

## **The Amount of Corporate Entrepreneurship and Its Relationship with Performance Improvement of Organizations**

**Sara Moshtaghi<sup>1</sup>, Ali Moridi<sup>2</sup>, Alireza Farokhi<sup>2</sup>, Majid Konani<sup>2</sup>, Arash Rotafi<sup>2</sup>**

<sup>1</sup>Department Of Business Management, Rasht Branch, Islamic Azad University, Rasht, Iran

<sup>2</sup>M.A. Student of Business Management, Rasht Branch, Islamic Azad University, Rasht, Iran

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### **ABSTRACT**

Corporate entrepreneurship is a fundamental truth that leads to strategic restructuring, profitability, innovation and organizational growth. Due to unbalanced conditions of the consumer market, market saturated by different enterprises, the fundamental question is expressed that do attention to organizational entrepreneurship factors can effect on performance of Alborz insurance agencies? Hence, objective of this study is measuring of the correlation between organizational entrepreneurship and performance. In study statistical society are Alborz Insurance agency staffs in Rasht. To collect information was used questionnaire and for test hypotheses is used the Pearson test. Results of statistical analysis on data collected indicate that tends to corporate entrepreneurship have a significant positive correlation with performance.

**Keywords:** Corporate Entrepreneurship, Performance, Insurance Agencies.

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### **1. INTRODUCTION**

Today's problems of organizations do not solve with yesterday's solutions and future forecasting does not solve future problems but also should be acting for the future forecasting. Increased competition, changing business environment and globalization are the major changes (Alipour & et al, 2012). Today, environmental conditions and competition rules of the game is so brutal, complex, dynamic and uncertain that other organizations cannot ensure only with change like a change in methods, systems, structure, technology etc their long life and survival. Suggested system cannot creative people, cannot identify the format of mental mistakes and correct them. In today's business environment is characterized by increasing competition (Gilaninia, Amiri & et al, 2011). Teamwork of people with wrong and undeveloped mental models in fact is not teamwork, they are work team. So today's organizations need to create a revolution in the minds of managers and employees because basically the concept organization, work, quality, competitiveness and ... is changed in their opinion. today organizations with a few creative people and entrepreneurs or run some entrepreneurial projects overcome on competitors of small, agile, flexible, innovative, opportunity-oriented and low cost. They should provide conditions because all employees have found entrepreneurial spirit and so easily, continuously and individually or collectively implement their own entrepreneurial activities (Samadaghaei, 2009, p1).

### **2. Theatrical Framework**

Entrepreneurship is an important issue that had and has paid attention in many developed and developing countries. Meanwhile one of the main branches of entrepreneurship is entrepreneurship in organization which undoubtedly it has a significant contribution to the success and growth of organizations (Ahmadpour, 2004, p132). In this competitive world, accessing to competitive advantage is very important (Gilaninia, Ramzani & et al, 2011). Corporate entrepreneurship is set of activities that are possible exploiting from the competitive advantages of innovation in an organization and is looking for innovation in organizations (Kuratko, 2005, 699). An organization to achieve its overall objectives has required to planning and accurate control of tasks process with corrects management (Ahani & et al, 2011). In present world that economy is a very important and crucial issue (Gilaninia, Kiani & et al; Eilbeigi & et al, 2012). It's clear that mutual effort of governments and people is the critical element for the progression of companies (Hanifi & et al, 2012; Rezvani & et al, 2011). Insurance has fundamental role of in financial compensation from the realization of risk for all individuals in society. Insurance offers services that enhance business performance, companies and trade organizations, and provides infrastructure necessary to promote competitive advantage and attract foreign investment in the country (Sasannejad, 2001, p8). Customers or ie better insurer are existential philosophy of insurance around the world. Insurance in our country is one factor that directly responders to the community need to regulate social interaction, provides security professionals of business and economic activity. But this industry has been faced with an apparent failure to perform its optimized mission in the country and to reach the advanced countries and even some developing countries has a significant gap (Sahamian Moghadam, 2007, p3). Uncertainty and insufficient knowledge of community from the insurance issues and inefficiencies of this industry in providing

