

Investigation of the effect of organizational Entrepreneurship atmosphere on organizational innovation (Case Study: General office of economic and finance in Golestan province)

Hossein Safarzade¹, Abedin Alipour² and Somaye Salmani Dangalani³

¹Department of Management, Aliabad Katoul Branch, Islamic Azad University, Aliabad Katoul, Iran

²Department of Management, Aliabad Katoul Branch, Islamic Azad University, Aliabad Katoul, Iran

³Department of Management, Bojnord Branch, Islamic Azad University, Bojnord, Iran

Received: March 26, 2014

Accepted: May 17, 2015

ABSTRACT

The main purpose of this study is to investigate the effect of organizational entrepreneurship atmosphere on organizational of Golestan province. Organizational entrepreneurship gives meaning to the efforts of any organization to create a set of permanent competitive benefits as a base for growth and profitability. This research in the aspect of nature and method is descriptive-correlative and in the aspect of goal it is applicable. Two standard questionnaires about the atmosphere of entrepreneurship from Herenzby et al (2005) and a questionnaire about organizational innovation from Hges (2005) were used to collect information. The number of statistical society were 93 and the size of the sample based on Gerjesi table is 76 of the employees. After collecting the information and analyzing it through multiple liner regression, the results show that managerial support, flexibility of organizational borders, accessibility of time and reward and strengthening the employees affect the innovation, but job independency has no effect on the innovation in general office of economy and finance in Golestan province. However, in the end it became clear that generally the atmosphere of organizational entrepreneurship has a meaningful effect on the organizational innovation of general office of economy and finance in Golestan province.

KEYWORDS: Atmosphere of organizational entrepreneur, Organizational innovation, General office of economic and finance in Golestan province

1. INTRODUCTION

At the present era that the organizations and societies are developing and progressing fast with increasing the population, and following that the complexities are also increasing, entrepreneur is highly needed in a multi-direction interaction that is in the concept of creating job, in the concept of creating evolution through innovation and also optimizing the processes and as a crucial factors in growing and developing the economy; even the entrepreneur discussion can be considered as one of the most important basic strategies of each country in today's modern world. Also one of the important criteria of distinction in advanced countries and developing countries is the amount of efficiency and functionality of entrepreneur in its different concepts.

We observe unique organizational changes in the world today. Renewed structuring, re-engineering, making the size of the organizations real, omitting the layers... and on the other hand, competitive pressures on big companies have caused they have the features of small and nimble organizations and it has helped to their permanence. Many of them have become smaller and more nimble, their managerial layers have been decreased, their dependency on horizontal relationships and group structures has increased and they increasingly benefit from technology. Organizational entrepreneur have become quickly change to a tool for many of these big companies. Organizational entrepreneur is an effort to import skills and existed attitudes near the entrepreneurs into the big companies and making this feature fundamental in the culture, and activities of these organizational entrepreneur companies is a powerful antitoxin for some deficiencies such as oldness of big organizations, lack of innovation, setting the higher levels and resistance that most of the big and mature organizations encounter [23].

The goal of entrepreneur for big organizations is to make the benefits of flexibility and innovation by making small companies [6].

Accors=ding to Zahra and Kevin (2005) the existed empirical evidence prove this hypothesis that organizational entrepreneur and innovation have a close relationship with each other and the result of this relationship results in improvement of organizational performance. Also, nowadays, entrepreneur should be known as one of the necessities of the new millennium, in an era that is known as information society and globalization time, the organizations can allocate some of their activities to training entrepreneurs. Even though the research institutes can rely on producing and delivering knowledge and give it to the students, researchers, and scholars of the society, it doesn't mean success. The organizations can trace the technology horizons and opportunities for the people and guide them to use them. But this way is not possible unless these organizations are entrepreneurs by themselves and pay a special attention to organizational entrepreneur and innovation. It is tried in this research to investigate the state of organizational entrepreneur and innovation. So this study tries to investigate this hypothesis that if the atmosphere of organizational entrepreneur has a positive and meaningful effect on organizational innovation at the general office of economy and finance in Golestan province?

