

## Relationship between Entrepreneurship and organizational performance in executive Organization in Guilan

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**Abstract.** Work places are changing constantly and internal and external environments, human and non-human resources are shifting from one phase to another at high speed. In this respect, organizational performance has been changed into one of the key and appealing issues to preserve and to keep organizations. The current study aims to determine and analyze the relationship between entrepreneurship dimensions and organizational performance in executive organizations in Guilan. The methodology is descriptive-analytical. Regarding the goal, the research is survey. The statistical population is situated in Guilan. In regard to necessary coordination, those groups of organizations that have been coordinated more with this research has used the non-probable sampling adding up to 30 organizations. The analysis method used in this research is correlational. The findings out of analysis of data have shown that entrepreneurship dimensions have direct and positive effect on organizational performance. Other performances have been mentioned at the end of this research.

**Keywords:** Organizational entrepreneurship, organizational performance, executive organizations of Guilan

### 1. INTRODUCTION

With the working environments being constantly and profoundly changed, organizations have felt the same impacts on their different aspects ranging from the internal/external environments to human and non-human factors. Organizational performance, in this regard, has evolved into a prominent issue (Asadi et al, 1388). The main subject in all forms of organizational analysis has been “performance” which is defined as the human force’s fulfillment of the duties assigned by an organization. Important as such construct is, “performance” has been the main topic and a decisive goal for the revisions within the governmental management in the last two decades (Seyyed Naghi et al, 1391). “Management of performance”, an indispensable tool of this era, is not unnaturally under a close scrutiny of the interested parties who are deeply concerned not only with its development, but also with the information it provides. Unfortunately, however, scholarly literature on the true definition of “performance” and the major factors in “management of performance” is scarce (Zahedi & Yavari, 1392).

Nonetheless, what constitutes a challenge for every organization is the improvement in performance. Any constant improvement depends on many factors, mainly though: constant observation of the progress toward the main target, identifying the potential obstacles on the way of each organization, receiving feedback on the policies and their implementation, and identifying the sections in demand for improvement. A true performance in an organization is the result of a sustainable power in adapting and producing favorable reaction to the changing environment, creating coherent and purposeful management structures, and appreciating the critical role of employees, hence treating them in a due manner.

Information garnered in the interview between the current researcher and associate experts, researchers’ observation, and the annual assessment of the governmental budget in different sections have all testified for the fact that at least in the past decade successful managers believe

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that the accessibility of the “performance objectives” has been low compared with the budgets and funds spent in the administrative sections. Confirming this claim is the descent in the housing budget in comparison with the current budget. Guilan province, in particular, displays a downward trend in investment rates between the years 1360 and 1390 which confirms the lack of efficiency in executive and state organizations. Right at the issue are the innovation and productivity of the province in terms of the industry, production and civil service which except for the year 1385 where improvement in certain sections was detected, have not indicated any signs of improvement.

Based on the statistics and observations, the level of organizational performance by the executive organizations of Guilan province is mediocre, which is an indicator of the underlying weakness in the system. Through a comparative method, the administrative organizations in this province can juxtapose their performance with their counterpart organizations in other provinces hence easily improve their performance.

Guilan province, with its valuable human and natural resources, is capable of becoming a leading center not just in Iran but also in the Middle East. In order to achieve this goal, every organization in this province needs to be given constant appraisal. Bridging the gap between what any provinces is and what it can be, is taking outmost advantage of the natural resources like the environment and of the human resources like the creativity and intelligence of the local people.

The purpose of the current research is to help the organizations in this province improve by disseminating the idea that they be constantly monitored through scientific lenses and the academia. Moreover, “Guilan province is no more green” is a taboo which must be broken and that is the ultimate goal of this research and what the experts are after.

One immediate result of such systematic study on “performance” is that the principles which have so far been passed as seemingly unimportant or ineffective with respect to “performance” are not to be taken so; among these principles is the “organizational entrepreneurship”. Taking the new role, all the employees are given the leeway to carry out their duties in an innovative manner, a situation which is conducive to a constant, easy and swift autonomy in working environments. Organizational entrepreneurship, using features like morale, perseverance, risk-taking, creativity and innovation; is the practical implementation of entrepreneurship in an organization thereby generating a versatile workforce (Akbari et al, 1391). Entrepreneurship in this sense is in fact an attitude among organizations and their workforce through which situations and opportunities are channeled toward a better performance. Such organizations, developing dynamics and agility, are capable of responding to environmental changes and approaching the ideal situation. Such an attitude is further reassurance for improvement in “performance.”

This study has followed Fox (2008, 2005) in its theoretical framework; Fox has studied the organizational entrepreneurship and its effect on the organizational performance. According to Fox, there are two main aspects to organizational entrepreneurship: entrepreneurship and the management of entrepreneurship. Entrepreneurship, in fox’s view, is comprised of certain behavioral patterns within an organization which affect its dedication to entrepreneurship. “Management of entrepreneurship,” proposed by Stevenson in 1983, is an approach to management according to which; no matter what the present resources in an organization are, the opportunities are the priorities to seize.

