

Has Religious Beliefs Any Effect On Chapter 11 Bankruptcy Of The Small Business Leaders?

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Abstract

Religious faith of small business leaders by the propositions of the religious theorist has been identified as a decisive determining factor that must be considered in leading organizations through difficult situation such as the case of reorganization under Chapter 11 bankruptcy process. This study is an examination of the extent religious faith of small business leaders correlates with the outcome of the Chapter 11 bankruptcy process. To capture the objective of this study, the relationship between the independent variables of direct cost, management skills, leadership skills, Chapter 11 bankruptcy process and time, and religious faith, with the outcome of the Chapter 11 bankruptcy process was investigated. The empirical results revealed that the religious faith of small business leaders played a significant role in the outcome of the Chapter 11 bankruptcy process. However, the quality of relationship one has with a higher power and acts of practicing one's faith was the aspect of religious faith that made a difference. Small business leaders who reported having a strong relationship with a higher power and who practiced the teachings of their faith experienced high level of success with the Chapter 11 bankruptcy outcome when compared to business leaders who did not report a strong relationship with a higher power.

Keywords: Chapter 11 bankruptcy; Religion; Faith; Business leaders; Small business.

I. INTRODUCTION

Corporate bankruptcy represents an organizational crisis that requires a special type of leadership (Miller & Waisman, 2004). Adam Smith (1776/1994) observed that bankruptcy might represent the greatest, the worst, and the most humiliating tragedy that could happen to a person or entity. The word bankruptcy carries a

negative connotation and represents an organizational catastrophe (Tavakolian, 1995; Onodugo, Anowor, & Ofoegbu, 2018). In the 16th century, bankrupt companies were stigmatized and considered a mark of management and organizational failure (Miller & Waisman, 2004; Tavakolian, 1995). Today, according to Baird and Morrison (2001), bankruptcy has become a corporate strategy used

by managers and leaders of organizations to save companies from an immediate and turbulent state of affairs. Tavakolian (1995) noted that there were times when bankruptcy was available only to firms in receivership (i.e., a form of bankruptcy in which firms can reorganize) or firms in serious financial distress. In the 21st century, however, solvent firms use bankruptcy as a tactic to escape challenging situations. However, Hilgers (2003), Utazi et al (2021) noted that bankruptcy could befall any individual, group, or organization of any size. Chapter 11 bankruptcy is a difficult process for small businesses. Previous research indicated that some small business leaders handle it better than others (Miller & Waisman, 2004). The current study provided a discussion of the catastrophic nature of Chapter 11 bankruptcy as it relates to small businesses and an examination of how the religious faith of small business leaders affects bankruptcy outcomes.

Some businesses are financially distressed and insolvent and could justifiably resort to bankruptcy, but some companies use bankruptcy as a corporate strategy in seeking protection under the Chapter 11 Bankruptcy Act of the United States bankruptcy law (Tavakolian, 1995). Tavakolian noted that, under the Chapter 11 Bankruptcy Act, firms were given a second chance, with an opportunity to reorganize their affairs and turn the business into a financially profitable entity. Seeking protection under the Chapter 11 bankruptcy code is a complex process, and successful completion of the process is not guaranteed. Tavakolian (1995) reported that large, medium, and small capitalized corporations were in bankruptcy court for several reasons that included (a) high costs, (b) management and leadership failure, and (c) strategy tactics. Researchers (Baird & Morrison, 2001; Betker, 1997; Carlson & Hayes, 2005; Small, 2005a; Smith, 2005; Tavakolian, 1995; Weiss, 1990), the United States Congress, and the United States bankruptcy courts have not reached a consensus on how to decrease the number of businesses that file bankruptcy.

Considering the complex and turbulent nature of the process, Sauser (2005) contended that

religious faith as a means of gaining guidance and exercising control of the business had never been more crucial for leaders of every small organization. Baird and Morrison (2001) argued that the Chapter 11 bankruptcy procedure was very complex, difficult, expensive, and turbulent. This research study was an investigation of the impact of religious faith on Chapter 11 bankruptcy outcomes.

According to Smith (2005), 85% of the companies that file for Chapter 11 bankruptcy fail to complete the process. The companies are forced to liquidate instead of reorganizing. Smith remarked that many companies liquidated within weeks of filing for protection under Chapter 11 bankruptcy law because of lack of funds. Similarly, Tavakolian (1995) observed that less than 20% of the firms that filed for Chapter 11 bankruptcy actually succeeded while the other 80% were forced into liquidation.

It is important that all the critical components associated with success or failure of the Chapter 11 process be identified since the number of small businesses that complete the Chapter 11 bankruptcy is very low (Case & Alderfer, 2006; Levin, 1997; Small, 2005). Kwoka and White (2001), Case and Alderfer, and SBA (2004) indicated that small businesses represented an important aspect of the U.S. economy. If all relevant factors are not identified, small businesses that have a chance to reorganize, creditors, employees, customers, and the U.S. economy will suffer greatly, and the number of small businesses will continue to decline due to the complexities and costs involved in the Chapter 11 bankruptcy process.

This research study used a mixed methodology to study small businesses in the state of Texas. Interviews and questionnaires were used to collect data from small business leaders. Although available literature has suggested that direct costs, the bankruptcy court system, management, and leadership skills play a role in the Chapter 11 bankruptcy outcome, the focus of the present study was on examining the extent to which the religious faith of leaders of small businesses played a role in the Chapter 11 bankruptcy process and outcome. Multiple

regression analysis was utilized to address the primary research question.

The purpose of the mixed-methods study was to determine the impact religious faith of small business leaders has on Chapter 11 bankruptcy outcomes within the state of Texas. Specifically, the effect of the religious faith of business leaders on the success or failure of small businesses during the Chapter 11 bankruptcy process was determined. In addition to collecting data from questionnaires and public records, interviews of leaders and managers of small businesses were conducted.

The study used a Likert-type scale to test the premise that there was a significant relationship between the independent variables (i.e., religious exercise of small business leaders, management skills, leadership skills, knowledge of the bankruptcy system, and the cost associated with the bankruptcy system) and the dependent variable (i.e., bankruptcy outcome in terms of level of success). There were five possible outcomes of the Chapter 11 bankruptcy process: (1) complete success, (2) partial success, (3) moderate success, (4) partially unsuccessful, and (5) completely unsuccessful. The hypothesis was tested using multiple regression analyses and correlational coefficient analysis.