2. REVIEW OF LITERATURE

2.1. Organizational entrepreneur

This is a process that the organization passes so that all the employees can do their duties in the role of entrepreneur and accomplish all their individual or group activities continuously, quickly and easily at the organization.

When the entrepreneur activity is done by the entrepreneur individual or group in an organization, it is called organizational entrepreneur. Propagating this concept is rooted in the fact that organizational entrepreneur can help the finance and non-finance performance of the agencies [28]. Organizational entrepreneur is a process in which the individuals are seeking for chances that are dependent of the sources of that organization [29]. Briefly speaking, organizational entrepreneur means that the organizations can develop the useful innovations by encouraging the employees to think and by giving them freedom and flexibility to follow their programs without getting them stuck in the swamp of bureaucratic governing [19].

2.2. The atmosphere of organizational entrepreneur

There should be suitable conditions in the organization to promote organizational entrepreneur. The factors that affect the range of entrepreneur are called atmosphere or environment of entrepreneur [24]. These factors including managerial support, accessibility, flexibility of the borders of organization, working independency (having the power) and reward and strengthening are among the indices of the atmosphere of organizational entrepreneur [15].

2.3. Organizational innovation

In today's competitive world, innovation is essential for permanence of the success in organizations and the creative and innovative people who are the sources of producing innovation are the vital factors for the companies without which the companies will be destroyed. Because the speed of global economic growth, limited demand and plenty of presentation has increased the amount of competition.

Innovation helps the companies to gain competitive benefit in an insecure environment and overcome their competitors. And this can affect the performance of the organization in a long term period. Also the main factor to improve the business is innovation [18]. So innovation is divided to technological innovation, innovation in the products, and innovation in the process at the organization.

The previous studies on the atmosphere of entrepreneur and innovation in the organization show that there are different effective factors in the internal and external environment of the organization. Borins (2001) has expressed the following views to support innovation at the state organizations based on the studies by Fred As Brani and Plasterich (1998); the innovative culture should be supported by the top manager of the organization; the rewards should be increased for the innovative individuals and groups; the resources should be allocated for innovation; more things should be learned about innovation by observing the evident out of the organization; innovation is the duty of all the members of the organization; and the necessity of innovation is evaluation [9].

Shipers, Half and Bloom (2008) have investigated the relationship between the environment of organizational entrepreneur and risk taking innovation in their study. The results showed that there is a positive relationship between the atmosphere of organizational entrepreneur and innovation. Also there is a relationship between the indices of managerial support and reward and dependency in job with the innovation, but there was no relationship between the factors of flexibility of organizational borders and accessibility of time with innovation.

Zhao Fang (2005) investigated the reciprocal interaction between the organizational entrepreneur and its environmental aspects with innovation. The results showed that organizational entrepreneur and its environmental aspects have a direct relationship with innovation and will help the organization through interaction with each other.

Sone (2009) investigated the relationship between the approaches of leadership and the organizational atmosphere with the creativeness and innovation. Results of his research showed that the variable of the method of managers' leadership has a positive and meaningful relationship with creativeness and innovation of the employees. Also the variable of organizational atmosphere has a positive and meaningful effect on the variables of creativeness and innovation. It means that the more suitable the approaches of leadership and organizational atmosphere, and the more supportive they are of creativeness culture and innovation, the more innovation will be in that organization.

Joana (2006) investigated the relationship between the organizational atmosphere with creativeness and innovation. The results of her study showed that the variable of organizational atmosphere has a positive, direct and meaningful relationship with the variables of creativeness and innovation. In addition, the organization can be encouraged toward competition with other competitors in the market by improving the organizational atmosphere and leading the organization to accept new ideas and the employees' creativity.

Anthony Lano (2005) investigated the effects of environment at the university on the entrepreneur behaviors. He knows the role of environment and entrepreneur atmosphere very important and said that the features of a suitable atmosphere for entrepreneur include management's support, risk taking, reward system and the resources and the structure of the supporter. He believes that the faculty members play the role of middle managers and they are the mediators among top managers, students and employees, and their understanding of entrepreneur atmosphere has a great effect on the activities of entrepreneur and innovation at the university [21].