Literature on this specific area shows a positive and significant correlation between the tendency toward collaborative entrepreneurship and the performance (Eimani Pour & Zivar Dar, 1378). Also in this very area, Daniali Deh Houz and colleagues (1390) did a research study titled “entrepreneurship and its effect on innovation and performance in organizations” where innovation was taken as an indicator of organizational performance. Having sent the

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questionnaires using email, to the managers of 78 companies of food and drink resources, the researchers observed that the entrepreneurship had a significant impact on the development of innovation.

“Entrepreneurship in the branches of Mellat bank (Tehran),” a research paper done by Razavi and colleagues (1390), has focused on entrepreneurship as an approach. Having selected 172 employees and managers at random, Razavi and colleagues (1390) concluded that entrepreneurship as an approach has direct and positive impact on the performance. Mir Fakhraei and colleagues (1391), with 350 participants constituting their research population, conducted a study in “Pishgaman e Kavir e Yazd” and reached the same conclusion. Published under the title “The relationship between organizational entrepreneurship and the quality of performance,” the study selected the participants from among the employees of the company. Arabiyun and colleagues (1392), in their research paper called “entrepreneurship approach and its intervening effect on the relationship between revolutionary leadership and organizational performance;” selected a group of 237 metallurgists through random stratified method and Chocran formula and analyzed the final data using structural equation models, Emos, and PLS software. What they finally concluded was that such an approach is effective on the organizational performance. Farahani and colleagues (1392) examined the effect of entrepreneurship and marketing information on the performance of small and average companies in Markazi province with the final result that entrepreneurship does have a positive impact on the performance.

“Alliances, corporate technological entrepreneurship and firm performance: Testing a mode on manufacturing firm,” is the title of a study done by Antonica and Brodan (2008) in Slovenia. They came to the conclusion that the organizational entrepreneurship had positive effect on the firm. Not unlike these two researchers is Ozdemirci (2011) whose research study, corporate entrepreneurship and strategy process, confirmed the presence of such an effect between entrepreneurship and performance. Significant and positive effect of entrepreneurship on performance was the conclusion of another study by Khalid and Larimo (2012): “effects of alliance entrepreneurship on common vision, alliance capability and alliance performance,” where 100 corporate organizations in Finland formed the population of the research. In a different study, Garcia-Morales (2014) found the “support of senior management” an effective factor on performance once it is being provided through organizational entrepreneurship. For this study, called “technological variables and absorptive capacity’s influence on performance through corporate entrepreneurship,” 160 European technology companies were recruited.

Considering the improvement in this area, the present research is an attempt to describe the scale of the organizational entrepreneurship and performance in different administrative organs in Guilan province. In addition, among the purposes of this study is evaluating the relationship between the features of entrepreneurship and its management with the structural performance of the respective organs.

With regard to the defined purposes and the theoretical framework of the study, the present research pursues the following hypotheses:

1. There is a relationship between aspects of entrepreneurship and the performance of the administrative organs in Guilan province.
2. There is a relationship between the management of entrepreneurship and the performance of administrative organs in Guilan province.

**2. PROCEDURE AND INSTRUMENTS**

With respect to the purpose of a study, this research is an applied one; with respect to the methodology of description, it is a correlational study. Furthermore, in gathering the relevant data the research has employed a field study. 30 organs from among the administrative organs of Guilan province constitute the sample population. The sample size has been calculated using pre-test, variance of the preliminary sample, and Cochran formula.

Sampling method in the present study is the non-probability sampling which is the result of the availability and homogeneity of the participant organs. The questionnaire used in this study consists of two parts: organizational entrepreneurship with 40 items and the organizational performance with 6 items, Likert spectrum of 5 choices with the scale of measured distance (Fox, 2008). The questionnaires have been taken from the thesis and article of Fox (225 & 2008), yet the necessary changes were made and the validity established by the experts and the supervisor. The questionnaires were completed under the direct supervision of the present researcher and were subsequently collected by him as well. To measure the reliability of the test, the test of Alpha Chronbakh was employed with the final result of 0.921 on organizational entrepreneurship and 0.813 on organizational performance. The result, therefore, can claim a high reliability. The final data were accordingly tabulated. In order to analyze the data, the level of the quantity of each variable was primarily measured based on the information garnered from the questionnaires. Next, the charts and tables were provided to describe the general understanding of their distribution. Following that, to examine the hypotheses of the research, a correlation test was given. All data analysis was conducted through SPSS19 software.

**3. RESULTS**

Prior to the analysis phase, it is necessary that all variables be described. Based on table 1, the variables of organizational performance, has its lowest, highest and average value of 2/12, 4/27, and 3/1646 respectively with the standard deviation of 0/46887 and the variance of 0/220.

