



Vol. 4, Issue 3, 82-89, 2015

Academic Journal of Psychological Studies

ISSN: 2333-0821

ajps.worldofresearches.com

A Study on the Relationship between Entrepreneurial Culture and Organizational Entrepreneurship as Viewed by Employees Working at Hormozgan Province Education Department, Iran

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A B S T R A C T

This study attempts to examine the relationship between entrepreneurial culture and organizational entrepreneurship among employees. The statistical population includes a total of 202 employees working at Hormozgan Province Education Department during 2014-2015. The statistical sample was selected through stratified random procedure based on Cochran's formula, the size of which was 132 individuals. This was a descriptive-correlational study, where the data was collected through an entrepreneurial questionnaire from Payne Chatt (1985) and an organizational questionnaire from Alex and Neck (1998). The data was analyzed using statistical measures of Pearson's correlation coefficient, the results of which indicated that there is a significant relationship between entrepreneurship culture and relevant components (i.e. free choice, uncompromising, executive decision, employing unused organizational capacity) and organizational entrepreneurship.

Keywords: Entrepreneurial Culture, Organizational Entrepreneurship, Employees, Education Department.

INTRODUCTION

Organizational entrepreneurship involves entrepreneurial efforts requiring organizational support and allocation of resources for implementing innovative activities as organizational, procedural and productive innovation. Nowadays, organizations have recognized the importance of organizational entrepreneurship, employing it as an organizational strategy for responding to the rapidly growing new competitors, creating a sense of distrust in traditional management practices in organizations, exodus of best organizational workforce that sets out toward independent entrepreneurship. These factors have challenged every company and have even faced many industries operating in advanced technologies with countless problems. The fast-paced innovation, swift environmental changes and the tendency toward more complexity and instability in environmental and market

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To cite this article: Karimi, A., Abedini, M. (2015). A Study on the Relationship between Entrepreneurial Culture and Organizational Entrepreneurship as Viewed by Employees Working at Hormozgan Province Education Department, Iran. *Academic Journal of Psychological Studies*, 4 (3), 82-89.

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circumstances have compelled organizations to shift their approach to previous standpoints and strategies. Hence, many organizations have not found any other path to survival in the current dynamic environment but resorting to organizational entrepreneurship¹.

In today's highly competitive world, organizations ought to make changes, while managers seek out solutions to utilization of human creativity and innovation, thus provide the appropriate grounds for entrepreneurial activities. There are several ideal indicators for appropriate development of organizational entrepreneurship including leadership style, teamwork, sufficient management support directed to creative individuals, suitable reward and incentive system for creative and risk-taking employees. Therefore, the stage ought to be set properly to promote entrepreneurship spirit inside any organization². For instance, entrepreneurial culture is one of the requirements that need to be met and have been a hot topic over the last few years in the wake of increasing employee specialization. The role of organizations in attaining economic, political, social and cultural goals is so prominent that organizations in any society are called "goal-churners". Accordingly, the economic, industrial, social and cultural status of Iran is so important that tackling difficulties and issues demand different new solutions and models³.

The entrepreneurial culture is a common system of beliefs, values and norms entailing emphasis on creativity as well as tolerating creative people. Based on this type of culture, innovation and bold action for seizing market opportunities seems vital for any organization in the face of survival issues, environmental uncertainty and competitor threats. Any organization needs to institutionalize entrepreneurial culture so as to become entrepreneur. Any organization needs to view manpower as a key for supporting and preserving of which utmost efforts should be made. In such role, the organization needs to strengthen the principle of initiative and create an atmosphere where individual innovative activities are supported. Therefore, organizations ought to be innovative and pioneer, enhancing their risk-taking capabilities⁴.

Entrepreneurship is currently a significant area to be studied. One of the factors contributing to success of businesses in today's world is the great concern directed to entrepreneurs and addressing their problems from an entrepreneurial perspective, because organizational entrepreneurship is considered a road toward recreation of economic and organizational capabilities⁵. In that light, it is essential to examine such correlation between the key variables. Also, regarding the fact that this study focuses on the relationship between entrepreneurial culture and organizational entrepreneurship, the fundamental elements of entrepreneurial culture can be highlighted in line with organizational entrepreneurship.

In their study, Eskandari et al. showed that business entrepreneurial culture significantly affects other variables and business performance. Hence, it is necessary to address this issue and take appropriate measures to promote

business entrepreneurial culture⁶. In another study, Mobayeni Dehkordi et al. pointed out that organizational culture positively and significantly contributes to entrepreneurial attitude of individuals in any organization, to the extent that entrepreneurial attitude in employees should be bolstered through concentration on organizational culture aimed at harmonizing individual and organizational values and norms⁷. The results from Heydari et al. suggested that there is a significantly positive relationship between organizational culture and organizational entrepreneurship components³.