Data for the research study were collected from the United States Bankruptcy Court Districts of the state of Texas Office of Public Records. Since the case file of a given firm is an official public record of the bankruptcy court, all of the legal pleadings, financial reports, and documents filed with the bankruptcy court clerk were reviewed to determine which small businesses meet the sample criteria. In addition to collecting data from a questionnaire and public records, interviews with leaders and managers of small businesses were conducted. Interviews and questionnaires were administered to a selected sample of 96 small business leaders who had 20 employees or fewer and who had filed for Chapter 11 bankruptcy in the state of Texas. The responses gathered from the survey were analyzed in order to determine the relationship between religious faith, direct costs, management and leadership skills, and Chapter

11 bankruptcy process and time, the independent variables and the outcome of the Chapter 11 bankruptcy process, the dependent variable.

The primary question addressed in the research study was, "How does the religious faith of small business leaders affect the outcome of the Chapter 11 bankruptcy process?" The guiding hypotheses are:

H1₀. There is no statistically significant relationship between the practice of religious faith by leaders of small businesses and the successful completion of the Chapter 11 bankruptcy process.

H1_A. There is a statistically significant relationship between the practice of religious faith by leaders of small businesses and the successful completion of the Chapter 11 bankruptcy process.

Theoretical Framework

The various issues surrounding Chapter 11 bankruptcy in relation to the religious beliefs of small business leaders were examined based on the literature on the impact of the Chapter 11 bankruptcy process on small corporations. The current study is relevant to (a) management and leadership theory and (b) religious theory.

The management and leadership conceptual framework for the study particularly dealt with the values and characteristics associated with the transformational and strategic leadership styles. Whetstone (2002) pointed out that transformational leaders stimulated and broadened the interests of followers, raised expectations and morale, and elevated the behavior of followers from negative to positive. During times of difficulty as is the case during Chapter 11 bankruptcy, the transformational leader works with others to elevate them from a lower level of performance to a higher level.

The strategic leadership characteristics of the small business leader undergoing the Chapter 11 bankruptcy process were the second aspect of the theoretical framework. Bossidy and Charan (2002), Anowor, Ukwueni and Ezekwem (2013), Ekechukwu and Mbah (2020) believed that strategic leadership entailed identifying the direction and vision of the small business in

Chapter 11 bankruptcy. By identifying the direction of the business, a small business leader must gauge the current position of the business, its future potential, and means to achieve the organizational goals and objectives. Small business leaders must manage all facets of the organizations internal and external environment (Cesnovar, 2006). Managing the internal and external aspects of a company is the essence of strategic leadership. Mintzberg, Lampel, Quinn, and Ghoshal (2003), Anowor and Okorie (2016) observed that strategic leadership was a process of integration and alignment of people, strategies, and operations in order to achieve organizational goals and objectives.

Krieger and Hanson (1999) observed that today's organizational leaders experience an increasing number of conflicting forces, problems, and values to manage. Personal problems, employee needs, and stakeholder demands are diverse and numerous. Jawahar and McLaughlin (2001), maintained that an organization's continued existence depends on the ability of its leaders to satisfy and balance all stakeholders' needs without prejudice.

Lantos (1999), Agbarakwe and Anowor (2018) argued that ethical infractions continued to pervade the business environment and tended to erode business leaders' will to do what is right when faced with temptation. The pervasiveness of moral dilemmas in business decisions must be evaluated not only from the economic standpoint but also from the moral viewpoint. Commitment to ethical behavior encourages doing the right thing as a business priority rather than simply speak of ethical standards in order to obtain stakeholders' support during difficult times. Schwartz (2006) pointed out that, in order to be successful, business leaders should consider God as the highest stakeholder.

Adam Smith (1759/1969) developed the theory of moral sentiments and stipulated that God was the highest ruler and judge of all mankind and provided for business leaders to be fair and ultimately distinguish between the natural principles of right and wrong when conducting business activities. Smith believed that God was the supreme ruler of human conduct, especially

during business transactions. Schwartz (2006) noted that the United States of America adopted Adam Smith's view of God as the supreme ruler with the belief that, without God, America was powerless. Similarly, a small business leader with religious faith believes that, without God, all efforts are useless with regards to going through the Chapter 11 process (Statnick, 2004). Statnick (2004) pointed out that leaders and managers of small businesses must be loyal to God in order that their actions, behaviors, and organizational strategies can be manifested in a serendipitous manner. According to Statnick, "Loyalty must finally rest in God and not in personal indebtedness or organizational patronage. Value is determined by fidelity to the Kingdom's ways and not by achievements or advancements" (p. 20). Religious faith theory includes the belief in a higher power and the use of the relationship with a higher power as a guiding force, source of strength, and support in life, especially during difficult times (Laurencelle, Abell, & Schwartz, 2002).

Statnick (2004) believed that faith in God transcended all things and that religious faith implied the love of God through prayers and charity, love of self, love for others, and working hard for the good of the organization and its members. St. Francis De Sales (1608/1994) pointed out that prayer drew God to man, and when God came into man's life, man learned how to structure his actions after God's example and subsequently lived a productive life. Osthaus (2004) recognized the essence of hard work, industriousness, and charity in man's relationship with God and argued that it was important for man to work hard in order to be successful in business and other endeavors.

St. Thomas Aquinas (1265/1989) in *Summa Theologiae* believed that religious faith entailed performing services and rituals in the honor of a higher power known as the divine. In his theory of moral or human virtues, St. Thomas Aquinas believed that whoever has faith in a higher power attains success and happiness. This theory suggests that men of religious faith receive excellence and perfection through hope, faith in a higher power, and charity toward others.

Corporate Religious Leaders (CRL) tended to trust in God and place great emphasis on faith and the will of God (Laurencelle, Abell, & Schwartz, 2002).

Religious faith is experienced as a relationship with a higher power believed to be omnipotent, omnipresent, and responsible for providing direction, vision, strength, support, knowledge, resources, and guidance to live a productive and happy life (Laurencelle, Abell, & Schwartz, 2002). According to Sauser (2005), religious faith provides business leaders with insight, satisfaction, and guidance during day-to-day business affairs. Religious faith can offer an opportunity to live a productive and meaningful life and can enhance the quality of relationships (Chamiec-Case & Sherr, 2006).

