

Assessment of the Acquired Causes of Entrepreneurship and Organizational Entrepreneurship

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Abstract: Knowledge of organization and management has undergone radical changes since, a century ago. Today's dynamic and flexible world has forced organizations to pay a great attention to creativity and innovation aimed at accelerating changes, since early 1980s. Now a days, organizations must generate their innovations in order to survive. Undoubtedly, this is the reason for the emergence of such concepts as organizational creativity which is increasingly appropriating a new scope in the organizational literature. Accordingly, in the present research, assessment of the relationship between entrepreneurial efficient acquired factors and the extent of organizational entrepreneurship was addressed. The statistical community of the current research involved all the employees of Social Security Organization of Fars Province from among whom 130 persons were typically selected using cluster sampling method. Data collection instrument was a questionnaire made based on likert scale. Results were indicative of a significant relation between entrepreneurial acquired factors including psychological capabilities, education, organizational structure and skills and the extent of organizational entrepreneurship. Furthermore, the degree of organizational entrepreneurship was evaluated with regard to such variables as gender, age, level of education and years of service and the discrepancies between these components were ascertained.

Key words: Skills and capabilities, education, organizational structure, psychological lcapability, organizational entrepreneurship

INTRODUCTION

An issue highly discussed and debated among researchers is the concept of whether entrepreneurship is inherent or acquired. On this basis, "Successful entrepreneurs" are not born but developed as any individual can be. Explorations around this axis can lead to the fact that the majority of scholars believe entrepreneurship can be taught (Fleming, 1999; Brown, 2000) using different techniques during certain periods. Thus, we accept the concept that entrepreneurship can be acquired and learned, making it as the basis for this research and claim that public and private institutions responsible for teaching such as ministry of education, universities and the educational systems of self-dependent institutes can introduce and teach the concept of economic and social entrepreneurship.

The term "entrepreneurship" has been derived from the French word "entreprendre" meaning "commitment". Economists were the first ones who explained the terms "entrepreneur" and "entrepreneurship" in their economic theories. Crockett (2005) knows "entrepreneurship" as a

dynamic process of change of insights and innovation. Hisrich and Peters (2002) have defined "entrepreneurship" as the process of creating anything new and valuable by spending time and effort, given the risks associated with financial, emotional and social aspects and gaining financial rewards and personal satisfaction, from which independence is originated. Theoretical study of entrepreneurship can lead to the classification of entrepreneurs' skills and capabilities into 3 sections: personal skills, managerial skills and technical skills (Hersey and Blanchard, 1988; Hisrich and Peters, 2002; Morrison, 2000).

Organizational entrepreneurship is a process in which innovated products are manifested through induction and creation of entrepreneurial culture in an already-established organization. Samadi Aqayi asserts the following features for entrepreneurial organizations: "decentralized structure, informality, vertical and horizontal communication, lack of information monopoly, group performance of tasks, easy and informal control, owning of empowered employees, management support, managers' appreciation of risky individuals,

tolerance of the staff's deviation from the rules, undertaking entrepreneurial initiatives, supporting a variety of financial managements, management support of small pilot projects, application of the personnel's new ideas, financial feedback to start and run new designs and powerful management's decision-making".

In the entrepreneurship literature, several models are raised for organizational entrepreneurship and its process implementation. Major patterns of organizational entrepreneurship are as shown in Table 1 (Anonymous, 2006).

Moghimi (2004) categorizes the influential factors on organizational entrepreneurship as entrepreneurial structural factors, entrepreneurial behavioral factors and entrepreneurial context factors. The following table describes some other research conducted in the field of entrepreneurship.

Table 1: Entrepreneurship model

Entrepreneurship model	Description
Organizational entrepreneurship model of Goomal and Perman	This model suggests an organizational entrepreneurship based on a strategic management framework
Organizational entrepreneurship model of Echelse and Knet	This model shows organizational ability to survive in an environment full of innovation quoted by Taslimi, etc.
Intra-organizational entrepreneurship model of Kuratko and Nafziger	This model introduces interactions between different activities as a cause for organizational entrepreneurship instead of occurrence of events in a vacuum