Zare, Feyzi and Mahboobi (2010) said that there is a meaningful relationship between organizational atmosphere and creativity in their study as "investigation of relationship between organizational atmosphere with job stress and employees' creativity" and resulted that factors such as intimateness, respect, influence and permanence cause the creativity and reduction of the stress among the employees in the open atmosphere and have a negative effect in the closed atmosphere.

The conceptual model of the research can be showed like this regarding the theories and research findings of empirical researches.

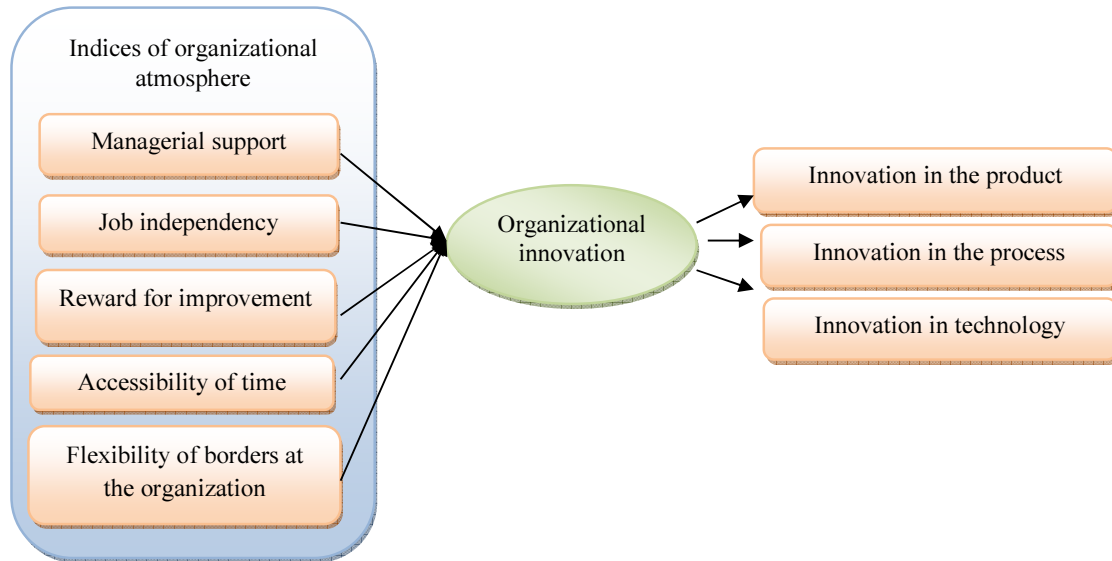


Fig. 1. Conceptual framework of the research

4. Research hypotheses

1- Main hypothesis

The organizational atmosphere has a positive and meaningful effect on organizational innovation in the general office of economy and finance in Golestan province.

4.1. Secondary hypotheses

1. The atmosphere of managerial support has a positive and meaningful effect on innovation in the general office of economy and finance in Golestan province.
2. The atmosphere of managerial support has a positive and meaningful effect on innovation in the general office of economy and finance in Golestan province.
3. Reward has a positive and meaningful effect on innovation in the general office of economy and finance in Golestan province.
4. Accessibility of time has a positive and meaningful effect on innovation in the general office of economy and finance in Golestan province.
5. Flexibility of the borders of organization has a positive and meaningful effect on innovation in the general office of economy and finance in Golestan province.

3. RESEARCH METHODOLOGY

The present study is descriptive-measurement and correlative in collecting data. Two standard questionnaires were used to measure the employees' ideas. The first questionnaire was the questionnaire entrepreneur atmosphere questionnaire of Hornsby et. Al (2002) in the form of 48 buoys and Hughes questionnaire (2005) was used to measure the criterion of organizational innovation and for measuring the variables 5-scale likert was used. To measure the permanence of both questionnaires, 20 questions of each of them were given to 20 samples randomly and its Kronbach alpha was calculated by SPSS software that was $\alpha=78\%$ for the questionnaire of entrepreneur atmosphere and $\alpha=81\%$ for the questionnaire of organizational innovation that shows a high ratio of entrepreneur atmosphere of the measuring tools. To calculate the suitable sample regarding the size of the society (93 people of the general office of economy and finance in Golestan province) the statistic sample is identified based on Morgan and Kerjesi's table to be 76. Also, the sampling method in this research in simple random sampling.

