help of practitioners and academics, to improve face validity and reduce item ambiguity (Chang, van Witteloostuijn, & Eden, 2010). The respondents were also assured of anonymity and full confidentiality, to decrease the social desirability effect and reduce the pressure to offer ‘correct’ answers (Chang et al., 2010). Moreover, we conducted a statistical analysis to examine CMV using Harman’s one-factor test (Chang et al., 2010; Podsakoff, MacKenzie, Jeong-Yeon, & Podsakoff, 2003). The results of the unrotated principal component analysis indicated that the first factor explained only 27.24% of the total variance, which is below the threshold level of 50%, suggesting the absence of any serious common method bias (Podsakoff et al., 2003). The results are presented in Table 1. Additionally, we assessed the full-collinearity variance inflation factors (VIFs) as a more conservative and robust test in partial least squares structural equation modeling (PLS-SEM) VIFs of 3.57 and lower suggest there is no common method bias (Kock & Lynn, 2012). Our analysis confirms that all VIFs were below the threshold value of 3.57, again confirming the absence of any significant common method bias problem. We further performed a marker variable test (Lindell & Whitney, 2001). We first identified a marker variable, theoretically unrelated to the other measures in our study. We selected ‘respondent years of working experience’ as our marker variable, following Podsakoff et al. (2003). The results showed non-significant correlations between the marker variable and all other variables in the study. In addition, all the significant relationships remained significant when we added the marker variable to the model. Finally, we applied the common latent factor procedure developed specifically for PLS-SEM research by Liang, Saraf, Hu, and Xue (2007). We created a common method factor that included the items of all constructs in the model, and calculated the variances explained substantially by the principal construct and by the method factor. We found that the substantive variances of all the indicators were substantially greater than their method variances, and most method factor loadings were not significant. Taking all these results together, it can be concluded that common method bias is unlikely to be a serious threat for this study.

Table 1
Principal component analysis for CMV.

Total	Initial eigenvalues % of variance	Cumulative %
6.811	27.243	27.243
3.483	13.942	41.186
2.479	9.996	51.101
...

5.4. Descriptive statistics

The descriptive statistics of the sample firms demonstrate their high level of commitment to international business activities. All of our sample firms are involved in such activities. The speed of internationalization, which refers to the time between the year of establishment of a company and its first foreign market activity, of the sample firms ranges from 2 to 25 years, with an average of 10 years. The average ratio of foreign sales to total sales is 35%. The number of foreign countries in which firms operate ranges from 2 to 72 countries, with an average of 16. In terms of market entry destinations, 47% of the sample firms started their foreign operations in the Middle East and North Africa (MENA) region, 37% first entered European countries, and 13% started in the Central Asian and Caucasus regions. The firms have an average amount of international experience of 11 years, ranging from one year to a maximum of 31 years.

5.5. PLS-SEM analysis

Our data were subjected to PLS-SEM, using the SmartPLS 3 software (Ringle, Wende, & Becker, 2015). The following key features made PLS-SEM the most appropriate data analysis technique for this research. First, PLS-SEM is one of the most appropriate techniques for conducting causal-predictive analysis and examining complex research models (Hair, Hult, Ringle, & Sarstedt, 2017; Henseler, Ringle, & Sinkovics, 2009). We used a complex research model, with five constructs forming eight hypothesized relationships. By taking a 'soft-modeling' approach (Wold, 1980) to PLS-SEM analysis, we aim to explore the role of spirituality in an Islamic business network context. Given its suitability for exploration and theory-building, PLS-SEM is the most appropriate method for this research (Richter, Sinkovics, Ringle, & Schlägel, 2016). Second, PLS-SEM offers the advantage of imposing minimal requirements on the sample size in order for robust statistical power to be achieved (Hair et al., 2017; Henseler et al., 2009). We have a relatively small yet sufficient sample size ($n = 120$), which makes PLS-SEM a robust analysis technique for our research (Reinartz, Haenlein, & Henseler, 2009). We applied PLS Mode A as reflective measurements are usually associated with Mode A (Hair et al., 2017).