Toney and Oster found that CEOs of religious faith performed better than those CEOs who did not have religious faith, especially during difficult times such as during bankruptcy. Religious faith provides the ability and strength needed to balance competing personal and organizational affairs (Sauser, 2005). Toney and Oster (1998) asserted that chief executive officers (CEO) with religious faith tended to focus on God's will rather than on their human powers because they believe that God's love for them transcends all things. During periods of complexity, ambiguity, and uncertainty, CEOs of religious faith tend to remain calm and collected (Toney & Oster, 1998). Toney and Oster further explained,

Chief Executive Officers of faith are quick to point out that the intensity of one's religion is not necessarily tied to good times and positive increases in net worth. It has value in times of stress, turbulence, instability, and trouble . . . during times of adversity, the devout CEOs indicate that their religion and faith in the future are sustaining and supporting factors. (p. 138)

The current research was based on the hypothesis that religious faith is important because religion can provide insight and resources for small business leaders going through the Chapter 11 bankruptcy process.

Assumptions, Limitations, and Delimitations

Three main assumptions were made about the study. The first assumption was that factors other than costs, management, and leadership might influence the outcome of the Chapter 11 bankruptcy process. The second assumption was that the religious faith of small business leaders might influence the Chapter 11 bankruptcy process. The third assumption was that corporate religious leaders (CRL) of small businesses, who profess their religious faith, manage the Chapter 11 bankruptcy process differently than leaders who do not practice their religious faith.

The study was limited by the personal experiences, religious beliefs, and biases of the researcher. The findings and interpretation of the results of the research study might reflect researcher bias. Although chapter 3 outlined the research design and statistical procedures necessary to eliminate any bias on the research outcomes, the researcher discloses biases associated with the researcher's religious faith. Efforts were made to maintain objectivity during the qualitative interviews.

The survey instrument constructed with a Likert-type scale has limitations. The respondents might judge perceived intensity slightly differently because strongly agree versus agree can be interpreted differently by the respondents. Such differences could lead to faulty measurements.

People have differences of opinions, thoughts, emotions, and perceptions about abstract concepts, including religious faith and spirituality. The reason for these differences is that concepts such as religious faith or emotions cannot be verified, replicated, or predictably repeated. Abstract concepts have a potential for bias because people can interpret them differently.

The research study was delimited to a sampling of small business leaders who met the following criteria: (a) leaders of small closely held private corporations with fewer than 20 employees who filed for Chapter 11 bankruptcy in the state of Texas, (b) leaders of small businesses that were confirmed and given an opportunity to reorganize, and (c) leaders of small businesses that were not confirmed and forced to liquidate

under Chapter 7. Sole proprietors, partnerships, and large corporations were excluded from the study.

The findings applied only to the types of businesses with the qualifying characteristics. The survey was conducted in the state of Texas only, limiting the generalizability of the findings. Furthermore, the application of correlated findings of religious faith might not apply to groups or corporate settings since only individuals can have religious faith (Beazley, 1997).

Research Design

The current research investigated the relationship between the religious faith of small business leaders and Chapter 11 bankruptcy outcomes using a mixed-methods approach. One segment of the study was conducted using the quantitative method of multiple regression analysis (Cooper & Schindler, 2003; Creswell, 2002) to determine the impact of religious faith on the outcome of the Chapter 11 bankruptcy process. There were five possible outcomes of the Chapter 11 bankruptcy process: (1) complete success, (2) partial success, (3) moderate success, (4) partially unsuccessful, and (5) completely unsuccessful. The level of success small business leaders indicated on the survey was used to measure their outcome of the Chapter 11 bankruptcy process. Data for the regression analysis were generated from surveys of small business leaders in Texas.

In the second segment of the research study, a qualitative approach was utilized to obtain small business leaders' perceptions of the Chapter 11 bankruptcy process. Face-to-face interviews were conducted. A third source of data was the United States bankruptcy court for the district of Texas Office of Public Records from which bankruptcy court proceedings and transcripts was obtained and examined. The surveys and interviews were used to gather relevant information from the leaders and managers of small businesses and to identify relevant factors that contribute to the successful and unsuccessful completion of the Chapter 11 bankruptcy process.

Population and Sample

A sample of 400 small business leaders was randomly selected from a population of 2160 small businesses that were incorporated in the state of Texas and filed for Chapter 11 bankruptcy within the past 5 years. Ninety-six participants took part in the study, which comprised 80 surveys and 16 interviews. The 96 small businesses included 48 confirmed small businesses and 48 small businesses that were not confirmed. The 96 small businesses were chosen in order to maintain a balanced approach within the four bankruptcy court districts of Texas.

The estimates led to the selection of 96 participants in order to adequately measure the variables used in the quantitative aspect of the study (Creswell, 2002). Cooper and Schindler (2003) observed that cost might influence the sample size. Cost greatly influenced the decision to select the size and data collection method to be used for the research study.

This study used a systematic sampling approach in selecting the 400 small businesses for the survey. A systematic sampling approach was also used in soliciting the 100 small business leaders for interviews. The 400 small businesses were selected on an nth basis with a random start of 1 to 5 (n). The researcher solicited 100 small businesses from each bankruptcy district. The researcher expected to survey 20 small businesses from each bankruptcy district and interview 4 small business leaders from each district. Ninety-six (24 small businesses from each district) respondents participated in the survey.

The United States bankruptcy court in the State of Texas is divided into the (a) northern district, (b) the southern district, (c) the eastern district, and (d) the western district (United States Bankruptcy Court, 2007). One hundred questionnaires were sent to each district. The first 20 small business leaders from each district who signed and returned the informed consent were recruited. A telephone interview was conducted when participants failed to provide all of the needed information in order to determine

the reasons for the omission and encourage the participants to respond.

Informed Consent

Participants in the research study received an informed consent form where they were informed that participation was voluntary. The informed consent form was completed, signed, and returned to the researcher before data collection was initiated. Cooper and Schindler (2003) emphasized the importance of securing a signed informed consent form that provided the participants with relevant information regarding the nature of the research study and the steps taken to ensure confidentiality of all respondents. The participants were equally informed of the potential benefits and risks associated with the research.

Confidentiality

Participants were informed of their right to refuse to answer questions, to be interviewed, or to participate by telephone. Interviews were recorded, and confidentiality was retained by safekeeping the data for 3 years. At the end of 3 years, the data will be destroyed.

Data Collection

The secondary data used in the research study were collected from the offices of the four United States bankruptcy court districts in Texas. Primary data were collected with questionnaires and interviews administered to leaders of small businesses. During the quantitative aspect of the research study, small business leaders received questionnaires through the United States Post Office. All participants received, read, understood, and signed an informed consent form.