To analyze the data in the present study suitable inferential analysis methods such as Spearman correlation coefficient test were used to identify the relationship between variables in the research.

Table 1. Description of sample demographic

indicator	Educational degree				Years of working					Total
	Diploma and under diploma	Associate degree	license	Master studies and more	Less than 5 years	6 to 10 years	11 to 15 years	16 to 20 years	More than 20 years	Total
Male	0	2	38	27	0	12	18	22	15	67
Female	0	0	6	3	0	5	2	1	1	9
Total	0	2	44	30	0	17	20	23	16	76

All the information resulted from the analysis of research hypotheses (test) is shown in the following table:

Table 2. Summarizing the testing of research hypotheses

Hypotheses	hypothesis	Correlation coefficient R	Identification ratio	Regression coefficient β	Meaningful level (sig)	Test result
Main hypothesis	The effect of organizational entrepreneur atmosphere on innovation	0.127	0.052	0.118	0.083	H1 proved
Secondary hypotheses 1	The effect of managerial support on innovation	0.502	0.170	0.228	0.001	H1 proved
Secondary hypotheses 2	The effect of job independency on innovation	0.039	0.060	0.308	0.750	H1 rejected
Secondary hypotheses 3	The effect of reward and improvement on innovation	0.266	0.045	0.395	0.025	H1 proved
Secondary hypotheses 4	The effect of accessibility of time on innovation	0.394	0.070	0.265	0.001	H1 proved
Secondary hypotheses 5	The effect of flexibility of borders of organization on innovation	0.242	0.066	0.254	0.032	H1 proved

6. DISCUSSION AND CONCLUSION

Investigating the relationships between the variable that are introduced in this research, it is shown that in addition to proving the findings of previous studies like Zhao Fang (2005), Dehghan, Talebi and Arabiyoan (2012), Hornsby et. al (1999) , Shipers, Half and Bloom (2008) other relationships are also taken into consideration in investigating the positive effect of entrepreneur atmosphere on innovation.

The results of the study indicate that there is a considerable effect of organizational entrepreneur atmosphere on innovation. Also, as it is understood from the results of linear regression test, factors such as managerial support, reward and strengthening, accessibility of time for creating the employees' creativity and flexibility of the borders of organization are effective on organizational innovation, but the job independency doesn't have any effect on innovation. These findings are in accordance or opposite to some previous studies that are going to be discussed in the following.

In the previous researches about organizational entrepreneur one of the most effective factors on the individual's entrepreneur behavior at the organization is managerial support. Managerial support refers to the management's requests in top position in facilitating and raising and creating the suitable environment for entrepreneur activities in the organization. The results of this research were in the same direction as Hornsby et. al (1999), Zhao Fang (2005), and Shiperz, Half and Bloom (2008) and state that the managerial support encourages the people to act toward entrepreneurship at the organization [14].

If the employees have freedom of act and independency, possibility of innovation will increase in them [23]. The results of this study are in contrast to the idea by Wikland and Zhao Fang (2005) and Shiperz, Half and Bloom (2008) that say if the organizational units are independent and be responsive for their performance, they will go toward innovation [25]. It seems that the reason of this is the existence of very tough regulations and approaches with framework for the research process in the organization that reduces the organizational and content innovations. These frameworks are also available in the executive part.

In the idea of some researchers, based on the results, entrepreneur behavior with the suitable system of reward is reinforced in the organization. The results if this study are in the same direction with ideas of Tomy and Zhao Fang who believe that if the employees know they participate in the results of their work and that the positive results have positive reward, the entrepreneur behavior will be encouraged in them and the possibility of creating innovation in them will increase [23].

Accessibility of time means having enough time to work on the needed entrepreneur projects [19]. The results of this study are the same as Hornsby et, al (1999) that say managers should have enough time to do the activities of entrepreneurship. Also to have an innovative progress, the people should have enough time to run their ideas [15].