5.6. Construct validity and reliability

We followed the newest guidelines for PLS-SEM from Hair et al. (2017) and evaluated the reliability and validity of the measurement

model, which consisted of constructs with reflective indicators. Following the suggestion of Hair et al. (2017), who indicated that PLS does not require all indicators to have equal reliability (as does Cronbach's alpha), internal reliability was examined using composite reliability (CR). The CR scores were all above 0.7, ranging from 0.768 to 0.937, which suggested that the composite measurement items had sufficient reliability (Hair et al., 2017). We also assessed the reliability of each indicator by using a minimum cut-off criterion of 0.5 for the indicator's outer loadings (Anderson & Gerbing, 1988; Hair, Ringle, & Sarstedt, 2011). The absolute standardized first-order outer loadings ranged from 0.535 to 0.871, with most items exceeding 0.7, confirming individual item reliability. Table A1 reports the reliability of each construct.

The validity of the constructs was assessed by means of an examination of convergent and discriminant validity. Convergent validity was examined following Fornell and Larcker (1981), who suggest that an average variance extracted (AVE) of at least 0.5 indicates sufficient convergent validity. All constructs showed AVE values greater than the 0.5 threshold, ranging from 0.526 to 0.654, confirming convergent validity. Discriminant validity was assessed with the Fornell-Larcker and heterotrait-monotrait (HTMT) criteria. As shown in Table 2, since the square roots of AVE of each latent variable were greater than the latent variable's highest squared correlation with any other latent variable, this confirmed discriminant validity for the full sample as well as for the two groups formed when we divide the full sample into groups according to the socio-geographic context of individual members. The HTMT ratios of the correlations offer another, new criterion, developed by Henseler, Ringle, and Sarstedt (2014), for assessing discriminant validity. The HTMT results presented in Table 2 are all below the conservative threshold of 0.85, which again confirms discriminant validity for the full, group 1 and group 2 models (Hair et al., 2017; Henseler et al., 2014).

6. Results

We proceeded with the structural model assessment after ensuring we had a reliable and valid measurement model. The predictive power of the structural model was evaluated using the variance explained (R^2) of the endogenous construct (Chin, 2010). R^2 values of 0.67, 0.33 and 0.19 are accepted as substantial, moderate and weak, respectively (Chin, 1998; Hair et al., 2017). The R^2 values of internationalization performance were 0.423, 0.371 and 0.710 for the full, group 1 and group 2 models, respectively, which represent moderate predictive power for the full and group 1 models and substantial predictive power

Table 2
Collated results of discriminant validity assessments.

		Fornell-Larcker Criterion					Heterotrait-Monotrait Ratio (HTMT)				
		NC	IP	IR	ASPR	TR	NC	IP	IR	ASPR	TR
NC	Full sample	0.789									
	Group 1	0.760									
	Group 2	0.835									
IP	Full sample	0.154	0.775				0.202				
	Group 1	0.193	0.798				0.253				
	Group 2	0.002	0.727				0.222				
IR	Full sample	0.298	0.480	0.809			0.335	0.51			
	Group 1	0.451	0.405	0.821			0.508	0.443			
	Group 2	-0.038	0.668	0.784			0.141	0.673			
ASPR	Full sample	0.444	0.155	0.200	0.790		0.478	0.211	0.218		
	Group 1	0.487	0.227	0.326	0.781		0.534	0.270	0.356		
	Group 2	0.291	-0.110	-0.161	0.793		0.269	0.314	0.209		
TR	Full sample	0.226	0.233	0.263	0.096	0.725	0.314	0.365	0.385	0.187	
	Group 1	0.235	0.207	0.343	0.100	0.728	0.398	0.317	0.472	0.198	
	Group 2	0.260	0.343	0.095	0.055	0.679	0.251	0.541	0.244	0.319	

Notes: NC: Network commitment; IP: Internationalization performance; IR: Intangible resources; ASPR: Applied individual spirituality in networks; TR: Tangible resources.

Table 3
Coefficient of determination (R^2) and effect sizes (f^2).

		f-squared (effect size) on...			
		R2	NC	TR	IP
Applied individual spirituality (ASPR)	Full sample		0.245		
	Group 1		0.310		
	Group 2		0.092		
Network commitment (NC)	Full sample			0.054	0.098
	Group 1			0.059	0.254
	Group 2			0.076	0.001
Tangible resources (TR)	Full sample				0.028
	Group 1				0.008
	Group 2				0.370
Intangible resources (IR)	Full sample				0.190
	Group 1				0.131
	Group 2				0.832
Int. performance (IP)	Full sample	0.423			
	Group 1	0.371			
	Group 2	0.710			

Note: f^2 values of 0.02, 0.15 and 0.35 are considered small, medium and large at the structural level. We indicate this in normal font (small), italics (medium) and bold (large).

for the group 2 model.