A prepaid self-addressed envelope was provided for the participants so they could promptly return the informed consent form with the questionnaire (see Appendix B and C). The questionnaire required 15 minutes of the small business leaders' time. The participants completed and returned the questionnaire in the envelope provided. The quantitative data were

entered into the SPSS computer software program for analysis.

Participants in the qualitative study were randomly selected and interviewed using the elite interview technique. The data gathering process for the qualitative component of the study was conducted within 5 weeks. Solicitation letters and a consent form were mailed to 100 small business leaders in the state of Texas on October 7, 2007. One hundred small business leaders (i.e., 25 from each of the four bankruptcy districts) were randomly selected to participate in the qualitative interviews. At the beginning of the data collection process, it was expected that the first 4 small business leaders from each district who signed and returned the informed consent form would be recruited, for a total of 16 small business leaders. By November 8, 2007, responses regarding interest in participating had been received from 22 participants.

Of the 22 who responded, 16 were interviewed. It had been estimated that all interviews within a particular district would be conducted within a week in order to reduce the financial cost of going back and forth from one district to another. For each district, the researcher interviewed four small business leaders.

Instrumentation

Two distinct types of research instruments were used. The first data collection instrument was a questionnaire created for purposes of this study and pilot tested to validate the questionnaire contents and structure. The questionnaire was designed to determine quantitatively whether the religious beliefs of small business leaders played a role on the Chapter 11 bankruptcy outcomes for small business leaders in Texas.

The leaders of small businesses who filed for protection under the Chapter 11 bankruptcy code were asked to identify their religious background, religious affiliation, educational background, intensity of their religious beliefs on business decisions, and experiences. Some questions addressed reasons for failure or success during the bankruptcy process in order to determine relevant factors that influence the

process. The leaders and CEOs of the small businesses were asked to rank the reasons for their failure or success during the Chapter 11 bankruptcy process.

The questionnaire was self-administered in order to provide the participants the opportunity to complete the survey in a suitable environment or location with anonymity (Cooper & Schindler, 2003). Furthermore, offering a self-administered questionnaire made it easier to get in touch with participants who might be difficult to locate. Maxim (1999) noted that self-administered mail surveys were relatively inexpensive when compared to other methods and served as vehicles for the delivery of visual aids. Self-administered mail surveys provide participants with the opportunity to reflect upon the questions being asked of them, consider all pertinent issues related to the subject, and provide adequate data to support their answer. The questionnaires were mailed with a prepaid self-addressed return envelope.

The second instrument used in the study was a set of questions developed for the elite interviews that lasted no more than an hour. Elite interviews are a means of gathering information from a few individuals who demonstrate exceptionally great leadership, influence, expertise, or power, and who generally have the highest reputation in a particular organization (Zuckerman, 1972). The elite interviews were particularly important for the study because they produced direct information from leaders of the small businesses regarding their experience during the Chapter 11 bankruptcy process. During the elite interviews, the small business leaders were encouraged to share detailed information concerning the events of the Chapter 11 bankruptcy process.

The questions were designed to determine the religious faith or the religious beliefs of small business leaders during the Chapter 11 bankruptcy process. The 14 questions were derived from the questionnaire that was pilot tested in order to ensure consistency, reliability, and standardization. The interview questions allowed the researcher to examine the business

mindset of small business leaders during the Chapter 11 bankruptcy process.

The questions were structured so they could provide a clear understanding of the values, beliefs, and attitudes of small business leaders during the bankruptcy process. Information received during the interviews, together with the identity of the interviewees, was kept anonymous and strictly confidential in order to ensure the participants' privacy and protection. After the interviews were completed, the researcher provided follow-up feedback so that the small business leaders could engage in further dialogue or provide additional information that might be beneficial to the conclusions of the research study.

The elite interviews were recorded and subsequently transcribed with the participants' consent to accurately reflect the contents of the interviews and to identify emerging themes. The emerging themes provided suggestions for new theories. The elite interviews followed the same written procedure as the questionnaire to ensure reliability and standardization (Creswell, 2002).

Instrument Reliability

The reliability of the survey instrument for this study was subjected to a pretest with three small business owners and an attorney who have experience on Chapter 11 bankruptcy. The survey instrument was subjected to another test two weeks later with the same small business owners and the attorney. Davis and Corzena (1988) recommended at least 2 weeks period between pretest and test (see Appendix B and C).

Pilot Study

A pilot study was conducted involving 20 small business leaders who filed for protection under the Chapter 11 bankruptcy code. The main objective of the pilot study was to test the clarity of the survey instrument and assess the reliability of the instrument in terms of consistency. The pilot study revealed some problems.

The following problems were discovered during the pilot test: (a) only 4 participants offered opinions on Questions 20 and 21, (b) there were no questions about whether the participants were successful during the Chapter 11 bankruptcy,

and (c) there were concerns that the questionnaire might be biased towards Christians considering that the name of God was the only divine name that was used. These problems led to refining the instrument before finally administering the questionnaire to the study participants.

Questions 20 and 21 were rewritten (see Appendix C). Question 20 asked the participants whether their application for protection under Chapter 11 bankruptcy was confirmed (i.e., successful) or not confirmed (i.e., unsuccessful). Question 21 was also redesigned to measure the dependent variable at the interval level, based on the level of success small business leaders received from the Chapter 11 bankruptcy outcome. This was necessary in order to conduct multiple regression analysis. Another change to the instrument was that all references to God were changed to reflect various divinities such as Allah, Jehovah, God, etc. When researchers encounter errors in the design of a data collection instrument, they must revise the instrument before it is used in the study (Cooper & Schindler, 2003).

Data Analysis

DATA ANALYSIS – QUANTITATIVE

Data obtained from the questionnaire were analyzed using SPSS computer software. Stepwise multiple regression analysis was used to determine the combined contribution of several independent variables (i.e., direct costs, bankruptcy system complexity, management and leadership skills, and religious faith of leaders of small businesses) with a single dependent variable, the bankruptcy outcome (Creswell, 2002).

DATA ANALYSIS – QUALITATIVE

QSR NVivo is a computer software program utilized for the analysis of qualitative data (Creswell, 2002). QSR NVivo provides for the editing, categorizing, and coding of documents (Creswell, 2002).

Survey Sample

After the pilot study was completed and evaluated, a revised quantitative research instrument (see Appendix C) was mailed to 400 small business leaders who were randomly selected from the four bankruptcy districts in the State of Texas. One hundred small business leaders were randomly selected from each district. All mailings were sent through the United States Post Office on October 24, 2007. Of the 400 small business leaders sampled, 20% or 80 responses were received by November 15, 2007, when the timeframe for the survey was closed. The response rate was 21% from small business leaders from the western district, 19% for small business leaders from the southern district, 20% for small business leaders from the eastern district, and 20% for small business leaders from the northern district of Texas. The response rate for the small businesses that were successful during the Chapter 11 bankruptcy process was 62.5%, representing 50 small businesses compared to 37.5% or 30 of the small businesses that were not successful.

