The relationship between organizational culture and organizational entrepreneurship (Case Study: Islamic Azad University of Semnan)

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ABSTRACT

Today, discussions of entrepreneurship are highly regarded researchers. This study intends to explore the influence of organizational culture on organizational entrepreneurship. Objective of this study was to investigate the relationship between organizational culture and organizational entrepreneurship. In this research, entrepreneurship and organizational culture, dependent and independent variables are assumed, respectively. Data were collected through questionnaires and the relationship between the dimensions of organizational culture and entrepreneurship has been measured. Testing results show all aspects of the organizational culture of entrepreneurship are positive and significant relationship and recommendations in this regard are also presented.

Key words: organizational culture, organizational entrepreneurship, Islamic Azad University of Semnan

Introduction

Today, many countries, institutes and companies pay attention to changes and transformations. Entrepreneurship can also be an important issue and plays an important role in change process. Entrepreneurship has been dealt with for about three decades and today’s organizational entrepreneurship is the result of 30 years of research [11]. Entrepreneurship was first introduced in 16th century in France to address those who endangered themselves in wars. Next, this word was referred to those who accept the risk of an economic activity and organize, accept and manage this risk. The word entrepreneur was first used by Shouppter (1883-1950) who is called the father of entrepreneurship science [21]. He defined entrepreneurship as a process of creative destruction. Entrepreneurs substitute old products of production methods with new ones or basically change new methods [1]. However, this is not enough because success of each strategy is highly dependent on OC support. OC influences on all aspects of life and uses common beliefs and values to empower organizations and affects commitment, job satisfaction, structure, strategies implementation and so on [19].

Investigation and creation of a suitable OC can help change interaction model of individuals and knowledge management can be used as a competitive advantage. Therefore, organizations must provide an environment for members to share knowledge and teach individuals to conceptualize their attempts.

Therefore, organizations have to encourage employees to understand new ideas as the most important assets of the organizations in the present competition and change era. OC must also be based on knowledge in order to become effective. Knowledge can be effectively used in an organization only when it is supported by OC.

2. Previous Research:

Entrepreneurship:

It is a process which results in satisfaction or new demand. Entrepreneurship means the process of creating value through formation of a unique set of resources in order to seize opportunities. Entrepreneur refers to someone who discovers the opportunities of market and exploits them and entrepreneurship is the process of innovation which includes a new business which is basically different from the products and service which is provided by other suppliers and this difference can be related to production or marketing process. In this approach, entrepreneurship concerns new ideas, new methods, new service and new resources combination which lead to satisfaction of employees' needs.

Organizational entrepreneurship (OE):
It is a process in which organizations identify environmental opportunities without attention to restrictions and supplies society needs with providing innovative service and products [22].

OE is a part of individual entrepreneurship and it is a process in which an entrepreneur is supported by an organization and brings his/her entrepreneurial activities into fruition [21]. OE contains two parts of entrepreneurship array and entrepreneurship management. Entrepreneurship array is defined as a model of OB which reflects organizational commitment in increasing entrepreneurship and it is a combination of entrepreneurship alternation and entrepreneurship degree. Entrepreneurship alternation shows the number of entrepreneurial events in which organization is involved which is characterized by new products, new service and new processes. Entrepreneurship degree is the level of involvement in innovative, risky and active events. The phrase "entrepreneurship management" refers to management tendency to seize opportunities without considering resources control [10]. The first steps of this issue were taken in 1968 in Penerz growth theory. He explains in his theory that organizations have no alternative but to innovate and create and provide innovation platforms because of markets saturation and emergence of strategic management phenomenon [8]. BadenFoller and Stoop Ford (1994) introduced activities related to innovation and renewal of organizations as elements of entrepreneurship. Des et al (1997) also found that entrepreneurship strategy includes a managerial and opportunity-seizing style and is related to risk-taking and trial and error aspects [3].

Entrepreneurial organizations have abilities like seizing opportunities, organizational flexibility and ability to measure, encourage and reward creative behavior [10]. Entrepreneurship can be regarded as an attempt to create a new product or service in which the entrepreneur develops his/her social competencies [8]. Previous viewpoints towards entrepreneurship are categorized in 4 dimensions 1-creation of new experiences and businesses 2-having initiative 3-recreation of new individual solutions 4-keeping business and supports. In global arena, creative, innovative and smart individuals have been the origin of large changes in production, industrial and economic fields [3].