We further assessed the effect size (f^2 , the change in R^2) to examine the impacts of independent latent variables on dependent latent variables (Chin, 2010; Hair et al., 2017). f^2 values of 0.02, 0.15 and 0.35 are considered to be small, medium and large effect sizes (Chin, 2010).

Table 4
Collated results of the full and multi-group structural model testing.

Relationship	model	path coefficient	t values	95% confidence intervals	p values	sig
H1 step 1 ASPR→NC	Full sample	0.444***	4.408	[0.248, 0.621]	0.000	Yes
H1 step 2	Group 1	0.487***	3.758	[0.222, 0.664]	0.000	Yes
	Group 2	0.290 n.s.	0.951	[-0.653, 0.459]	0.341	No
H2a: NC→TR	Full sample	0.227 n.s.	1.897	[-0.163, 0.382]	0.059	No
H4a step 1	Group 1	0.236 n.s.	1.418	[-0.283, 0.445]	0.156	No
	Group 2	0.265 n.s.	1.076	[-0.160, 0.338]	0.282	No
H3a: TR → IP	Full sample	0.133 n.s.	1.811	[-0.024, 0.262]	0.068	No
H4a step 2	Group 1	0.077 n.s.	0.752	[-0.127, 0.267]	0.452	No
	Group 2	0.363*	2.181	[0.043, 0.600]	0.029	Yes
H2b: NC→IR	Full sample	0.298**	3.461	[0.108, 0.449]	0.001	Yes
H4b step 1	Group 1	0.450***	5.199	[0.196, 0.578]	0.000	Yes
	Group 2	-0.038 n.s.	0.223	[-0.357, 0.303]	0.823	No
H3b: IR→IP	Full sample	0.357***	3.801	[0.148, 0.515]	0.000	Yes
H4b step 2	Group 1	0.313*	2.306	[0.024, 0.552]	0.021	Yes
	Group 2	0.533***	4.694	[0.315, 0.743]	0.000	Yes
International experience	Full sample	-0.059 n.s.	0.554	[-0.281, 0.144]	0.579	No
	Group 1	-0.053 n.s.	0.316	[-0.381, 0.270]	0.752	No
	Group 2	-0.120 n.s.	0.954	[-0.369, 0.124]	0.340	No
Length of membership	Full sample	0.092 n.s.	1.119	[-0.075, 0.248]	0.263	No
	Group 1	0.099 n.s.	0.916	[-0.121, 0.299]	0.360	No
	Group 2	0.076 n.s.	0.631	[-0.149, 0.337]	0.528	No
No of countries exported to	Full sample	0.395***	5.076	[0.233, 0.541]	0.000	Yes
	Group 1	0.433***	3.663	[0.166, 0.644]	0.000	Yes
	Group 2	0.347**	2.687	[0.104, 0.596]	0.007	Yes
Firm size	Full sample	-0.009 n.s.	0.106	[-0.171, 0.161]	0.916	No
	Group 1	-0.088 n.s.	0.651	[-0.333, 0.192]	0.515	No
	Group 2	0.230*	2.027	[0.067, 0.572]	0.043	Yes
Firm age	Full sample	0.103 n.s.	1.017	[-0.098, 0.298]	0.309	No
	Group 1	0.138 n.s.	0.954	[-0.177, 0.392]	0.340	No
	Group 2	0.012 n.s.	0.086	[-0.235, 0.349]	0.932	No
Sector	Full sample	-0.082 n.s.	0.960	[-0.246, 0.088]	0.337	No
	Group 1	-0.065 n.s.	0.626	[-0.279, 0.136]	0.531	No
	Group 2	-0.102 n.s.	0.712	[-0.371, 0.190]	0.476	No

Notes: n.s., not significant. Group 1 (n = 79): Respondents from the economically underdeveloped peripheral and conservative cities. Group 2 (n = 41): Respondents from locations in close proximity to economically developed and more liberal cities.

*** p < 0.001.

** p < 0.01.

* p < 0.05.

Table 3 provides an overview of all the effect sizes obtained. For the full sample, the effect sizes of tangible resources and intangible resources on internationalization performance are 0.028 and 0.190 respectively. This indicates that the construct of intangible resources has a medium effect on internationalization performance, whereas the construct of tangible resources has a small effect, in the full sample. However, this picture changes when we look at the effect sizes in the two sub-samples. We will report these values when discussing the respective hypotheses below.