Exploration and Interpretation of the Data

Levin and Fox (2006) noted researchers explore descriptive statistics in more detail with crosstabulation. To conduct crosstabulation, frequency tables and frequency distribution were developed into two or more dimensions in order to explore and compare one variable (dependent) against another variable. Using the SPSS software, Question 1 was cross-tabulated with Question 21, the dependent variable (see Table 1).

Survey responses were cross-tabulated in order to explore the nature of relationships that exist between the dependent variable and the independent variables. Of the 80 participants, 8 participants scored lowest on the level of success scale. The 8 participants spent between \$15,000.00 and \$29,999.00 in direct cost. Twenty-one participants who scored low on the level of success scale spent between \$10,000.00 and \$34,999.00. Only 1 participant who scored moderately on the level of success spent between \$15,000.00 and \$19,999.00. Seven out of the 80 participants who scored high on the level of

success scale reported spending between \$10,000.00 and \$24, 999.00 while 43 participants who score highest on the level of

success scale spent between \$10,000.00 and \$29,999.00 (see Table 1).

Table 1 Level of Success by Direct Cost

	Direct Cost					Total
	\$10,000.00 - \$14,999.00	\$15,000.00 - \$19,999.00	\$20,000.00 - \$24,999.00	\$25,000.00 - \$29,999.00	\$30,000.00 - \$34,999.00	
Lowest	0	4	3	1	0	8
Low	2	7	9	2	1	21
Moderate	0	1	0	0	0	1
High	1	3	3	0	0	7
Highest	9	15	14	5	0	43
Total	12	30	29	8	1	80

Direct cost, though very high as reported by the participants, had little effect on the level of success participants received during the Chapter 11 bankruptcy process. Of the 43 participants who scored highest on the level of success scale, 5 spent more than \$25,000.00 during the Chapter 11 bankruptcy process. Thirty-eight participants who scored highest on the level of success scale spent between \$10,000.00 and \$24,999.00. Campbell (1997) and Tavakolian (1995) observed that direct cost is the reason may small businesses do not complete the Chapter 11 bankruptcy process.

Participants' views of the bankruptcy process were cross-tabulated with level of success (see Table 2). Of the 80 participants, 50 (43 plus 7 or 62.5%) scored between high and highest on the level of success scale in relation to their views on the Chapter 11 bankruptcy process. Out of the 50, 21 participants (2 plus 19 or 42%) noted that the process was too complicated, and 29 (5 plus 24 or 58%) thought the process was moderately complicated.

Table 2 View on Bankruptcy Process by Level of Success

	View on Bankruptcy Process		Total
	Too Complicated	Moderately Complicated	
Lowest	3	5	8
Low	11	10	21
Moderate	0	1	1
High	2	5	7
Highest	19	24	43
Total	35	45	80

Alternatively, as illustrated in Table 4, of the 30 (8 plus 21 plus 1) respondents who scored lowest, low, and moderate on the level of success scale, approximately 14 (3 plus 11 or 47%) indicated that the process was too complicated while 15 (5 plus 10 or 50%) thought that the process was moderately complicated. Only 1 participant who scored moderate on the level of success scale thought the process was moderately complicated.

Of 80 participants, 50 (62.5%) successfully completed the Chapter 11 bankruptcy process. Out of the 50 who completed the process successfully, 21 participants (42%) noted that the process was too complicated, and 29 (58%) thought the process was moderately complicated. The respondents who thought that the process was moderately complicated or too complicated were the small businesses that completed the process. The results indicated the respondents' opinion on the complicated nature of the Chapter 11 bankruptcy process had little

or no effect on their completion of the process (see Table 3).

Table 3 Success by Complication

Chapter 11 Bankruptcy Success	Petition Too Complicated	Moderately Complicated	Total
Yes	21	29	50
No	14	16	30
Total	35	45	80

Crosstabulation was used to determine the relationship between the participant's view on the successful or unsuccessful completion of the bankruptcy process and the respondents' score on the level of success scale. The 50 participants who said they completed the Chapter 11 bankruptcy successfully, scored high and highest on the level of success scale. The other 30 participants who scored lowest, low, and moderate on the level of success scale did not complete the process successfully. This observation indicates that although the Chapter 11 bankruptcy process is complicated, it had little or no effect on the respondents' level of success (see Table 4).

Table 4 Chapter 11 Bankruptcy Petition: Successful or Unsuccessful

	Successful	Unsuccessful	Total
Lowest	0	8	8
Low	0	21	21
Moderate	0	1	1
High	7	0	7
Highest	43	0	43
Total	50	30	80

Of the 30 participants who scored very high on the quality of relationship with higher power scale, 29 scored between high and highest on the level of success scale for the Chapter 11 bankruptcy process outcome. Only 1 of the respondents who scored very high on the quality of relationship with a higher power scale scored low on the level of success scale.

As illustrated in Table 5, 19 of the 21 small businesses leaders who scored high on the quality of relationship with a higher power scale scored high and highest on the level of success

scale for the Chapter 11 bankruptcy process outcome. By contrast, only 2 of the 21 small business leaders who scored high on the quality of relationship with a higher power scale scored low and lowest on the level of success of the Chapter 11 bankruptcy outcome. Of the 20 participants who scored very low on the quality of the relationship with a higher power scale, 5 scored lowest, 13 scored low, 1 scored moderate, and 1 scored highest on the level of success scale. Of the 9 participants who scored moderate on the quality of the relationship with a higher power scale, 8 participants scored between lowest and low on the level of success scale, whereas 1 participant scored highest on the level of success scale.

Table 5 Level of Success by Quality of Relationship with a Higher Power

	Very Low			Very High		Total
	Low	Moderate	High	High		
Lowest	5	2	1	0		8
Low	13	6	1	1		21
Moderate	1	0	0	0		1
High	0	0	3	4		7
Highest	1	1	16	25		43
Total	20	9	21	30		80

Toney and Oster (1998) observed that leaders who practice their religious faith perform better in times of business instability compared to leaders who do not practice their faith. Of the 50 (43 plus 7) participants who scored high and highest on the level of success scale, 40 (6 plus 32 plus 1 plus 1) practiced their religious faith 11 or more times every week compared to the 30 who scored lowest, low, and moderate on the level of success scale. Twenty-nine (17 plus 12) practiced their religious faith less than 11 times

a week. As is illustrated in Table 6, 17 of the 29 practiced their faith less than 5 times a week.

