Designing Process Model of Corporate Entrepreneurship at Small and Medium Size Enterprises (Case Study of Sistan and Blouchestan Province)

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Abstract:
The present age is the age of competition over resources and capital and obtaining innovation that leads to economic prosperity of each country depends on entrepreneurship. In fact, entrepreneurship is a concept that is always accompanied by human and plays key role on growth and development of a country. On the other hand, nowadays small and medium size enterprises play key role on social and economic growth and the development process. These enterprises due to having main role on national gross production, play crucial role on solving economic and unemployment problems. The present research examines the relationship between organizational and environmental factors and corporate entrepreneurship and its relationship on environmental, organizational factors and performance of organization. This is quantitative research that benefits from questionnaire and in this way 220 small and medium size enterprises in Sistan and Balouchestan province from the year 2012 to 2013 were examined. Moreover, in order for hypothesis test, it was benefit from structural equation model. Research findings obtained from structural equations revealed that there is significant relationship between organizational factors and environmental factors with corporate entrepreneurship; moreover, there is significant relationship between organizational factors, environmental factors and corporate entrepreneurship with organizational performance and the role mediator variable of entrepreneurship on organizational and environmental factors with performance of organization is confirmed.

Key Words: Corporate Entrepreneurship, Organizational Factors, Environmental Factors, Organizational Performance, Small and Medium Size Enterprises

Introduction:
In today’s world full of evolutions that strongly influenced all aspects of human life, those societies benefiting from skilful, expert, creative workers with high level of self-confidence; since, at the present time at global level those persons are successful who are working as creative entrepreneurs and create industrial, educational and service evolution (Candida 2008). Entrepreneurship is regarded as a dynamic process consisting of ideas, dreams, evolution and creativity and this process requires motivated persons in the way of obtaining new ideas and
applied solutions (Kuratko & Hodgetts 2007). In fact, nowadays motives including: competition at global level, company downsizing, reducing organizational levels, quick advancement in the field of IT has made commercial corporate to benefit from entrepreneurship for survival (Russell & Kerry 2008). Results of researches and studies during recent decades confirm that corporate entrepreneurship is regarded as national benefit of corporate. One of the reasons of influencing such corporate entrepreneurship is depending economic development of countries to the concept of independent entrepreneurship and corporate entrepreneurship that are complementary and rival of each other i.e. countries only through benefiting both phenomenon of independent and corporate entrepreneurship may benefit from competitive and dynamic economy (Lumpkin et al 2006). Nevertheless, in spite of significant role of industries and large industries on economy of different countries, nowadays the economy of developed countries is based on small and medium size enterprises and generally such enterprises are established by entrepreneurs not benefit from innovative ideas. These corporate play key role on development of advanced industries and employment opportunity and have high level of flexibility (Kyaw 2008). Small productive enterprises have significant intangible assets; nevertheless, they have generally limited capital and resources to support the production and marketing affairs and are influenced from entrepreneurship, innovation, changing dynamic changes of industry and finally creating job opportunities and increasing income on global economy. The production market of such countries are continuously changing and are global so that their ability is limited for obtaining and managing rare resources and survival. Meanwhile, failure of small and medium size enterprises is less than before (Kim et al 2008). Studies revealed that performance of organizations dealing with human resource management, is more suitable and better than other organizations. Small and medium size enterprises in order to obtain suitable output require to plan their approaches and methodologies based on an appropriate attitude (Mayson & Barrett 2006). Therefore, one of the factors that lead to development of such corporate and improving their performance is entrepreneurship. Nowadays it is proved that small and medium size enterprises benefit from privileges of corporate entrepreneurship (Hayton 2005).