Table 2: Research background

Researchers	Title	Years	Results
Rashed	The impact of education on the promotion of entrepreneurial attitudes and characteristics of high school students	2000	Organization of special trainings in this area increases the students' achievement motivation, self-esteem, self-control and creativity
Seyyed Mohammad Moqimi	Presentation of a favorable organizational model for non-governmental organizations using an entrepreneurial approach	2003	Presentation of a favorable model for the structural, behavioral and context factors of non-governmental organizations appropriate to the characteristics of organizational entrepreneurship
Nowrouzi	Assessment of the relationship between psychological factors of organizational empowerment and entrepreneurship of the branches of Mellat Bank	2005	There is a significant relationship between the feelings of meaningfulness and the efficiencies of Mellat Bank branches
Sundbo	Balancing strategic resources empowerment based on the model of organizational innovation activities in service companies with low technology	1999	Companies probably create organizational innovation activities via two systems: first, expert system and R&D department and second, empowerment system
Brizek	Assessment of the relationship between organizational entrepreneurship and management performance	2003	There is a significant relationship between organizational entrepreneurship and management performance, i.e., the more an organization management department participates its personnel, the further that organization will advance towards organizational entrepreneurship
Spritz	Acquired component of psychological empowerment in entrepreneurship	1995	Psychological empowerment encompasses an individual's important mental states in association with his work environment. Based on his findings, this type of empowerment can be summarized in to 5 kinds of feelings: meaningfulness, competency, impact, self-determining and trust
Eyal and Kark	Assessment of the relationship between different leadership styles and varied entrepreneurial strategies within nonprofit entrepreneurial public school systems	2004	Based on the research results, transformational leadership can persuade an "active entrepreneurial strategy" to contribute to a fundamental change while controller leadership can only promote limited changes via a "measured entrepreneurial strategy". Inhibiting passive leadership style mainly restricts organizational entrepreneurship for the present requirements using a "conservative approach". The ultimate result of the research was that although, transformational leadership provides the most consistent management requirements for organizational entrepreneurship, the relationship is assumed to be complex

According to the research background and theoretical fundamentals, many acquired factors are influential on entrepreneurship. However, our conceptual model only presents the 4 factors of psychological empowerment, education (Berjaya, 1996), organizational structure and entrepreneurial skills and capabilities. These factors are somehow regarded as sub-branches of structural, behavioral and context factors. Thus, the conceptual model of the current study is outlined as follows (Fig. 1 and Table 2).

Research hypotheses:

- There is a significant relationship between psychological empowerment factors (feelings of job meaningfulness, competency, self-determining, impact and trust) and organizational entrepreneurship in Social Security Organization of Fars Province

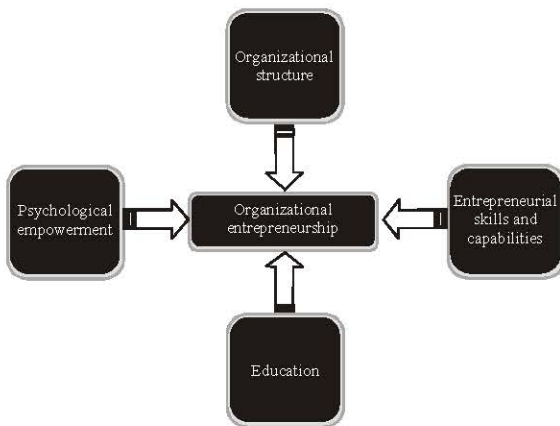


Fig. 1: Conceptual model

- There is a significant difference between the morale and entrepreneurial levels of the employees trained in Social Security Organization of Fars Province and those untrained
- There is a significant relationship between organizational structure (formality, complexity and concentration) and organizational entrepreneurship in Social Security Organization of Fars Province
- There is a significant relationship between personal, managerial and technical skills (capabilities) and entrepreneurial levels of staff in Social Security Organization of Fars Province
- Organizational-level entrepreneurship of the staff of Social Security Organization of Fars Province are different based on the variables of gender, age, level of education and years of service

MATERIALS AND METHODS

Considering the tools utilized, research title and the study of the relationship between the acquired entrepreneurial factors and organizational entrepreneurship, the present research method is of a survey and correlation type. The study community consisted of all the employees of Social Security Organization of Fars Province in 1393. The favorite sample was selected using stratified random sampling method. In this study, the necessary number of samples was estimated to be on a confidence level of 0.95 and the allowable error was assumed to be 0.05. Thus, by applying a proper sampling formula to this method, the study sample size was determined to be 130 persons.

To collect data, 2 questionnaires were employed, the first of which was to measure the managers' amounts of organizational entrepreneurship based on a combination

of cultural perspectives of Farhangi and Safarzadeh (2005), Moghimi (2004) and Antoncic and Hisrich (2003) on organizational entrepreneurship and consisting of 35 questions and the second was to measure acquired entrepreneurial factors including 28 questions made by the researcher based on theoretical and empirical fundamentals.