We employed a bootstrapping technique to test the hypotheses and assess the path coefficients' significance (Hair et al., 2017; Henseler et al., 2009). We used 5000 resamplings of 120 observations. Table 4 offers a summary of all the results. The testing of H1, H4a and H4b involved a two-step process. Fig. 2 provides a graphical representation of the paths and their significance for the full sample.

H1 predicted a positive significant relationship between the applied individual spirituality of network members and their commitment to the network. To test this hypothesis, we first ran the model on the full sample. The path coefficient from applied individual spirituality in networks to network commitment is 0.444 (t = 4.408, p < 0.001). This seems to indicate that H1 is supported. However, the results of the multi-group analysis provide a somewhat more nuanced picture. The same path coefficient is 0.487 (t = 3.758, p < 0.001) in group 1 that includes respondents from geographical areas where there is stronger alignment between individual spiritual values and collective spiritual values. In contrast, the path coefficient is 0.290 (t = 0.951, p = 0.341) in group 2 that includes respondents from geographical areas with weaker alignment between individual and collective spiritual values.

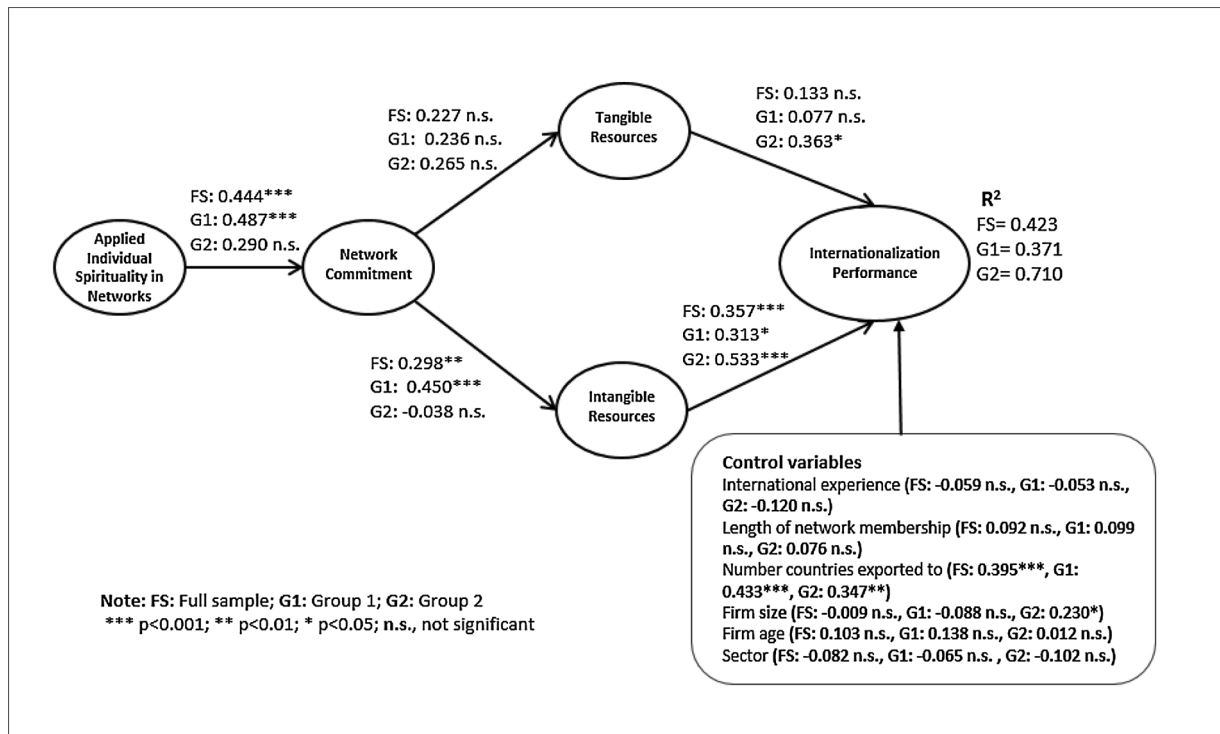


Fig. 2. Assessment of the structural models for the full sample, group 1 and group 2.