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**\*Corresponding Author:** Sara Moshtaghi, Department Of Business Management, Rasht Branch, Islamic Azad University, Rasht, Iran.

the real needs of customers is caused gap evident between customers and insurance institutions. It seems to pay special attention to the development components of entrepreneurship in operational processes and service in the industry and further develop the entrepreneurial culture among employees working in the industry can be to a distinct form an appropriate policy in coverage of this gap (Eimanipour, 2008, p13). "Flexible structure", "Effective organizational climate", "Culture of support and stimulating of creativity and innovation" and "individual ability and motivation of employees" are considered as dimensions of tendency to corporate entrepreneurship and "employee satisfaction", "customer satisfaction" and "financial performance" as dimensions of Agents performance. Therefore, this study seeks to answer to question that is there signification relationship between corporate entrepreneurship with insurance agencies of Alborz? (Moshtaghi, 2010)

Research model is derived research of Heinonen,j & korvela,k in 2003

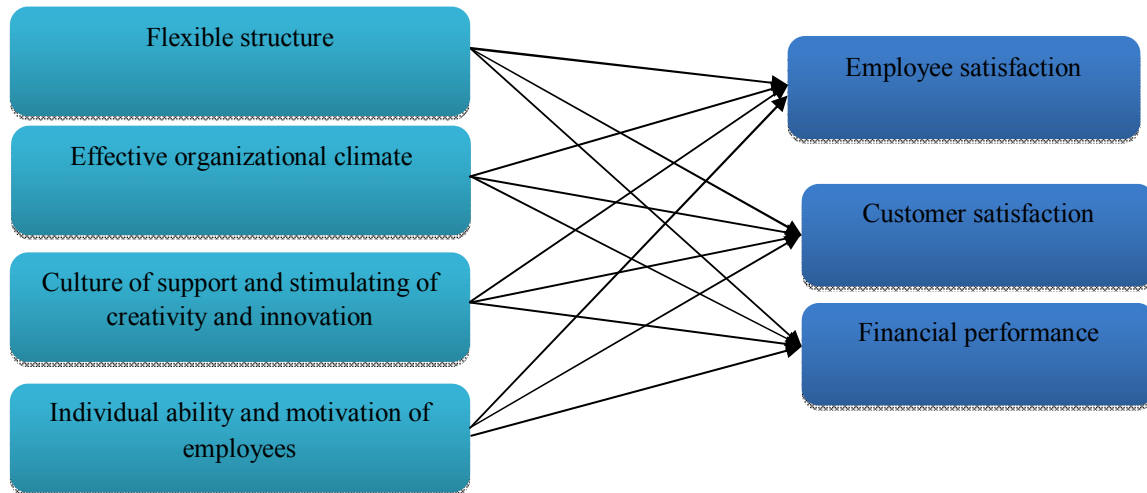


Figure 1) conceptual model of research

### 2.1. Flexible structure

Organization that has a flexible structure, the traditional hierarchical organization to have the minimum possible, reduces management layers and has relied on the communications team (Thorberry, 2002, p339). In this type of structure is emphasized on reward systems, competitiveness, risk taking, sincere support and open communication (Nadurdin & et al, 2006, 11). Also Beret & Weinstein defines that clearly organizational structure has less attachment and loyalty to customs and bureaucratic practices (Beret, Weinstein, 1998, 6).

### 2.2. Effective Organizational Climate

Effective organizational climate is lever to direct the actions and activities of staffing in the organization, how human perception of labor is objective situation of the organization and includes individual communication with other members of organization in work process. Effective organizational climate is limited requires an appropriate autonomy, friendship and strong mutual cohesion, supervisory support and working pressure (Nesurdin & et al, 2006, 119).

### 2.3. Culture of support and stimulating of creativity and innovation

Culture of support and stimulating of creativity and innovation is include organizational protective mechanisms that creative staff are pushing to use their creative abilities and talents for entrepreneurial activity and it is incentive for employees' motivation and use of their maximum capacity and productivity for innovative efforts (Heinonen, Korvela, 2003, 5).