To assess content validity, the experts' viewpoints were used and to determine compatibility and reliability of the components of the study questionnaires, Cronbach's alpha was utilized. Suitable reliability values were obtained for the research questionnaires relevant to acquired factors (0.86) and organizational entrepreneurship (0.89).

RESULTS

In relation to the first research hypothesis, Pearson's correlation coefficient results shown in Table 3 were indicative of the presence of a significant positive correlation between predictor and organizational entrepreneurship variables. Friedman's test results showed there is a significant difference between psychological empowerment factors (Sig. = 00/0) from among which competency represented the highest difference. In this regard, the feelings of self-determining, trust, job meaningfulness and ultimately impact came afterwards, respectively.

The second hypothesis suggests that there is a significant difference between the morale and entrepreneurial levels of the staff in Social Security Organization of Fars Province and the employees untrained. The t value was obtained 4.2 at a significant level of $p < 0.001$ (Table 4).

Pearson's correlation coefficient results for the second hypothesis suggest a relation exists between the two variables due to the presence of a numeric value of significance level and since the correlation coefficient is negative, the relationship is negative and reversed. Also, it can be said that on a confidence level of 95% there is a significant negatively reversed relationship between organizational structure (complexity, formality and concentration) and entrepreneurship. Due to the presence of a high correlation coefficient in this relation, it can be said that a stronger relationship exists between concentration and organizational entrepreneurship compared to the other two dimensions of organizational structure. Additionally in relation to the 4th hypothesis, it must be said that there is a significant relationship between personal, managerial and technical skills

Table 3: The results of pearson's correlation coefficient for the first hypothesis

Predictor variables	Criterion variable	Sig. level	Correlation coefficient (r)
Meaningfulness	Organizational entrepreneurship	0.00	0.477
Competency	Organizational entrepreneurship	0.00	0.289
Self-determining	Organizational entrepreneurship	0.00	0.331
Impact	Organizational entrepreneurship	0.00	0.410
Trust	Organizational entrepreneurship	0.00	0.375

Table 4: The results of student's t-test based on entrepreneurial education and organizational-level entrepreneurship of the staff

Variables	Indices				Sig.	Mean difference
	Mean	SD	Df	t-values		
Entrepreneurial education	30.04	2.4	126	4.2	0.001	2.66
Organizational level entrepreneurship	27.37	4.6	--	--	--	--

Table 5: Independent t test results of the two groups of men and women based on organizational-level entrepreneurship

Independent t-test results of the two groups of men and women					
	Sig.	T	Df	Mean difference	SE of the mean
Entrepreneurial level	0.00	8.716	130	23	1.68

Table 6: ANOVA test to compare multiple age groups based on organizational entrepreneurship

Variables	Sum of square	df	Mean square	F	Sig.
Intergroup	678.261	2	226.087	26.233	0.00
Intragroup	379.827	128	8.619		
Total	1505.640	130			

(capabilities) and organizational-level entrepreneurship of the staff of Social Security Organization of Fars Province and since, the resulting correlation coefficient between the skills and entrepreneurial levels is positive and close to 1, a robust positive relationship can be said to exist between the skills and entrepreneurial levels.

Moreover, according to the independent t-test results of the 5th hypothesis, a significant difference between the two groups of men and women can be noted based on organizational-level entrepreneurship (Table 5).

According to Table 6, F value was obtained to be 26.233 using one-way ANOVA test which is significant on the level of 0.01, i.e., there is a significant difference between averages of the four age groups based on organizational entrepreneurship. To quantify this difference, Scheffe post-hoc test was used. Based on the results of Scheffe's test, a significant difference exists between averages of the four age groups in terms of organizational entrepreneurship.

One-way ANOVA test results also prove to be significant for the 5 groups of educational level with $F = 68.399$ and 5 groups of years of service with $F = 43.396$ based on organizational-level entrepreneurship.

DISCUSSION

In the present study, the relationship between entrepreneurial efficient acquired factors and organizational-level entrepreneurship in Social Security Organization of Fars Province was studied. Based on the research findings, a positive significant relationship exists between all the components of psychological empowerment and organizational-level entrepreneurship. This result is in line with the results of other investigations. In other words, people who feel their jobs are valuable and important, further rely on their abilities and skills to successfully perform their activities, feel independence and freedom of action in their decisions, influence on their work environments and the outcomes and further trust in their colleagues and managerial and organizational decisions, all of which cause enhancement of organizational entrepreneurship. On this ground, prioritized the mentioned factors as job meaningfulness, competency, impact, trust and self-determining in his study of Mellat Bank branches, respectively which is inconsistent with the findings of this research. Additionally, in his research, Byham (1988) reported self-determining dimension as the major key factor. Perhaps, it can be said that its psychological impact on the employees' perceptions would be the reason for this selection. According to Thomas and Velthouse (1990), the mentioned psychological states are put under 6 categories of variables environmental incidents job evaluation public assessment interpretive style of individuals behaviors and 6 interventions.