Flexibility of organizational borders delivers an amount of freedom of selection regarding the roles and responsibilities [5]. The results of this research are the same as the ideas of Anthony Lano (2005) and Shipers, Half and Bloom (2008) that stated middle managers are the mediators between top managers and employees and the amount of their understanding and belief of the entrepreneur atmosphere has a great effect on the entrepreneur and innovative activities. So when the people work better with each other in an organization the results will be better regarding quality and quantity and the possibility of innovative activities will increase.

Briefly speaking, this study helps the relevant researches such as: first, by investigation, identifies the relationship between the effective factors of organizational atmosphere and innovation. Second, this study supports these relationships strongly and shows that except the variable of independency of act, they are meaningful and positive, even though this variable is effective on the amount if intensity of the relationships between them. Third, regarding the fact that unfortunately innovation and improvement are not established in most of the organizations in Iran and they don't have a suitable position in the organizations and the people face with innovation as a temporary case, this phenomenon is also seen in the universities and research centers [21]. This study using a sample of the research institute of human sciences of the country, gives the results among which are the empirical researches in the field. Although this idea that

organizational entrepreneur atmosphere has affected innovation, is highly accepted among the scientific society, but this study shows that in addition to the fact that some factors such as organizational entrepreneur atmosphere facilitates innovation but factors such as (freedom of act in the job) also exist that are not effective on such environments in increasing innovation and ignoring them can result in the lack of future permanent growth. Based on this some applicable suggestions are given for the society.

7. Suggestions

- It seems that the bank managers can provide the necessary fields for applying the new ideas of the employees and encouraging them to deliver and test innovative ideas freely by a little improvement in the organizational atmosphere and change Mellat bank to a completely innovative organization. This is better to be done by applying the employees' new ideas and encouraging them to make more of these ideas and giving them enough opportunities to test and make the ideas operational freely.
- Making innovative work team; this work team has the authority to rebuild some parts of the organization to make them closer to organizational entrepreneur goals. This work team should support the entrepreneur and train the personnel to produce various and new ideas; also establishment of the unit of research and development at the organization that is under the control of innovative team work and its basic duty is to produce the content (delivering the needed documents).
- Giving authorities to the managers from the top management of the organization, by which the middle managers have the power of decision making about innovative ideas. This important issue causes that top managers have more time to investigate the ideas and innovative plans in the organization.
- Time framework, the amount of work, the amount of profitability and new research projects should be identified exactly as much as possible and the organization should create a supportive system of the risk of research innovations especially in its regulations, because without support, fewer hopes will change into traditional culture and entrepreneur culture.
- The culture of accepting and tolerating failure, mistake and error should be available in all parts of the organization.
- Designing a reward system for organizational entrepreneurs in the organization needs that the superior managers be aware of both these people's needs and the regular employees' needs. This reward should be both monetary and non-monetary. But the non-monetary aspects are more important. Non-monetary rewards for the organizational entrepreneurs can include: knowing his performance as formal and expressing it to all, creating supportive groups or binary systems of improvement based on performance in developing innovative projects.

REFERENCES

1. Amirkabiri, A. and O. Mahmoodian, the effects of organizational factors on the potential results of intra-organizational entrepreneur: a research on the branch of the industry of information and communication technologies. *Season magazine of management knowledge*, 2007. 20(79), pp. 127-144.
2. Abedi, R., Exploring in the intra-organizational entrepreneur. *Magazine of management studies*, 2002.35(36).111-134.
3. Anthony, I.J. The university environment and academic entrepreneurship: a behavioral model for measuring environment success. Stevens institute of technology,2005.
4. Barney, J.B. and M.Wright, Patrick, On becoming a strategic partner: The role of human resources in gaining competitive advantage, 1998.
5. Barrett, H. and A. Weinstein, The Effect of Market Orientation and Organizational flexibility on Corporate Entrepreneurship. *Entrepreneurship: Theory and Practice*, 1998. 23(1). pp. 57-70.
6. Cartwright, R., *Creating the Entrepreneurial Organization*. Capstone publishing, 2002.
7. Chang, S.C. and M.S. Lee, The linkage between knowledge accumulation capability and organizational innovation. *Journal of Knowledge Management*, 2008. 12(1). PP. 3–20.
8. Covin, J.G. and M.P. Miles, Corporate entrepreneurship and the pursuit of competitive advantage, entrepreneurship Theory and pursuit of competitive advantage. *Entrepreneurship Theory and practice*, 1999. 23(3).
9. Dehghan, R., K. Talebi, and A. Arabiyoan, An investigation about the effective factors on organizational entrepreneur and innovation at Medical Universities of the country. *Payavard season magazine. Health*, 2012. 6(1).
10. Falconer, L., organizational learning, tacit information and learning: a review. *The learning organization*, 2006. 13(2). PP. 140-151.
11. Fang, Z., Exploring the synergy between entrepreneurship and innovation. *International Journal of Entrepreneurial Behavior & Research*, 2005. 11(1). pp. 25- 41.
12. Gorji, M.B., *Writing the proposal in human sciences*. First edition, Arg Publications,2010. Tehran.