Table 6 Success of Chapter 11 Bankruptcy Petition and Acts of Practicing One's Faith

	Less Than 5 Times	6 - 10 Times	11 - 15 Times	16 - 20 Times	Total
Lowest	3	4	1	0	8
Low	13	8	0	0	21
Moderate	1	0	0	0	1
High	0	0	6	1	7
Highest	1	9	32	1	43
Total	18	21	39	2	80

The data exploration using crosstabulation determined the pattern of relationships between the dependent variable and the independent variables. This streamlined the variables that were chosen for regression analysis. Some variables may be removed from the group to simplify hypothesis testing. Multiple regression tests were used to reduce the number of independent variables from 19 to 7. The removal of some variables for hypothesis testing did not imply that these variables were insignificant but that they did not add predictive value to the analysis.

Dependent and Independent Variables

The dependent variable in the study was outcome of chapter 11 bankruptcy. The study included seven independent variables:

1. Direct costs,
2. Level of confidence in the fairness of the Chapter 11 bankruptcy process,
3. Quality of management,
4. Quality of relationship with Higher power,
5. Acts of practicing one's faith,
6. Factors responsible for outcome, and
7. Confidence in successfully completing the Chapter 11 process.

Data collected on potential predictor variables were obtained from the responses of 96 participants.

Hypothesis Testing

H₁₀. There is no statistically significant relationship between the practice of religious faith by leaders of small businesses and the

successful completion of the Chapter 11 bankruptcy process.

H_{1A}. There is statistically significant relationship between the practice of religious faith by leaders of small businesses and the successful completion of the Chapter 11 bankruptcy process.

The set of identified potentially significant independent variables were examined through stepwise multiple regression to test the main hypothesis. The results indicate that the first model has one significant variable, Quality of relationship with Higher Power, $R = .78$, $R^2_{adj} = .61$, $p < .001$. The stepwise procedure includes searching for a second independent variable from the set of 6 (7-1) remaining independent variables for a second predictor variable that would explain the variation in the dependent variable (Creswell, 2002). The results indicated that the second model has two significant variables, Quality of relationship with Higher Power and Acts of Practicing one's Faith, $R = .80$, $R^2_{adj} = .63$, $p < .001$. The stepwise regression procedure includes adding subsequent variables included in the model based on their incremental contribution to the first variable if the variable to be included meets the criterion ($p = .01$) for entering the stepwise regression equation (Cooper & Schindler, 2003). None of the remaining 5 independent variables that were selected for analysis were significant.

Table 7 Model Summary

R	R ²	Adjusted R ²	SE of the Estimate
.78(a)	.61	.61	.98
.80(b)	.62	.63	.95

Note:

a Predictors: (Constant), Quality of relationship with Higher Power

b Predictors: (Constant), Quality of relationship with Higher Power, Acts of Practicing one's Faith

c. Dependent Variable: Level of success.

Table 8 ANOVA Table

Model		Df	F	P
1	Regression	1	123.43	< .001(a)
	Residual	78		
	Total	79		
2	Regression	2	66.91	< .001(b)
	Residual	77		
	Total	79		

Table 9 Regression coefficients: Stepwise Multiple Regression

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	SE	Beta	t	p
1	(Constant)	-.12	.36		-.34	.74
	Quality of relationship with Higher Power	1.02	.09	.78	11.11	< .001
2	(Constant)	-.25	.36		-.69	.49
	Quality of relationship with Higher Power	.77	.14	.60	5.59	< .001
	Acts of Practicing one's Faith	.45	.20	.24	2.28	.03

Note: a Dependent Variable: Level of success.

Although the two independent variables (quality of relationship with a higher power and acts of practicing one's faith) were both significant in the stepwise regression model, the second variable (acts of practicing one's faith) only accounts for an additional 2% of the variance. This suggests that the two variables (quality of relationship with a higher power and acts of practicing one's faith) can be interrelated, creating a multicollinearity problem that can affect the multiple regression. To address the problem, a correlation matrix of the two independent variable and collinearity diagnostics were conducted. A correlation between the two independent variables was

Note: a Predictors: (Constant), Quality of relationship with Higher Power

b Predictors: (Constant), Quality of relationship with Higher Power, Acts of Practicing one's Faith

c Dependent Variable: Level of success

The null hypothesis that there is no statistically significant relationship between the practice of religious faith by leaders of small businesses and the successful completion of the Chapter 11 bankruptcy process was rejected. The results indicate that two of the independent variables that related to practice of religious faith are significant predictors of level of success during the Chapter 11 bankruptcy process (see Table 13). Quality of relationship with a higher power and acts of practicing one's faith were both significant in the stepwise regression model.

examined. The results indicate a high correlation ($r = .76$, $p < .001$), meaning a strong possibility of multicollinearity (Cooper & Schindler, 2003). According to Allison (1999), multicollinearity occurs when multiple regression is used to "separate out the effects of two or more variables" (p. 139) and the two independent variables are highly correlated. Allison recommends using collinearity diagnostics, the variance inflation factor, and tolerance, to determine if there is multicollinearity in a regression. Allison suggested using a variance inflation factor of approximately 2.50 or higher or a tolerance of .40 or lower to determine extreme multicollinearity.

When conducting the regression analysis with acts of practicing one's faith and quality of relationship with a higher power, the variance inflation factor was 2.39 and the tolerance was .42, indicating high, though not extreme multicollinearity, using Allison's (1999) recommendations. To avoid the possibility of multicollinearity between the two independent variables, the regression was conducted once more with only quality of relationship with a higher power as the independent variable. The results indicate that the independent variable accounts for approximately 60% (see Table 14) of the variance in the dependent variable ($R = .78$; $p < .001$; $\text{adj}R^2 = .60$). Quality of relationship with a higher power was significant ($p < .001$).

Table 10 Regression: Model Summary

R	R ²	Adjusted R ²	SE of the Estimate
.78(a)	.61	.60	.98

Note: a Predictors: (Constant), Quality of relationship with Higher Power

Qualitative Data and Findings

The qualitative data collected support the quantitative data that religious faith plays a significant role in the Chapter 11 bankruptcy process. Question 1 asked, "Which faith community reflects the values and beliefs you hold?" Sixty-nine percent of the small business elites who were interviewed were Protestants compared to 31% Catholics. Eighty one percent (13) of the elites admitted practicing their faith between 6 and 20 times a week. Seventy five percent of the small business leaders interviewed reported having a good to very good relationships with a higher power.