Organizational Culture:

Culture has been defined sociologists, anthropologists and other experts and most of them agree that culture means people specific life style. Therefore, OC refers to individuals' life style in an organization. In general, culture is defined as common beliefs, rules, norms and symbols of a group of individuals. The word "common" makes culture unique in a group. Culture is dynamic and can be transferred to others [12]. Within the recent 30 years, many studies have been conducted to determine and define different aspects of culture. The most study is related to Hafted (1980-2001). Hafted introduced 5 dimensions of uncertainty, individualism, and masculinity and long-term orientation. However, the newest research on culture which has received a lot of attention is known as Globe 4 research and it is a multi-step plan in which researchers investigated relationships between social culture, OC and organizational leadership. About 150 researchers and experts of management and social sciences cooperated in this research from 61 countries. The main goal of Globe was to provide an empirical theory based on research and in order to explain, understand and predict the influences of cultural variables on leadership and organizational processes and effectiveness of these processes.

Denison model:

Another famous study in the field of OC was conducted by Professor Daniel Denison (2000). The OC model used in our study is also Denison's model. Denison conducted a research in the field of OC and effectiveness and concluded that there are four types of culture (Denison culture dimensions) based on the two factors: degree of stability or change in organizational environment and the level of organization's emphasis on the inside or outside of the organization:

a) adaptability: one of the characteristics of adaptability or entrepreneurship is that it is present in organizations in which environment is changing and the organization emphasizes on the outside of the organization and it is tried to satisfy customers' needs. In this type of culture, those beliefs and norms are verified that can help identify and paraphrase symbols present in environment and show suitable response or behavior. Such an organization must respond to new plans rapidly and be able to restructure and adopt new behaviors for doing new works. Marketing organizations, electronic companies and companies which produce cosmetics have such a culture. This culture encourages a type of behavioral norm which can support an organization to discover, interpret and paraphrase environmental symbols in the formwork of new behaviors.

b) mission culture: an organization which has such a culture tries to satisfy outside environment needs but does not seem it necessary to undergo changes. In this culture, individuals are expected to have deep recognition of goal and organizational mission which usually goes beyond job roles and the present duties of individuals. This type of culture emphasizes mainly on strategic orientation of an organization and achieving long-term goals. In this culture, leaders find a common viewpoint, draw a...
future and show it to everyone and the vision becomes important for everyone.

c) Involvement culture: the first emphasis of this culture is on involvement and participation in works, attention to changing expectations of outside environment. In this case, an organization tries to respond quickly to needs and increase efficiency. From this culture viewpoint, participation in organizational activities results in increase in sense of responsibility, belonging and commitment in individuals so that the organization adapts to changing and competitive markets.

d) Consistency: an organization with such a culture emphasizes on internal affairs and is active in an environment with relative stability and seeks consistency. Such an organization does not pay attention to individuals’ participation in decisive organizational affairs, but it adheres to stability in behavior, adaptation to traditions, and cooperation and in this culture, organizational success is dependent on integration, and high efficiency [19].

Fig. 1: Denison organizational culture model [6]

Reasons for choosing Denison model as research theoretical model:

In the present research, Dension model was used as the theoretical model of the research. Its novelty in comparison with other models, and the fact that this model is behavior-oriented and also comprehensive from measurement indices viewpoint and measurement of OC dimensions were reasons for selecting this model. One of the most important capabilities of this model is its usability in all organizational levels [6]. Moreover, this model has been used a lot in the recent years by consulting companies to measure and evaluate OC in many organizations. One of the other advantages of this model is its graphical shape which depicts OC characteristics in two dimensions of internal and external concentration and flexibility level and also in 12 indices level in a comprehensive manner.

Research conceptual model:

According to theoretical roots, the conceptual model of this study was designed to show the relationship between OC dimensions and organizational entrepreneurship of employees.

Fig. 2: research conceptual model
Hypotheses:

The present study has only one main hypothesis and three subsidiary hypotheses:

First hypothesis: there is a positive and significant relationship between organizational consistency and organizational entrepreneurship.

Second hypothesis: there is a positive and significant relationship between organizational involvement and organizational entrepreneurship.