In their research, Naranju et al. found out that organizational culture determines the innovation strategy in a crystal-clear way⁸. In their study, Alvarez et al. concluded that formal factors (such as intellectual ownership) and informal factors (i.e. cultural and social norms, understanding opportunities for running a business and entrepreneurial social perception) influence entrepreneurship, while the informal variables are the major determinants⁹.

Hypotheses

There is a significant relationship between entrepreneurial culture and organizational entrepreneurship as viewed by employees working at Hormozgan Province Education Department.

There is a significant relationship between components of entrepreneurial culture and organizational entrepreneurship as viewed by employees working at Hormozgan Province Education Department.

METHODOLOGY

This study is applied in terms of objective. Methodologically, it can be classified as a correlational research. The population covers a total of 202 employees at Hormozgan Province Education Department during 2014-2015. Out of this statistical population, a sample was selected based on Cochran's formula, which yielded 132 male and female individuals through stratified random procedure. In order to collect data, two questionnaires were employed as follows:

- **Entrepreneurial culture questionnaire:** For measuring entrepreneurial culture, the Payne Chatt (1985) questionnaire was used. It has been frequently used as a standard questionnaire by many other Iranian researchers and abroad. It should be noted this test contains 15 items and 4 subscales. They include 1. Free choice 2. Uncompromising 3. Executive decision 4. Utilization of unused organizational capacities.

- **Organizational entrepreneurship questionnaire:** In order to assess organizational entrepreneurship, the Alex and Neck (1998) questionnaire was employed. It contains 20 items constructed by two subscales including individual entrepreneurial behavior and organizational structure, designed based on the Likert's scale.

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In order to examine the reliability of the questionnaire, the cronbach's alpha was used. The validity was obtained through several expert and instructor opinion, particularly the assistant professors. In order to analyze the data, the inferential statistics and Pearson's correlation coefficient were employed.

RESULTS

There is a significant relationship between entrepreneurial culture and organizational entrepreneurship as viewed by employees working at Hormozgan Province Education Department.

In order to examine the relationship between entrepreneurial culture variables and organizational entrepreneurship, the Pearson's correlation coefficient was employed. The results obtained from this test have been illustrated in the table below:

Table 1. The correlation coefficients between entrepreneurial culture and organizational entrepreneurship

| Type of relationship | Relationship | Entrepreneurial culture | | | Variable |
|----------------------|--------------|-----------------------------------|-------------------|-------------------------|--|
| Direct | Positive | Pearson's correlation coefficient | | | Organizational entrepreneurship |
| | | Number | Significant level | Correlation coefficient | |
| | | 127 | 0.000 | 0.603** | |

**At significant level of 0.01

The results obtained from the Pearson's correlation test indicated that there is a relationship between entrepreneurial culture and organizational entrepreneurship ($P < 0.01$), which is considered an influential direct relationship.

- There is a significant relationship between components of entrepreneurial culture and organizational entrepreneurship as viewed by employees working at Hormozgan Province Education Department.

In order to examine the relationship between entrepreneurial culture variables and organizational entrepreneurship, the Pearson's correlation coefficient was employed. The results obtained from this test have been illustrated in Table 2, 3, 4 and 5 below:

Table 2. The correlation coefficients between free choice and organizational entrepreneurship

| Type of relationship | Relationship | Free choice | | | Variable |
|----------------------|--------------|-----------------------------------|-------------------|-------------------------|--|
| Direct | Positive | Pearson's correlation coefficient | | | Organizational entrepreneurship |
| | | Number | Significant level | Correlation coefficient | |
| | | 127 | 0.000 | 0.394** | |

The results obtained from the Pearson's correlation test indicated that there is a relationship between free choice and organizational entrepreneurship ($P < 0.01$), which is considered a moderate direct relationship.

Table 3. The correlation coefficients between uncompromising and organizational entrepreneurship

| Type of relationship | Relationship | Uncompromising | | | Variable |
|----------------------|--------------|-----------------------------------|-------------------|-------------------------|--|
| Direct | Positive | Pearson's correlation coefficient | | | Organizational entrepreneurship |
| | | Number | Significant level | Correlation coefficient | |
| | | 127 | 0.000 | 0.397** | |

The results obtained from the Pearson's correlation test indicated that there is a relationship between uncompromising and organizational entrepreneurship ($P < 0.01$), which is considered a moderate direct relationship.

Table 4. The correlation coefficients between executive decision and organizational entrepreneurship

| Type of relationship | Relationship | Executive decision | | | Variable |
|----------------------|--------------|-----------------------------------|-------------------|-------------------------|--|
| Direct | Positive | Pearson's correlation coefficient | | | Organizational entrepreneurship |
| | | Number | Significant level | Correlation coefficient | |
| | | 127 | 0.000 | 0.421** | |

The results obtained from the Pearson's correlation test indicated that there is a relationship between executive decision and organizational entrepreneurship ($P < 0.01$), which is considered a moderate direct relationship.