This indicates that the alignment between individual and collective spiritual values in a given geographical area plays an important role in how the impact of applied individual spirituality plays out in a business network context (for further details, see H4a and H4b).

The path coefficient from network commitment to tangible resources in the full sample is 0.227 ($t = 1.867$, $p = 0.059$). This disconfirms H2a, which proposed a positive significant relationship between members' commitment to the network and the benefits they gain from tangible resources shared through the network. Similarly, H3a, positing a positive significant relationship between tangible resources and internationalization performance, is rejected. The coefficient from tangible resources to internationalization performance is 0.133 ($t = 1.360$, $p = 0.86$). The path coefficients from network commitment to intangible resources, and from intangible resources to internationalization performance, are 0.298 ($t = 3.461$, $p < 0.01$) and 0.357 ($t = 2.801$, $p < 0.001$) respectively. These findings support H2b, predicting a positive significant relationship between commitment and intangible resources, and H3b, predicting a positive significant relationship between intangible resources and internationalization performance.

In order to test H4a and H4b, we looked at the differences between the two groups by running a multi-group analysis (Hair et al., 2017). H4a predicted that members located in more socially liberal regions would benefit more from tangible resources than members located in regions where Islamic spiritual values were widely shared. The path coefficients between commitment and tangible resources are not statistically significant in either group (group 1: 0.236, $t = 1.418$, $p = 0.156$; group 2: 0.265, $t = 1.076$, $p = 0.282$). However, the path coefficient between tangible resources and internationalization performance is significant at the 0.05 level for group 2 (0.363, $t = 2.181$, $p < 0.05$). For group 1, containing members with stronger alignment between individual and collective spiritual values, that path is not significant (group 1: 0.077, $t = 0.752$, $p = 0.452$). Furthermore, in group 2, the effect size of tangible resources on internationalization performance is strong ($f^2 = 0.370$). This confirms hypothesis H4a.

H4b predicted that members located in more socially liberal regions would benefit less from intangible resources than members located in

regions where Islamic spiritual values were widely shared. To determine whether this hypothesis could be confirmed, we looked for differences in the paths between commitment and intangible resources, and between intangible resources and internationalization performance, between the two groups. In group 1, the path between commitment and intangible resources is significant (0.450, $t = 5.199$, $p < 0.001$) and the effect size is of medium strength ($f^2 = 0.254$). In group 2, the relationship between commitment and intangible resources is not significant (-0.038 , $t = 0.223$, $p = 0.823$). On the other hand, the path coefficients between intangible resources and internationalization performance are positive and significant in both groups (group 1: 0.313, $t = 2.306$, $p < 0.05$; group 2: 0.533, $t = 4.694$, $p < 0.001$). However, the effect size of intangible resources on internationalization performance is substantially stronger for group 2 (group 1: $f^2 = 0.131$; group 2: $f^2 = 0.832$). As a consequence, H4b is not supported, because members from geographical areas with weaker alignment between individual and collective spiritual values seemed to benefit more from intangible resources than did members from geographical areas with stronger alignment between individual and collective spiritual values. In terms of the control variables, only the number of countries the respondents were exporting to and the firm size were significant, the former across the whole sample and the latter only in group 2. We will discuss the implications in the next section.

7. Discussion and conclusions

While there is empirical evidence that suggests that religion can induce homophily in the form of weak ties and thus facilitate business relationships (e.g. Lo Turco & Maggioni, 2018; Richardson & Rammal, 2018), studies rarely attempt to consider the difference between religiosity and spirituality (cf. Piedmont et al., 2007). Shinde, Nelson, and Shinde (2018) propose that spirituality and religion can be viewed on a continuum. Accordingly, "a religious person can be spiritual but a spiritual person does not have to be religious" (Shinde et al., 2018: 203). In line with this argument, we sought to draw attention to another possible position on this continuum, namely, that an individual can be religious without being spiritual. Karakas et al.'s (Karakas et al., 2015)

research on Islamic spirituality provides evidence of such a divide among Turkish businessmen, between individuals who are both religious and spiritual, and those who are religious but not spiritual. As a consequence, we set out to investigate the effect of spirituality in an Islamic business network setting. Our findings indicate that the presence of spirituality does indeed have a distinctive effect, although not entirely in the way we originally hypothesized. The rest of this section discusses our findings, and their implications for theory and practice.