**Table 1.** The variable of organizational performance.

variance	Standard deviation	mean	highest	lowest	Number	Variable
0/220	0/46887	3/1646	4/27	2/12	30	Organizational Performance

Description of the variable of organizational entrepreneurship is provided in Table 2:

**Table 2.** Description of the variable of organizational entrepreneurship is provided.

Variance	Standard Deviation	Mean	Highest	Lowest	Number	Variable
0/365	0/60381	2/9005	4/35	1	30	Entrepreneurship
0/201	0/44786	2/7365	4/17	2/03	30	Management of Entrepreneurship

Test of Kolmogorov-Smirnov was given to normalize the variables:

**Table 3.** Test of Kolmogorov-Smirnov was given to normalize the variables.

Level of significance	Result of the test	
0/430	0/874	Organizational Performance
0/818	0/633	Organizational entrepreneurship

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Based on the above table, the level of significance test of Kolmogorov-Smirnov depicts for both variables is more than 0/05 which confirms the normal distribution of the variables. Next comes the correlational test to examine the hypotheses of the research study:

The first hypothesis deals with the relationship between aspects of entrepreneurship and organizational performance and the test of correlation does confirm that. Based on table 5, which displays  $\text{Sig} = 0/003 < 0/05$ , it can be said with 95 percent certainty that the hypothesis 2 is confirmed and the relationship is indeed significant. Moreover, the table demonstrates strength of +0/226 between two variables which reveals the strong yet direct relationship between the two variables. As a result, the hypothesis of the relationship between the aspects of entrepreneurship and organizational performance within the administrative organs of Guilan province is proved.

**Table 4.** The hypothesis of the relationship between the aspects of entrepreneurship and organizational performance within the administrative organs of Guilan province.

result	Level of significance	Index of correlation	Numbers	Variables
Conformation of the hypothesis	0/003	+0/526	186	Aspects of organizational performance and entrepreneurship

With the equation of  $\text{Sig} = 0/003 < 0/05$  displayed in table 6 the second hypothesis is proved and, with 95 percent certainty, it can be said that there is a relationship between the management of entrepreneurship and organizational performance; this relationship is significant. The strength of this correlation, with the index of +0/608, there is a positive and direct relationship between organizational performance of the organs and management of entrepreneurship. In conclusion, the hypothesis of a relationship between aspect of entrepreneurship and organizational performance is supported.

**Table 5.** Index of correlation between management of entrepreneurship and organizational performance in administrative organs of Guilan.

result	Level of significance	Index of correlation	number	Variables
Hypothesis is confirmed	0/003	+0/608	186	Management of entrepreneurship and organizational performance

#### 4. RESULT AND DISCUSSION

The results of this study have revealed that, based on the responses of the participants, the average organizational performance of the administrative organs in Guilan province is average and below average. This is an indication of the inadequacy of this province regarding the managers' yardsticks. On the other hand, the average organizational entrepreneurship number (2.8185), being lower than the expected result, exposes the weakness of these organs in providing the situation and facility for promoting this mentality within the administrative organs of Guilan. With the confirmation of the results, it can be deduced that with the increase in the level of organizational entrepreneurship among administrative organs of Guilan, the organizational performance of these institutions can be enhanced. To realize these goals, however, it must be said that the commitment in management is of huge importance. Nonetheless, sanction, lack of environmental security, and management instability can all justify the results. Moreover, the results of this study run parallel to its precedents. Following

suggestions have been provided by the present researchers to augment the low performance in the organs:

1. The administrative organs are to reevaluate the management of human resources, performance assessment, and incentives and perks in acknowledgement of good service through more effective approach. It must, however, be noted that monetary rewards without any legitimate reasons in giving them does not improve performance in administrative organs. Senior managers in organizations must draw up the short-term guidelines in line with the long-term ones and devote further attention to those who have the potential for realizing these guidelines. It seems as if it is immensely valuable for every organization to foresee any potential opportunity in this regard.
2. In drawing up the guidelines for the organizations, further attention must be given to potential problems and the solution in tackling them so that any organization, being prepared, will give higher performance.
3. The final analysis of the data reveals that not adequate attention has been given to people's opinion on new and innovative methods of civil servicing by administrative organs which is one of the most important issue in the management of such organs. It is recommended that; through media, conferences and different programs, administrative organs assure the public that they welcome their innovative solutions for the relevant issues in overcoming the problems of different sorts.
4. One of the organizational constructs of entrepreneurship that can affect the organizational performance is what the employees hold as the image of the managers. It is suggested that the managers employ various fruitful leadership styles toward creating positive rapport with the clients and their employees hence projecting an image of experienced and effective managers.
5. It is suggested that the managers, in order to bolster higher performance, reassess their executive decisions and the intra-organizational procedures of administering schemes and incorporating more flexible methods of enforcing rules and regulations.

With respect to the limitations of the current study, suggestions have been provided for further researches:

The sample size, due to the unfavorable condition in distributing the questionnaires and collecting the answer sheets, was carried out through non-probability sampling method. The present researchers, back in the inception of the research, believed wrongly that they could rely on the unconditional support of the administrative organs. Yet, due to many reasons including political and security concerns, the sampling procedures were compromised. With regard to this shortcoming, it is strongly suggested that the future research studies take enough precaution in consulting the officials and obtain the permits so that they can, having access to the appropriate population, opt for different sampling methods such as simple random probability method, or the stratified in selecting the sample. In future studies, simple tests that merely measure the relationship between the variable, the type employed in this research, ought to be replaced with more advanced tests which enjoy higher level of generalizability.

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