Table 5. The correlation coefficients between utilization of unused organizational capacities and organizational entrepreneurship

| Type of relationship | Relationship | Utilization of unused organizational capacities | | | Variable |
|----------------------|--------------|---|-------------------|-------------------------|--|
| Direct | Positive | Pearson's correlation coefficient | | | Organizational entrepreneurship |
| | | Number | Significant level | Correlation coefficient | |
| | | 127 | 0.000 | 0.561** | |

The results obtained from the Pearson's correlation test indicated that there is a relationship between utilization of unused organizational capacities and

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organizational entrepreneurship ($P < 0.01$), which is considered a moderate direct relationship.

CONCLUSION

This study attempts to examine the relationship between entrepreneurial culture and organizational entrepreneurship as viewed by employees working at Hormozgan Province Education Department, the results of which demonstrated: There is a significant relationship between entrepreneurial culture and the relevant components (i.e. free choice, uncompromising, executive decision, utilization of unused organizational capacities) and organizational entrepreneurship.

Nowadays, those organizations would survive that operate dynamically and manage to properly react at any point against changes, maintain adaptability and flexibility. For fulfilling that goal, it is crucial to focus on entrepreneurship in both personal and public/private organizations. Therefore, circumstances seem ideal in certain areas, where entrepreneurship is more prominent, while it is never expressed in some communities with inappropriate circumstances¹⁰.

Frei (1993) deems organizational entrepreneurship as a process similar to entrepreneurship. Should it survive, organizational entrepreneurship needs to be encouraged, praised and supported. Organizational entrepreneurship is a process yielding innovative products and procedures through entrepreneurial culture¹¹.

Considering the proved relationship between entrepreneurial culture and organizational entrepreneurship among employees at the Education Department, it can be argued that enhanced entrepreneurial factors can potentially contribute to higher organizational entrepreneurship and creativity. Hence, it is necessary to identify the factors involved in the development of entrepreneurial culture. Considering the proved main hypothesis, which has been formulated based on the research model, it can be argued that the designed model is confirmed.

According to the statistical calculations, there is significant relationship between free choice and organizational entrepreneurship. Therefore, a positive correlation was observed between two indicators free choice and organizational entrepreneurship. In other words, organizational entrepreneurship would be enhanced as employees enjoy more free choice concerning their organizational tasks, pursue their ideas with or without organizational support and complete their job spontaneously not satisfied merely by accomplishing their formal tasks. This ideally brings about competitive advantage for employees who are supposed to be continuously maintaining and boosting such strength.

According to the statistical calculations, there is a significant relationship between uncompromising and organizational entrepreneurship. Therefore, a positive correlation was observed between two indicators uncompromising and organizational entrepreneurship. In other words, organizational entrepreneurship would be enhanced as long as performance failure in an organization is regarded

as unusual, employees build a work process as initiators and act as the true proponents themselves so as to accomplish missions.

According to the statistical calculations, there is a significant relationship between executive decision and organizational entrepreneurship. Therefore, a positive correlation was observed between two indicators executive decision and organizational entrepreneurship. In other words, organizational entrepreneurship would be enhanced as long as employees actively participate in organizational decision-making and adopt independent decisions as executives.

According to the statistical calculations, there is a significant relationship between utilization of unused organizational capacities and organizational entrepreneurship. Therefore, a positive correlation was observed between two indicators utilization of unused organizational capacities and organizational entrepreneurship. In other words, organizational entrepreneurship would be enhanced as long as an organization/agency provides more than necessary resources for carrying out ordinary issues aligned with entrepreneur affairs and financing a particular activity. This ideally brings about competitive advantage for employees who are supposed to be continuously maintaining and boosting such strength.

Practical suggestions

- The entrepreneurial culture should receive special attention so as to make employees more efficient and empowered in line with organizational entrepreneurship. Moreover, employees are recommended to learn about concepts concerning entrepreneurial culture and organizational entrepreneurship in a way to put them systematically into practice at workplace.

- Holding educational workshops aimed at familiarizing corporate managers and employees with factors contributing to entrepreneurial culture in perceiving the work environment and its effect on organizational entrepreneurship as well as gaining more knowledge and skills needed for building influential human relations in any organization.

- Raise awareness in employees through holding educational workshops focusing on tasks and responsibilities, which are aligned with organizational goals and put responsibility on the part of employees.

- Regarding the main and alternative hypotheses, it is recommended that organizations/agencies enhance entrepreneurship among employees with an emphasis on four components including free choice, uncompromising, executive decision and utilization of unused organizational capacities.

- since the satisfaction with rewards is a rather influential determinant for organizational entrepreneurship, it is recommended that a healthy competitive atmosphere be built so as to develop the potential capacities of employees

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through offering both financial and spiritual rewards, so that each candidate individual can realize further entrepreneurship and creativity, ultimately taking great steps to attain organizational goals.

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