Considering the second leading cause of acquired factors affecting entrepreneurship i.e. education it can be said that entrepreneurship can be taught and this is also in agreement with the results of other studies including those of Kourilsky (1995), Berjaya (1996), Rasheed (2000), Brown (2000) and Arnolfo (2000).

The third acquired factor relates to organizational structure congruent with entrepreneurship concepts. Inappropriate structures cause tensions and conflicts and also prevent initiatives and creativities as the most basic features of entrepreneurship in an organization. Another dimension of organizational entrepreneurship phenomenon is strategic renewal. By strategic renewal, we mean mission reformation, reorganization and extensive planned changes in an organization. Renewal is accomplished through redefinition of organizational mission and re-expansion of resources. It requires creation and adoption of new organizational structures to promote and propagate innovation. The results of this research demonstrated that there is a significant negative and reversed relationship between organizational structure

and entrepreneurship of Social Security Organization of Fars Province, i.e., the more bureaucratic and strict is the organizational structure, the lower organizational-level entrepreneurship is involved. In a study entitled, "the study of the relationship between organizational structure and entrepreneurship in Tehran Social Security Organization" which was carried out by Reza (2003) and another research conducted by Rahimi Filabadi in 1383 it was concluded that a negative reversed relationship exists between organizational structure and entrepreneurship. Reviewed the relationship between freedom of action and encouragement derived from structural factors and organizational procedures. He believes that if an organization has a minimum of bureaucracy and high flexibility, fostering of entrepreneurial individuals can be promoted from lower to higher entrepreneurial activities the case which is consistent with the findings of this research.

CONCLUSION

Finally, the results related to entrepreneurial skills and capabilities suggest that firstly, such entrepreneurial skills as personal, managerial and technical capabilities have positive, direct and significant relationships with organizational-level entrepreneurship and secondly, there are significant differences in the levels of organizational commitments among employees based on gender, age, level of education and years of service in a way that men are engaged in further organizational entrepreneurship than women and their organizational-level entrepreneurship increment with age, education level and years of service.

SUGGESTIONS

In terms of psychological empowerment, it is suggested that information be shared in an organization and the managers are recommended to trust their employees' skills and capabilities, consider their opinions and subjective standards, familiarize them with intra-organizational creativities, innovations and entrepreneurship and appreciate their experts' successes and innovations. Employees should also trust their managers' abilities, experiences and knowledge to best perform their assigned tasks and solve their problems. Furthermore, with respect to psychological empowerment ratings in Social Security Organization it is proposed that actions be taken to improve the feelings of job meaningfulness and experts' impacts which represented less rating averages in our research.

The officials are suggested that they reconsider their organizational structure, so as to create a flexible response

to the changing needs, reduce the cumbersome rules for their employees and somewhat allow them the authority to freely act in their tasks. With respect to concentration, it is better to participate the employees in decision-making and create conditions for a transparent two-way communication (from top to bottom and vice versa), mainly based on y theory, i.e., to make friendly and informal relationships with the staff. Undoubtedly, this main factor provides access to free and healthy flow of information during the process of which the exchanges of information and creative entrepreneurial ideas find further possibilities of emergence. Based on complexity, the officials are recommended to reduce organizational levels, i.e., the number of departments and job titles as well as the result ant locations and geographical distributions and the distance between the top management and operational staff, so that the personnel can further communicate with managers and appropriately respond to environmental changes.

In addition, regarding entrepreneurial skills and capabilities, the authorities are proposed to take the following necessary measures.

Recruitment and selection of a consultant group to establish entrepreneurial-like systems within an organization for the legislation of rules such as involvement method of other parts of the company where entrepreneurs are to perform their activities, selection of entrepreneurial projects on which the company plans to invest and identification of potential entrepreneurs and types of their transactions and interactions within the organization.

Holding training courses and workshops to foster and develop the personnel's personal, technical and managerial skills.

Consideration of such basic variables as gender, age, years of service and level of education in the selection and appointment of staff, since a significant relationship appears to be between them and organizational entrepreneurship.

Therefore, authorities should be sensitive to organizational entrepreneurship and regard it as an important factor for the growths of their organizations in today's competitive world.

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