Fifty percent of the participants noted that they always practiced their faith during decision-making. Twenty-five percent practiced their faith sometimes during decision-making process whereas another 25% admitted that they never applied the teachings of their faith during decision-making process. Fifty percent (8 elites) of the small business leaders interviewed reported that religious faith influenced their ethical decisions all the time. Thirty seven

percent (6) of the elites interviewed said that religious faith sometimes influenced their ethical decision making, while 13% (2) said that religious faith frequently influenced their decisions.

Six out of the 16 small business elites took personal responsibility for the business' predicaments. Five mentioned law suits as the reason why they had to file for protection under chapter 11 bankruptcy, while another 5 blamed management. Eleven out of the 16 small business elites interviewed rely on their religious faith as a source of guidance and reference point during difficult times such a during Chapter 11 bankruptcy. This represents about 69% of the small business leaders interviewed. Five small business leaders said they would rely on their lawyer or the legal system when faced with difficulties in business.

Eight of the 16 elites interviewed said their religious faith was responsible for their success, and 5 elites said costs was the main factor. One elite believed the attorney had a significant impact on the success or failure of the firm, while 2 of the 16 interviewed elites contended that they had a significant impact on the success or failure of their organization during the chapter 11 bankruptcy process. Fourteen of the 16 small business elites interviewed believed religious faith had a very significant or some effect on the outcome of the Chapter 11 bankruptcy process. Two of the elites interviewed believe that religious faith had little or no effect on the outcome of the Chapter 11 bankruptcy.

Four of the 16 elites interviewed believed bankruptcy process had an effect on the outcome of the Chapter 11 bankruptcy process. Seven recalled the bankruptcy process had some effect, while 5 reported very little effect from the bankruptcy process. Eight of the 16 elites interviewed believed cost had a significant effect on the Chapter 11 bankruptcy process. Five elites believed that direct cost had a moderate effect, while 3 of the small business elites interviewed said cost had very little effect during the Chapter 11 bankruptcy process.

Fifteen of the 16 elites believed management and leadership had a significant or some effect on the

outcome of the Chapter 11 bankruptcy process. One of the 16 elites believed leadership and management had very little effect on the outcome of the Chapter 11 bankruptcy outcome. Eleven of the 16 elites interviewed said they were successful during the bankruptcy process. Five of the elites were not successful, as their company was liquidated. After evaluation of the interview transcripts, notes, and observations, the theme that religious faith has a significant impact on the Chapter 11 bankruptcy outcome emerged.

Discussion – Quantitative Results

The results of the stepwise multiple regression indicated that two independent variables, quality of relationship with a higher power and acts of practicing one's faith, explained 62% of the variance in the participants' responses to level of success in the Chapter 11 bankruptcy process. The results of the current research indicated that respondents found the bankruptcy process moderately complicated or too complicated (Case & Alderfer, 2006; Lombard & College, 2002; Phillips, 2006; Tavakolian, 1995). When specifically asked to give an opinion on the fairness of the Chapter 11 bankruptcy, 39% of the participants reported having little or no confidence in the fairness of the Chapter 11 bankruptcy process.

When asked about leadership and management, 73% of the participants reported having high quality of leadership, while 76% said that management was very good. When participants were specifically asked whether management and leadership were responsible for the decision to enter into the Chapter 11 bankruptcy process, 30% of the respondents believed that leadership was a contributing factor in the Chapter 11 bankruptcy outcome.

The research question resulted in the development of a research hypothesis. The null hypothesis stated that there was no statistically significant relationship between the practice of religious faith by leaders of small businesses and the successful completion of the Chapter 11 bankruptcy process. This null hypothesis was rejected. The alternative hypothesis stated that

there was statistically significant relationship between the practice of religious faith by leaders of small businesses and the successful completion of the Chapter 11 bankruptcy process. Based on the data, the alternative hypothesis was accepted.

There were five possible outcomes of the Chapter 11 bankruptcy process: (1) complete success, (2) partial success, (3) moderate success, (4) partially unsuccessful, and (5) completely unsuccessful. Seven independent variables were included in the study: (a) direct costs, (b) management skills, (c) quality of relationship with a higher power, (d) acts of practicing one's faith, (e) level of confidence in the fairness of the Chapter 11 bankruptcy process, (f) factors responsible for success or failure during the process, and (g) confidence in successfully completing the Chapter 11 process. The findings indicated there was a statistically significant relationship between the practice of religious faith by leaders of small businesses and the successful completion of the Chapter 11 bankruptcy process. This result supported the premise that religious faith is an important factor in the Chapter 11 bankruptcy outcome as discussed in chapter 2 (literature review) of this study (Friedman & Langbert, 2000; Laurencelle, Abell, & Schwartz, 2002; Statnick, 2004; Toney & Oster, 1998). The aspect of religious faith that makes a difference was largely attributed to the quality of the relationship one has with a higher power.

Discussion – Qualitative Results

The qualitative study with different participants from the quantitative portion of the study supported the conclusion that a relationship with a higher power is important. A significant majority (81%) admitted practicing their faith between 6 and 20 times a week in response to elite interview Question 2, and 75% of the small business leaders interviewed reported having good to very good relationships with a higher power in response to Question 3. While a smaller percentage (50%) noted in response to Question 4 that they practiced their faith during decision-making, 25% indicated they sometimes

practiced their faith during decision-making and an additional 25% never practice their faith during decision-making process.

The quantitative results were also supported by the responses to Question 6, which asked, "How does your religious faith influence your ethical decisions with regards to right and wrong behavior?" Fifty percent of the small business leaders interviewed reported that religious faith influenced their ethical decisions all the time. Thirty seven percent said that religious faith sometimes influenced their ethical decision making while 13% said that religious faith frequently influenced their decisions.

The responses to Question 8 supported the quantitative results because 69% (11) of the elites indicated religious faith as a source of guidance during difficult times such as during Chapter 11 bankruptcy while 31% (5) relied on the legal system during difficult time such as during Chapter 11 bankruptcy. Question 9 also supported the quantitative results considering that 50% (8) of the elites interviewed believed religious faith was responsible for their success. Thirty one percent (5) of the elite believed cost was responsible for their failure, 6% (1) of the elites said the attorney was responsible for their success, while 13% (2) of the elites believed they, the elites were responsible for the success or failure of their organization.