### 2.4. Individual ability and motivation of employees

It refers to the tendency toward organizational potential manpower for entrepreneurial activities and their ability levels and knowledge to undertake this type of responsibility (Heinonen & Korvela, 2003, 9).

### 2.5. Employee satisfaction

Corporate entrepreneurship to promote innovation in organizations has paid special attention to human resources. Characteristic such as participatory management, characteristics of comprehensive organizations and learning, shared vision, flexible structures and lack of traditional hierarchical organization are such as a lever to strengthen the creative spirit in its human resources and to achieve continuous innovation in the organization. To love having good feelings build value for the job are the most important indicators to measure employee satisfaction (Moghimi, 1998, p383).

### 2.6. Customer satisfaction

Customer –orientation is one of the tenets of market- orientation strategy. All employees within a goal and a common desire try to know and understand the multiple needs of their customers and they have a good answer. Customer satisfaction is a result that is obtained a comparison of actual performance (Ziakhossoosi & et al,

2011). This leads to increased customer satisfaction and will increase their satisfaction rate from the organization. Understanding the real needs of customers, the appropriate response to its efforts to provide new services to customers, build relationships and long-term relations with them is the most important indicators to measure customer satisfaction (Heinonen & Korvela, 2003)

### **2.7. Financial performance**

Corporate entrepreneurship can be considering the organization's ability to return to entrepreneurial opportunities to on growth opportunities (Covin & et al, 2006, 57). Entrepreneurial achievements with the operational approach to the financial performance be measured most of the amount of sales or incomes and profitability (Covin & et al, 2006, 65). Components such as sales, profitability, customer buying rate, the number of customers, number of insurance issued is considered the most important indicators to measure their financial performance.

### **3. The necessity and importance of entrepreneurship**

Entrepreneurship has many benefits in any a society that makes its value, benefits such as economic development, productivity; create new technology, new products and services (Stoner & Freeman, 1992, 750). Attitudes towards entrepreneurship and entrepreneurs, from early 1980 onwards appeared with an emphasis companies on innovation to survive and compete with entrepreneurs were leading companies into entrepreneurial activities (Duncan & et al, 1988). Beginning in the 1980s and the sudden development of industries in global competition was emphasis the importance of entrepreneurial processes in companies over the past and researchers focus their attention on convey the entrepreneurship category in large corporate administrative structure (Stevenson & Gumpert, 1985, 85). Some researchers expressed at the very beginning so that entrepreneurship and bureaucracy have contradictory nature and cannot be applied both in a structure. But some other researchers paid demonstrate how to create in the same beginning sub entrepreneurial companies in the context of parent companies and believed what can be found among all types of entrepreneurs to jointly is undertake a risky activity and aim of generalization of the entrepreneurial process in organizations actually is prioritizing risky activities and towards current programs of company (Burgelmanm, 1984, 154). It is necessary to explain that risky activities in independent and individual entrepreneurship is means of organizing a new organization or establish of company and in concept of corporate entrepreneurship means development of new activities in the framework of company (Kuratko & et al,1998) . Corporate entrepreneurship or organizational entrepreneurship to perform a risky business and entrepreneurship within the organization refers to focus within the organization as a place for entrepreneurial development (Lober, 1998, 26). Generally rapid progress of science and technology, changing demographic trends such as increasing the education level of employment of women and men in families, increased longevity and the old age population, the presence of effective capital markets and more familiar managers with the phenomenon of entrepreneurial causes be considered Entrepreneurial trends In corporate strategy (Kuratko & et al,1998,95). Today, many companies have realized the need for corporate entrepreneurship. This need has emerged in response to several problems that include rapidly growing number of complex and new competitors, a sense of distrust to the traditional methods in corporate management, leaving some of the best and brightest employees from company to become small entrepreneurs, international competition, shrinking large companies and general desire to enhance efficiency and productivity are the first problem of the competition which has narrowed the field of business. Unlike the past decade innovation change, improve in labor market is very popular now. So companies are forced to look for ways to develop domestic entrepreneurship and otherwise they should wait for futility, losing staff and being recession (Donald, Kuratko, Hodgetts ,2004,p76).