13. Hill, E., *The Development of an instrument to measure entrepreneurship: Entrepreneurship within the corporate setting*, 2003. New York: McGraw - Hill Irwin.
14. Hornsby, J.S.D., F.Kuratko, and S.A. Zahra, Middle managers' perception of the internal environment for corporate entrepreneurship: Assessing a measurement scale. *Journal of Business Venturing*,2002. 17(4). PP. 253-273.
15. Hornsby, J.S., D.F. Kuratko, and R.V. Montagno, Perception of internal factors for corporate entrepreneurship: A comparison of Canadian and U.S. managers. *Entrepreneurship Theory and Practice*,1999. 24(2).
16. Hughes, P.,R. Morgan, and M. Hughes, Resources, Strategy Type, and Business Performance: An Assessment of Strategic Fit. in the proceedings of the 34th European Marketing Academy Conference, 2005. Bocconi University, Milan, Italy.
17. Joanna, K., *Organizational climate & Creativity and Innovation*. *Creativity and Innovation Management*, 2006. 13(3). pp. 187-196.
18. Li, Y., Y., Zhao, and Y.Liu, The relationship between HRM, technology innovation and performance in China.*International Journal of Manpower*, 2006. 27(7). PP. 679–697.
19. Moghimi, M. andM. Ramezan, *Strategic management and entrepreneurship*. 2010, Tehran: Rahdan Publications.
20. Scheepers, M.J., J. Hough, and J.Z. Bloom, Nurturing the corporate entrepreneurship capability. *Southern African Business Review*, 2008. 12(3). pp. 50-75.
21. Talebpour, M.,A. Marefati, and J. Gholamian, Delivering regression model of organizational atmosphere and organizational entrepreneur at the physical education universities of Iran. *Research season magazine of sports sciences*, 2009. 26(12). pp. 97-116.
22. Talebi, K. andM. Tajoddin, *Competition through innovation in small and middle sized companies*,2010. Tehran: Publications of Kambiz Talebi.
23. Twomey, D.F.A., D.F.Harris, and D.L. Harris, *From strategy to corporate outcomes: Aligning human resource management systems*, 2000.
24. Wee-Liang, T., and T.Teck-Meng, *The Antecedents of Value Creation in Singapore Corporations*. Singapore Management University.2002.
25. Wikland, J., The sustainability of the entrepreneurial orientation performance relationship. *Entrepreneurship: Theory & Practice*, 1999. 24(1). PP. 37-49.
26. Zare, H.,A. Feyzi, andT. MAhboobi, Investigation of the relationship between organizational atmosphere with job stress and creativity of the employees at department of education and training of Western Azerbaijan. *Researches of behavioral sciences*, 2010.16. pp. 114-124.
27. Zahra, S.A., and J.C. Covin, Contextual influences on the corporate entrepreneurship performance relationship: a longitudinal analysis. *Journal of Business Venturing*,1995. 10(1). PP. 43-58.
28. Zahra, S.A., D.F., Kuratko, and D.F. Jennings, entrepreneurship and the acquisition of dynamic organizational capabilities, *Entrepreneurship theory and practice*, 1999. 23(3). PP. 5-10.
29. Zampetakis, L.A., and V. Moustaki, An exploratory research on the factors stimulating corporate entrepreneurship in the Greek public-sector. *International Journal of Manpower*, 2010. 31(8). PP. 871-887.