Third hypothesis: there is a positive and significant relationship between organizational adaptability and organizational entrepreneurship.

Fourth hypothesis: there is a positive and significant relationship between organizational mission and organizational entrepreneurship.

4. Research Method:

The present study is an applied research in terms of its goal, it is a descriptive one in terms of methodology and it is also a field study which uses questionnaire for data gathering and correlation method for analyzing data.

Population of this research includes all employees of Semnan Islamic Azad University in 2011. All employees were 102 people and all of them were surveyed as sample.

Data gathering tool:

Brown et al (2001) standard questionnaire was used for measuring OE. Fox also used it in his PhD thesis in 2005 and it has 25 questions and 8 dimensions of. This questionnaire was used because it is a new and widely-used questionnaire.

Collected questionnaires were analyzed by SPSS. Internal reliability of the questionnaires was calculated by means of Cronbach's alpha to be 76% for OC and 87% for organizational entrepreneurship.

Data analysis:

Descriptive and inference statistics were used to analyze the hypotheses. Mean and standard deviation were used as descriptive indices. In inference statistics analysis, Kolmogrov-Smirnov test was used to analyze the normality of data. Normality was verified by this test. Therefore, Pearson correlation coefficient (a parametric method) was used to test the hypotheses.

Normality of the factors obtained from Kolmogrov-Smirnov test:

Distribution of variables is normal: H0

Distribution of variables is not normal: H1

Results showed that sig is greater than 0.05 for OC, its dimensions and OE. Therefore, H0 is verified and it can be said that OC, its dimensions and OE have normal distribution. Consequently, parametric methods which are also more precise were used for analysis.

Table 1: results of Kolmogrov-Smirnov test

<table>
<thead>
<tr>
<th></th>
<th>OE</th>
<th>OC</th>
</tr>
</thead>
<tbody>
<tr>
<td>t value for K-S test</td>
<td>864.0</td>
<td>63.0</td>
</tr>
<tr>
<td>significance level</td>
<td>.521</td>
<td>.741</td>
</tr>
<tr>
<td>conclusion</td>
<td>normal</td>
<td>normal</td>
</tr>
</tbody>
</table>

Hypotheses test

Table 2: Correlation coefficient between organizational consistency and organizational entrepreneurship

<table>
<thead>
<tr>
<th></th>
<th>OE</th>
<th>organizational consistency</th>
</tr>
</thead>
<tbody>
<tr>
<td>correlation coefficient</td>
<td>.433</td>
<td>433.0</td>
</tr>
<tr>
<td>Sig frequency</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

1st hypothesis test: there is a positive and significant relationship between organizational consistency and employees' OE.

According to table 2, it can be said that there is significant relationship between the two variables and because coefficient is +43.3%, therefore this relationship is direct in 99% certainty level.

Second hypothesis test: there is positive and significant relationship between organizational involvement and employees' OE.

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According to table 3, it can be said that there is a significant relationship between the two variables and the coefficient between them is +46.2% which shows a direct relationship at 99% of certainty.

Third hypothesis test: there is positive and significant relationship between organizational adaptability and employees' OE.

According to table 4, it can be observed that there is a significant relationship between the two variables and the coefficient between them is equal to +44.1% and this shows a direct relationship between the two variables.

Fourth hypothesis analysis: there is a positive and significant relationship between organizational mission and employees' OE.

According to table 5, it can be observed that there is a significant relationship between the two variables and the coefficient between them is equal to +48.5% and this shows a direct relationship between the two variables.

5. The Results of Hypotheses Testing:

Results show that there is a positive and significant relationship between OC and OE. In other words, OE increases as OC is improved. Moreover, the relationships between OC dimensions (orientation, organizational identity, suitable rewarding systems, individual creativity, risk-taking, conflict tolerance, organizational integrity, open and various models of communications, management support) and OE in Semnan Islamic Azad University are significant and positive. The following recommendations are presented in order to institutionalize OC in Semnan Islamic Azad University:

1. It is advised to managers to avoid direct control and emphasis on execution of strict regulations;
2. Managers should facilitate OE by means of matching personal goals of individuals and University goals. This can be done through employees' empowerment;
3. It is advised to managers to support creative and innovative individuals and try to keep them;
4. Participative management and collective decision-making should be encouraged within the University.

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