### **4. The Research Hypotheses**

#### **4.1. Main hypothesis**

There is signification relationship between corporate entrepreneurship with insurance agencies performance of alborz.

#### **4.2. Sub Hypotheses**

- 1- There is relationship between organizational flexible structure with insurance employee satisfaction.
- 2- There is relationship between organizational flexible structure with insurance customer satisfaction.
- 3- There is relationship between organizational flexible structure with insurance financial performance.
- 4- There is relationship between effective organizational climate with insurance employee satisfaction.
- 5- There is relationship between effective organizational climate with insurance customer satisfaction.
- 6- There is relationship between effective organizational climate with insurance financial performance.
- 7- There is relationship between culture of support and stimulating of creativity and innovation with insurance employee satisfaction.
- 8- There is relationship between culture of support and stimulating of creativity and innovation with insurance customer satisfaction.
- 9- There is relationship between culture of support and stimulating of creativity and innovation with insurance financial performance.

- 10- There is relationship between individual ability and motivation of employees with insurance employee satisfaction.
- 11- There is relationship between individual ability and motivation of employees with insurance customer satisfaction.
- 12- There is relationship between individual ability and motivation of employees with insurance financial performance.

## 5. RESEARCH METHOD

The purpose of this study is based on applied research and research method is descriptive - analytical of the type of correlation. This is the type of field research. Statistical society is the Alborz insurance agency staff in city of Rasht. In this research, 34 Alborz insurance agencies were identified in Rasht and numbers of employees in collecting data and information that can be used to investigate are 78 people. Because statistical society is limit and therefore all statistical population is considered as the statistical sample. a research tool is questionnaire. Questionnaire present study has validated because credibility or validity of the tool have confirmed by teachers and experts. Reliability of the questionnaire calculated using Cronbach's alpha and given that Cronbach's alpha coefficient is obtained higher than 80%. Thus questionnaire is reliable.

## 6. Data Analysis

Table 1) Results of the Pearson correlation test of hypotheses

<i>Hypotheses</i>	<i>Number</i>	<i>Pearson correlation</i>	<i>sig</i>
Main hypothesis: there is signification relationship between corporate entrepreneurship with Insurance agencies performance of Alborz.	78	.616	.000
1- There is relationship between organizational flexible structure with insurance employee satisfaction.	78	.412	.000
2- There is relationship between organizational flexible structure with insurance customer satisfaction.	78	.542	.000
3- There is relationship between organizational flexible structure with insurance financial performance.	78	.665	.067
4- There is relationship between effective organizational climate with insurance employee satisfaction.	78	.525	.000
5- There is relationship between effective organizational climate with insurance customer satisfaction.	78	.423	.000
6- There is relationship between effective organizational climate with insurance financial performance.	78	.654	.000
7- There is relationship between culture of support and stimulating of creativity and innovation with insurance employee satisfaction.	78	.245	.000
8- There is relationship between culture of support and stimulating of creativity and innovation with insurance customer satisfaction.	78	.367	.000
9- There is relationship between culture of support and stimulating of creativity and innovation with insurance financial performance.	78	.491	.000
10- There is relationship between individual ability and motivation of employees with insurance employee satisfaction.	78	.285	.000
11- There is relationship between individual ability and motivation of employees with insurance customer satisfaction.	78	.379	.000
12- There is relationship between individual ability and motivation of employees with insurance financial performance.	78	.476	.000

The main hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between corporate entrepreneurship and performance is significant. Also, the correlation between corporate entrepreneurship with the performance is 61.6 percent which shows the relationship between the variables.

The first hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between organizational flexible structure with insurance employee satisfaction is significant. Also, the correlation between organizational flexible structure with insurance employee satisfaction is 41.2 percent which shows the relationship between the variables.

The second hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between organizational flexible structure with insurance customer satisfaction is significant. Also, the correlation between organizational flexible structure with insurance customer satisfaction is 54.2 percent which shows the relationship between the variables.