7.1. Implications for theory

We found that, overall, applied individual spirituality indeed drove members' commitment within the two Islamic business associations. However, the findings also revealed that the socio-geographic context in which the network members were embedded seemed to influence whether applied individual spirituality actually led to network commitment. The results show that members from geographical areas where there is stronger alignment between individual and collective spiritual values benefited from intangible resources but not from tangible resources. Similarly, while the intangible resources they obtained from the network helped them enhance their internationalization performance, this was not the case for tangible resources. Also, contrary to expectations, members from geographical areas with weaker alignment between individual and collective values seemed to benefit more from both tangible and intangible resources. This manifested in positive and significant relationships between tangible and intangible resources gained through the network, and members' internationalization performance. These findings can be explained by the following theoretical reasoning.

As outlined in the theoretical background section, the Islamic identity of the business associations can be seen as a means of creating a focus model of tie formation (McPherson & Smith-Lovin, 1987). More specifically, the business associations attempted to foster the emergence of homo Islamicus, a "self-maximizing, rational, calculating, competitive, innovative and utilitarian person [...] who also considers the well-being of society at large" (Hosgör, 2011: 349). For example, MUSIAD (1994) brought out a report entitled "The Muslim Person in Working Life: Way of Organizational Behaviour in Firms Governed in the Direction of Islamic Principles" (see also Hosgör, 2011). The motivation behind the attempt to use these specific Islamic principles as a regulatory force among members was to foster greater solidarity and co-operation, in other words, to be able to more easily mobilize members to help each other and thus address members' specific and individual needs (cf. Bennett, 1998). The emphasis on the shared Islamic identity was expected to override differences, promote greater homogeneity, and thus induce homophily (cf. Bora, 2005; Moten, 2005; Richardson, 2014). Yet, although the cross-sectionality of our data prevents us from capturing temporal causalities, our multi-group analysis clearly indicates the existence of fragmentation. This implies that the effect of homophily, induced by the projection of homogeneity through shared religion, could not be maintained throughout the entire business association network. The dominance of value homophily over status homophily led to fragmentation around members' application of their spiritual values. An important contributor to the variation in value homophily seems to be the extent to which there is alignment between an individual's spiritual values and the deeply seated collective values in a geographical area. The implications of this observation are the following.

In geographical areas where the extension of one's individual spirituality beyond one's private sphere is encouraged, members will invest more time and effort in engaging in meaningful conversations. As a result, they will be able to gauge other members' spiritual orientation, which in turn can be expected to lead to a clustering of business owners

with similar value systems. The prevalent, deeply seated collective values and norms in a geographical area will also shape the extent to which business owners are free to apply their individual spiritual values to their business dealings and at the same time maintain the viability of their enterprise. If the prevalent value system of the geographical area condones opportunistic behavior, a high level of commitment to the network will not be economically sustainable in the long run. Our preliminary interviews and the statistical results showed that entrepreneurs prioritized offering assistance over requesting it, when they were embedded in a geographical area where Islamic spiritual values were widely shared. Such behavior would quickly be exploited in a more liberal geographical area, where an achievement orientation was the norm (ESI, 2005; Hosgör, 2011). Conversely, if individual members' emphasis is less on developing meaningful relationships and more on gaining access to network resources, they will be more likely to use religion as an entry point into the network. We propose that this behavior is more likely to happen in geographical areas where the collective norms do not support spiritual expression beyond one's private sphere.

Our findings contribute to business network theory by providing insights on how network participants' spiritual orientation impacts on their contributions to and demands on the network. Recent network models of internationalization have considered the liability of network outsidership as the key impediment to building insidership positions in host-country networks. Insidership is seen as a prerequisite for successful internationalization (Johanson & Vahlne, 2009; Yamin & Kurt, 2018). Our results suggest that the concept of network insidership in religious business networks may be less straightforward than in secular business networks. This is because the common religion that is a prerequisite of being part of the network can mask a deeper fragmentation between members who treat their network membership as an extension of their spiritual practice and members who view their shared religion as an entry point into the network. The expression of members' individual spiritual values in turn may be shaped by the prevalent collective values of a particular local community. As a consequence, it is conceivable for an individual to be an insider and yet be perceived as an outsider due to value differences stemming from variations in spiritual values. This emphasizes the importance of spiritually driven value homophily in the development of network relationships in this specific religious business network context.