Additionally, the responses to Question 10 supported the quantitative results. Fourteen (88%) out of 16 elites interviewed believed religious faith had some or very significant effect on the Chapter 11 bankruptcy outcome. An evaluation of the interview notes, transcripts, and observations, confirms the idea, that religious faith has a significant impact on the Chapter 11 bankruptcy outcome. The purpose of the qualitative research analysis was to report the findings by constructing a narrative that explains and summarizes the results. Results from the qualitative analysis, as presented in this study, validate the quantitative findings.

Limitations

The results of the present study were limited in their generalizability. The research was

conducted in the state of Texas and the results cannot be generalized to other geographic areas. Another limitation of the study was that the research instrument and interview questions might have generated response bias because both contained with religious content. The personal experience and religious beliefs of the researcher was a limiting factor. Moreover, since this research study consisted of correlative research, no cause or effect generalization can be made.

The fact that three religious denominations were represented might constitute a limitation. A significant bias in favor of the Christian group was evident since only 4% of the study participants were Moslems. There were 56% Protestants and 40% Catholics. No other faith community was represented in the sample. There was no participant from the Jewish, Hindu, Buddhist, or Agnostic faith communities.

Research Benefits

The findings from the present research study lend support to those who would like to instill religious faith in the day-to-day business milieu. Most importantly, the research could benefit future small business elites and leaders who would like to avoid turbulent and chaotic situations like the Chapter 11 bankruptcy process. If leaders practice their religious faith and exhibit high quality of relationship with a higher power, there could be significant improvement in the number of small businesses that successfully complete the Chapter 11 bankruptcy process. The practice of one's religious faith and relationship with a higher power might result in fewer small businesses filing or entering into the Chapter 11 bankruptcy predicament. Further research is needed to establish a causal relationship.

Implications

Implications, Significance, and Influence of the Research

Baird and Morrison (2001), Campbell (1997), Probst and Raisch (2005), Sandoval (1986), Smith (2005), Tavakolian (1995), and Weston and Copeland (1992) believed that factors such

as direct costs, lack of managerial experience, lack of leadership experience, and the Chapter 11 bankruptcy process were responsible for the high number of small businesses that do not complete the Chapter 11 bankruptcy process. The current study indicated a strong positive relationship between the quality of relationship with a higher power and the acts of practicing one's faith and the Chapter 11 bankruptcy outcome, which has implications for future research. The current research findings have implication for small business growth and development.

In the future, small business leaders, scholars, and policy makers might view the relationship between the quality of relationship with a higher power, the acts of practicing one's faith, and Chapter 11 bankruptcy outcomes important enough to be included in the day-to-day business leadership program. O'Toole (1996) believed that individuals should be able to practice their faith in the workplace considering that religious faith was an important theme in leadership. The research study might stimulate additional interest in the religious faith-at-work movement already underway.

The fact that many small businesses do not complete the Chapter 11 bankruptcy successfully indicates an opportunity for leaders of various small organizations to embrace religious faith. If further research validates the current study, especially experimental research, one might assume that, as small business leaders develop and increase in religious faith and the practice of their faith, there would be an increase in the number of small businesses that would complete the Chapter 11 bankruptcy successfully and remain a going concern, which is of great importance to the U.S. economy.

The findings of the current study showed a strong positive relationship between the quality of relationship one has with a higher power, the acts of practicing one's faith and the Chapter 11 bankruptcy outcome. Because such efforts (quality of relationship with a higher power and practicing one's faith) includes giving to charity, feeding the hungry, attending church activities, holding a position in the church, treating others and serving others as you would like them to

treat or serve you, and engaging in ethical behaviors, the benefits to society and stakeholders could be very significant.

Burns (1978) suggested that small business leaders should transform and raise the quality of their moral leadership in order to be able to lead their followers to a higher religious level. According to Burns, one measure of morality is doing the best for great number of people, which translates into practicing one's faith. If the practice of one's faith and relationship to a higher power is further researched and found to have a causal relationship, a new type of leadership development program that includes religious faith might make an important contribution to the field of leadership and subsequently bring about a larger number of small business leaders completing the Chapter 11 bankruptcy process successfully.

Recommendations

It was recommended that the development of religious faith become part of the training of future generations of small business leaders. Programs that enhance or enable leaders to practice their religious faith need to be instituted in order to aid in the development of better relationships with a higher power and assist small business leaders with practicing their faith during difficult times such as during Chapter 11 bankruptcy process. Another recommendation was for small business leaders to intensify their relationship with a higher power by taking active part and participating in the affairs of their faith, practicing the teachings of their faith, and practicing doing what is right as if religious faith mattered in all situations. Small business leaders should strive to gain a quality relationship with a higher power and apply their insight in the business decision-making process.

Seminars in which leaders who have experienced the Chapter 11 bankruptcy process successfully could share their experiences with others might be of great benefit to other business leaders. Local faith communities could get involved in providing or establishing counseling and mentorship programs for small business leaders interested in exploring how to develop a

relationship with a higher power. Local faith communities could assist small business leaders in learning how developing such a relationship with a higher power can benefit small businesses, increase growth, and enhance productivity.

II. CONCLUSION

Religious faith was found to have a strong positive relationship with the dependent variable of Chapter 11 bankruptcy outcome. Religious faith might be more important for small business leaders than direct costs, management skills, leadership skills, and the legal process of the Chapter 11 bankruptcy process. Based on data generated in the present study, there are two ways to determine a small business leaders' religious faith.

The first is the quality of the relationship with a higher power that includes small business leaders' awareness and closeness to divinity, prayers, and how much the small business leaders believe that the divinity (for example, Allah, God, Yahweh, Spirit, etc.) loves them. Second, the study determined that small business leaders' religious faith was based on the average number of acts of their faith performed on a weekly basis. These acts of practicing one's faith include attending church service, saying prayers, giving to charity, feeding the hungry, attending church activities, holding a position in the church, practicing communion or relations with others including members of different beliefs, treating others and serving others as you would like them to treat or serve you, and engaging in ethical behaviors.

Seventy-five percent of the small business leaders participating in the study reported to have strong relationship with a higher power. Seventy-eight percent of the small business leaders indicated practicing the teachings of their faith regularly. It was shown in the present study that small business leaders who have a strong relationship with a higher power and practiced the teachings of their faith on a regular basis completed the Chapter 11 bankruptcy process successfully than leaders who do not have a strong relationship with a higher power or do not practice their faith regularly.

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