Theoretical Basics & Literature Review:
Generally, studying research literature reveals that several factors are involving at development of entrepreneurship at small and medium size enterprises. This chapter deals with studying literature review in relation to effective organizational and environmental factors on corporate entrepreneurship and the relationship between corporate entrepreneurship and organizational performance. Exterior factors are influencing on corporate entrepreneurship. Results of research in Bangladesh reveal that one of the most effective factors on organizational entrepreneurship is organizational structure (Balasumndaram & Shahab Uddin 2009). Results of another research reveal that there is negative significant relationship between formality and organizational complicacy with entrepreneurship (Begley & Boyd 2007). Results of research by Zahra revealed that inner organizational indices play key role on encouragement of employees to perform entrepreneur activities (Zahra 2007). Bertel and et al in a research examined the role and direct effect of organizational culture on performance of entrepreneur corporate
(Brettel et al. 2007). Haten and Doland found out that there is positive significant relationship between organizational flexibility and entrepreneurship culture. Moreover, findings reveal that there is negative significant relationship between items of organizational complicacy and focusing on formal structure with entrepreneurship culture (Hatten & Doland 2006). Results of research by Mamdoh reveal that organizational culture and management style have more influence on organizational structure and resources (Mamdouh 2005). Deming and et al. found out that support of organization management from employees is regarded as basic factor on development of organizational entrepreneurship and easy communication of organization management and employees has key role in this way (Domirbag et al. 2006). Vazir and et al. in their research found out those aspects of organizational behavior is influencing on organizational entrepreneurship (Vazir et al. 2013). Gharakhani found out that the most important factor in this way is organizational culture and attractive and friendly workspace (Gharakahni 2012). Findings of research by Shirpour revealed that less organizational complicacy leads to developing entrepreneurship culture in organization (Shirpour et al. 2012). Results of other research revealed that control systems, organizational culture, human resource management system and entrepreneurship leadership behavior has strong influence on culture of organization (Yusof et al. 2012). Naranjo Valencia et all in their research focused on role of organizational culture on development of innovation. Alpeza 2011 found out that organizational structure, organizational culture, motivation and domestic communication system are effective. Arabaci in his research revealed that following factors are effective: organizational structure, organizational communication, bonus, organizational commitment, risk taking, organizational contradiction and teamwork (Arabaci 2010). Studies of Batgargal revealed that establishing network and communication may assist to development of entrepreneurship and diagnosis of begining business (Batjargal 2010). Urbano & Turro found out that the most important domestic factor on organizational entrepreneurship is knowledge, personal networks and recognizing business opportunities (Urbano & Turro 2013). Stefanovic et al. 2010 revealed that in addition to individual factors, the environmental factors also are influencing on organizational entrepreneurship. Krasniqi 2007 found out that the most important impediments of entrepreneurship in small and medium size enterprises is in Kosovo is unsuitable economic environment for businesses, legal limitations, low level of knowledge and job skills, absence of required opportunity for teamwork, low level of familiarity of members specially managers with nature and importance of entrepreneurship (Krasniqi 2007). Results of research in the field of effective factors on entrepreneurship in India revealed that factors including: legal frame, conditions of market, access to financial resources, R & D, technology related factors, physical infrastructures, abilities of entrepreneurship and entrepreneurship culture are also effective. Moreover, international economic factors and conditions also play key role (Kshetri 2011). Okurut & Ama in their research revealed that environmental and support factors including: bank loans may be effective on development of entrepreneurship projects. Results of research by Bwisa & Ndolo 2011 revealed that culture of society is regarded as another effective environmental factor. Another interesting point in this research is influence of organizational entrepreneurship on organizational performance and other researches referred to positive significant influence of entrepreneurship on profit making.
by companies and nowadays these factors are regarded as factor improving organizational performance (Pourkiani et al 2012). Antonic & Scarlat 2005 found out that entrepreneurship attitudes may have positive influence on organizational performance. Wang & Zhang 2009 in their research in China found out that all aspects of organizational entrepreneurship are not effective on organizational performance. A research carried out by Aktan & Bulut revealed that different aspects of organizational entrepreneurship may have positive significant influence on financial performance of corporate in this study including: investment return and increasing market sale. Handfield and et al in their research found out that organizational entrepreneurship may improve organizational entrepreneurship and performance. Other researchers including: Moshtaghi et al., 2012; Moharramzade et al., 2012; Mokaya, 2012; Al Swidi & Al-Hosam, 2012; Kamalian et al., 2011; Al-Swidi, 2011; Fiş & Cetindamar, 2009 focused on having significant relationship on organizational entrepreneurship and performance.

Conceptual Frame:
On this basis, the present research attempts to study research literature, effective environmental and organizational factors on organizational entrepreneurship and its influence on organizational entrepreneurship on more broad level. In addition to the items already mentioned to environmental factors at Antonique and Histrich model (2001) the item of environmental complicacy (Rogoff et al 2004) and aforesaid organizational factors, organizational culture (Gharakhani 2012), working independence (Hattern & Doland 2006) technology (Zahra 2007) government (Mansour & Mat 2010, Okafor & Mordi 2010) were also studied. On this basis, research hypothesis are including:

1st Hypothesis: There is significant relationship between environmental factor and corporate entrepreneurship among small and medium size enterprises in Sistan and Balouchestan province

2nd Hypothesis: There is significant relationship between organizational factor and corporate entrepreneurship among small and medium size enterprises in Sistan and Balouchestan province

3rd Hypothesis: There is significant relationship between environmental factor and organizational performance among small and medium size enterprises in Sistan and Balouchestan province

4th Hypothesis: There is significant relationship between organizational factor and organizational performance among small and medium size enterprises in Sistan and Balouchestan province

5th Hypothesis: There is significant relationship between corporate entrepreneurship and organizational performance among small and medium size enterprises in Sistan and Balouchestan province