Our study also contributes to internationalization research by providing empirical evidence on how developing-country SMEs use their homegrown networks to facilitate their internationalization efforts (Idris & Saridakis, 2018; Tang, 2011). By focusing on the networks developed through business association membership, it further contributes to our understanding of how networking behaviors and specific network attributes influence network benefits and, in turn, internationalization outcomes (Musteen et al., 2014; Tang, 2011). Furthermore, the insights contribute to the literature on business associations and their role in developing countries (e.g. Doner & Schneider, 2000). More specifically, they show how, by fostering their members' internationalization, business associations contribute to the home country's economic development.

7.2. Implications for practice

The findings provide a number of practical implications. A significant challenge for business associations is catering to the diverse interests of different member types (cf. Bennett, 1998). In addition to providing traditional services such as member conferences, social events, government lobbying, newsletters, technical advice, benchmarking, etc. (cf. Bennett, 1998), the two business associations in our sample also managed to mobilize their members under the aegis of a

common religious identity. Members' willingness to contribute to a joint effort to overcome market imperfections not only increased the business associations' usefulness, and thus ability to attract more members, but also their resource base. This is because the members did not exclusively look to the associations to solve their problems. Instead, they were encouraged to help each other solve individual issues through solidarity and cooperation. Our results suggest that individuals who treat their network membership as an extension of their spiritual practice tend to put in more than they take out. However, the extent to which they feel free to extend their individual spiritual values to their behavior in a network context is shaped by the deeply seated collective values of the local geographical area they are embedded in. Recognizing the differences between the drivers of the network commitment of different member types as well as the impact of collective values on these drivers can help business associations better mobilize their members. This is especially important for business associations in developing countries, where these voluntary organizations often take up important market-supporting and market-complementing activities (cf. [Doner & Schneider, 2000](#)).

The insights from this paper are furthermore relevant for foreign entrants wishing to build relationships in sociocultural environments where religion and spirituality play an important role in individuals' day-to-day activities. As indicated by [Morgan and Hunt \(1994\)](#): 34, "to be an effective competitor in today's global marketplace requires one to be an effective cooperator in some network of organizations". Common religious and spiritual values can act as an accelerator in building trust or reducing the perceived differences between the home and host country contexts ([Lo Turco & Maggioni, 2018](#); [Richardson, 2014](#); [Richardson & Rammal, 2018](#)). However, it is important to understand whether, and if so how, a business partner's position on the spirituality-religion continuum influences their internal states that in turn shape their orientation toward future behavior. Moreover, the findings have implications for returnee entrepreneurship (e.g. [Lin, Zheng, Lu, Liu, & Wright, 2019](#)). Membership of such home networks with an international presence can help migrant entrepreneurs to maintain local ties, and facilitate social capital development that they can draw on upon their return. This is all the more important as business relationships are vulnerable systems. The short-term orientation, economic self-interests and opportunistic behavior of network members are among the potential drivers of this vulnerability. To overcome the problem, partners in networks must create a mechanism that incorporates more than economic objectives, so as to increase the efficiency and effectiveness of the relationships ([Roath, Miller, & Cavusgil, 2002](#)). Value homophily could be more consciously incorporated into firms' network formation strategies. This could create effective relational norms, which could in turn create self-enforcing safeguards against short-term-oriented opportunistic behaviors. Additionally, the existence of effective relational norms would be likely to reduce the need for formal complex and costly contracts in inter-organizational relationships, especially in countries with a weak rule of law.

7.3. Limitations and future research

As with any empirical research, our study has limitations. We applied a cross-sectional research design and collected the data at a particular point in time because of time and resource constraints. Bearing in mind the operational challenges of longitudinal research designs, especially in contexts where a trust-based engagement with

stakeholders is required, such approaches may add valuable insights. Furthermore, while our empirical results show differences in the ways the two groups benefited from their networks, future research will need to conduct more nuanced investigations to produce more nuanced insights into these differences. Future studies will need to consider other regional factors that may have an influence on the extent to which network members in more socially liberal regions reap benefits from network resources. For instance, the higher level of economic development of a region may play a role in how much network members benefit. Similarly, controlling for age, gender, education level, and experience of key decision-makers in SMEs can also provide further interesting insights. Also, we looked at the impact of religion and spirituality in a specific context. Although this was helpful for isolating the effect of spirituality, further research is needed to determine whether these insights hold up in different contexts and under different conditions. Moreover, in our study, network commitment was conceptualized as commitment to the business association. In this context it was deemed appropriate, because membership of these associations was a matter of survival for many members ([Cokgezen, 2000](#)) and thus there was a significant overlap between compulsory (e.g., inter-firm business relationships in a value chain) and voluntary (e.g., relationships among association members) network relationships ([Bennett, 1998](#); [Curran & Blackburn, 1994](#)).