The third hypothesis: According to the above table can be seen that the value of sig is more 0.01 and therefore third research hypothesis is rejected.

The forth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between effective organizational climate with insurance employee

satisfaction is significant. Also, the correlation between effective organizational climate with insurance employee satisfaction is 52.5 percent which shows the relationship between the variables.

The fifth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between effective organizational climate with insurance customer satisfaction is significant. Also, the correlation between effective organizational climate with insurance customer satisfaction is 42.3 percent which shows the relationship between the variables.

The sixth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between effective organizational climate with insurance financial performance is significant. Also, the correlation between effective organizational climate with insurance financial performance is 65.4 percent which shows the relationship between the variables.

The seventh hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between culture of support and stimulating of creativity and innovation with insurance employee satisfaction is significant. Also, the correlation between culture of support and stimulating of creativity and innovation with insurance employee satisfaction is 25.4 percent which shows the relationship between the variables.

The eighth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between cultures of support and stimulating of creativity and innovation with insurance customer satisfaction. Also, the correlation between culture of support and stimulating of creativity and innovation with insurance customer satisfaction is 36.7 percent which shows the relationship between the variables.

The ninth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between culture of support and stimulating of creativity and innovation with insurance financial performance. Also, the correlation between culture of support and stimulating of creativity and innovation with insurance financial performance is 49.1 percent which shows the relationship between the variables.

The tenth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between individual ability and motivation of employees with insurance employee satisfaction. Also, the correlation between individual ability and motivation of employees with insurance employee satisfaction is 28.5 percent which shows the relationship between the variables.

The Eleventh hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between Individual ability and motivation of employees with insurance customer satisfaction. Also, the correlation between individual ability and motivation of employees with insurance customer satisfaction is 37.9 percent which shows the relationship between the variables.

The Twelfth hypothesis: According to the above table can be seen that value of Sig is the smaller than 0.05 and so, with 95% confidence of the relationship between Individual ability and motivation of employees with insurance financial performance. Also, the correlation between Individual ability and motivation of employees with insurance financial performance is 47.6 percent which shows the relationship between the variables.

## **7. Conclusions and suggestions**

Significant and positive correlation between tends to corporate entrepreneurship and performance of agents Reflects that if amount tends to corporate entrepreneurship be more and have organizations tend to corporate entrepreneurship, Resulting in a direct form their performance will improved also from the perspective of employee satisfaction, customer satisfaction and financial performance.

Flexible structure has a significant positive correlation with employee satisfaction. This indicates that employee satisfaction is increased if employee be self-control and Have a sense of independence and organizational structure of governing on organization more flexible and less traditional hierarchical relations.

Positive and significant correlation of the flexible structure with customer satisfaction indicates that although it may not directly affect the customer satisfaction but can indirectly be involved in determining customer satisfaction because satisfaction of employees interacting with customers in an interactive relationship can lead to customer satisfaction.

Flexible structure does not show positive and significant correlation with financial performance. This could indicate that existence structures and red tape, slow data transfer speed and lack of clear goals and mission of the organization for all staff and human resources can lead to lack of improve in performance of agencies.

Organizational climate has a significant positive correlation with employee satisfaction that this can be caused by understanding and enough attention of managers from the effectiveness organizational climate, also reasonable attention to issues such as the amount and method of payment of salary and entrepreneurial spirit in organizations.

Corporate entrepreneurship has a significant positive correlation with the performance of sales agents of Alborz Insurance in Rasht. So it is obviously that each amount of these agencies are more inclined towards this component in result their performance can be improved.

Flexible structure has needs to be internalized by the organization that this can be facilitating entrepreneurial thinking and behavior.

attention to reward factors, improving the working and ... can provide more satisfaction of employees, trusting employees and giving part of authority to them, continuing to believe and trust to capabilities of employees in the organization and announced this issue in different ways.

Companies need to understand the importance of corporate entrepreneurship development strategies that it requires flexibility, organizational climate, organizational culture and motivation of staff.

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