Future research may wish to examine the applied-spirituality-to-network-commitment and network-commitment-to-network-outcome relationships in contexts where the boundaries between voluntary and compulsory networks are less fuzzy. Relatedly, while applied individual spirituality does not seem to drive network commitment in geographical areas where the alignment between collective and individual values are less aligned, future research may wish to explore whether there are other factors that do. Additionally, we only considered how domestic businesses benefited from the business associations in terms of their internationalization performance. Future research might investigate how members residing outside of Turkey benefit. Finally, a comparative study between religious and non-religious networks might provide further insights on the roles of spirituality and religion in business networks.

In conclusion, by focusing on a specific network context from an emerging market whose population is predominantly Muslim, this study highlighted the role played by Islamic business networks in the survival and international business development of Turkish SMEs. Furthermore, through the concepts of status and value homophily, we demonstrated that members' level of spirituality had a distinctive effect on the way they participated in and benefited from these religious networks. These insights are all the more important as religion is frequently used as the glue in diaspora networks, in addition to nationality. However, understanding the limits of status homophily, for which religion is a catalyst, could help newcomers more effectively overcome the liability of outsidership.

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Appendix A

Table A1
Measurement items and properties.

Construct Measure	Mean	t-value	Outer Loading
Applied individual spirituality in networks (CR = 0.937, AVE = 0.624)			
My spirit is energized by the work we do through/within MUSIAD.	5.371	8.875	0.758
What I do within/through MUSIAD is connected to what I think is important in life.	4.975	9.470	0.781
I see a connection between the work we do within/through MUSIAD and the larger social good of my community.	5.137	8.063	0.724
I feel positive about the values of MUSIAD.	4.943	9.857	0.783
MUSIAD cares about the poor in our community.	4.669	9.470	0.713
MUSIAD cares about all its members.	4.862	10.743	0.834
MUSIAD members have a conscience.	5.362	8.231	0.764
I feel connected with MUSIAD's goals.	5.032	11.68	0.920
I feel connected with the mission of MUSIAD.	5.040	12.175	0.938
Network commitment (CR = 0.867, AVE = 0.622)			
We are very committed to our MUSIAD networks.	4.677	18.193	0.847
Our firm intends to maintain our MUSIAD networks indefinitely.	4.838	6.141	0.742
We feel a strong sense of belonging to our MUSIAD networks.	4.677	12.874	0.846
We care about the long-term success of our MUSIAD networks.	5.032	6.451	0.710
Intangible resources (CR = 0.919, AVE = 0.654)			
Our company learns from our MUSIAD networks how to penetrate new foreign markets in our operations.	3.911	24.171	0.807
Our company can identify potential foreign customers through our MUSIAD networks.	3.814	27.299	0.831
Our MUSIAD networks give our company confidence in managing different country risks.	3.983	29.306	0.842
Our company is learning about targeting multiple market segments in a foreign country from our MUSIAD networks.	3.556	12.713	0.781
Our company is learning about managing foreign partners from our MUSIAD networks.	3.677	15.901	0.820
Our company is learning about tracking customer needs and trends from our MUSIAD networks.	3.629	11.422	0.768
Tangible resources (CR = 0.768, AVE = 0.526)			
Considering your BA networks, please indicate the importance of the networks in providing the following resources:			
Foreign distribution channels	3.129	5.048	0.666
Logistics support	3.733	3.946	0.733
Raw materials, machinery, equipment, etc.	3.822	4.717	0.771
Internationalization performance (CR = 0.880, AVE = 0.600)			
We have achieved our turnover objective we set for our internationalization over the last five years.	4.322	32.033	0.846
We have significantly added to our number of new customers and markets abroad over the last five years.	4.395	24.990	0.830
We have achieved our growth objective in our international operations over the last five years.	4.298	24.807	0.829
We have achieved our profitability objectives set for our internationalization over the last five years.	5.104	17.589	0.540
Overall, we are satisfied with our internationalization success over the last five years.	3.903	6.043	0.796

Note: For each respondent, we used the name of the business association (MUSIAD/TUSKON) to which they belonged).

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