Figure 1 shows the conceptual model of research based on relationship between environmental factors, organizational factors with organizational entrepreneurship with organizational performance.
Research Methodology:
This research with respect to objective is regarded as applied research and with respect to method of collecting data is regarded as survey research. Statistical society of this research is mangers of early return enterprises at Sistan and Balouchestan province consisting of 326 corporates. Among this number, by using Morgan table and class sampling method with suitable affiliation, 220 companies were selected as statistical society in compliance with volume of society at each city. In order to obtain this sample, 260 questionnaires with cover letter were distributed among respondents and finally 40 questionnaires were not returned or had incomplete information and ultimately 220 completed questionnaire were returned. In fact, questionnaire return rate was 84.6%. table 1 reveals the volume of society and sample by separation of cities of Sistan and Balouchestan province. In order to evaluate research validity it was benefit from Alpha Cronbach coefficient which shows this research has high level of validity.
Table 1: Volume of society and appropriate volume sample at each city

<table>
<thead>
<tr>
<th>Row</th>
<th>City</th>
<th>Number</th>
<th>Number of Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zahedan</td>
<td>189</td>
<td>128</td>
</tr>
<tr>
<td>2</td>
<td>Chabahar</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Khash</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Zabol</td>
<td>28</td>
<td>19</td>
</tr>
<tr>
<td>5</td>
<td>Iranshahr</td>
<td>32</td>
<td>21</td>
</tr>
<tr>
<td>6</td>
<td>Saravan</td>
<td>32</td>
<td>18</td>
</tr>
<tr>
<td>7</td>
<td>Nikshahr</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Sarbaz</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>9</td>
<td>Zaboli</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Zahak</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>Konakark</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>12</td>
<td>Sib and Soran</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>13</td>
<td>Hirmand</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>14</td>
<td>Delgan</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>326</td>
<td>220</td>
</tr>
</tbody>
</table>

Data was analyzed by Amos software and structural model. In this research it was benefit from confirmative factor analysis, X2 (chi square), RMR and Normed fit index, Incremental Fit Index (NFI), Comparative Fit Index, (IFI), Goodness of Fit (GFI) and Root Mean Square Error of Approximation (RMESA) (Jorskog & Sorborn 1993). In order to compare model with other models and describing data and their compatibility it was benefit from Goodness of fit (GFI), Normed Fit Index (NFI), Incremental Fit Index (IFI) and Comparative Fit Index (CFI).

Findings:
At the first stage the corporate entrepreneurship measurement model is calculated. According to the indices offered at table 3, the indices including: NNFI, CFI, RMESA, are more recommended than other indices for evaluation of model. Level of chi square of total model is smaller than 3 and level of RMSEA is smaller than 0.08 and other indices are larger than 0.90. whereas level of T statistics is offered in figure 1, the relationship between hidden and visible variables i.e. structural sector and model measurement are significant. In the next stage, it is benefit from outer variables of corporate entrepreneurship and confirmative factor analysis. In this stage in order to evaluate and formation of 2 independent variables i.e. organizational and environmental factors, it is benefit from first rank factor analysis and structural equation model. On this basis, the offered indices have required evaluation. Level of chi square is smaller than 3, level of RMSEA is 0.08 and other indices are larger or equal to 0.90 and the relationship between hidden and visible variables i.e. structural and model measurement is significant. In this section, based on measurement models or confirmative factor analysis that was already offered for each of the structures separately, the main research hypothesis and influence of each independent variable on dependant variables is examined. As it was already mentioned, application of second rank structural models is regarded as powerful technique for analyzing
regression equations simultaneous with analyzing the causative relationship between variables of model. According to the results, it is concluded that model has suitable structure. According to the results of calculated amount for direct path coefficient of organizational and environmental factors on process of corporate entrepreneurship and organizational performance, the level of t is larger than 1.96 at level of 1 by having positive significant influence on dependant variables. Moreover, according to the findings of corporate entrepreneurship the entrepreneurship based organizational performance has significant influence on sig level of 0.01. In addition to hypothesis test by using structural equation, it is possible to reveal direct and indirect and also total influence of independent variables on dependent variables. Table 3 shows the direct, indirect and total influence of independent and dependent variables.

Table 5: Calculated amounts of path coefficient

<table>
<thead>
<tr>
<th>Items</th>
<th>B</th>
<th>S.E</th>
<th>β</th>
<th>C.R</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurships&lt;---Organization</td>
<td>0.176</td>
<td>0.04</td>
<td>0.417</td>
<td>4.379</td>
<td>***</td>
</tr>
<tr>
<td>Environment Monitoring (CG) &lt;--- Organization</td>
<td>0.905</td>
<td>0.073</td>
<td>0.74</td>
<td>12.39</td>
<td>***</td>
</tr>
<tr>
<td>Value (CF) &lt;---Organization</td>
<td>1</td>
<td></td>
<td>0.796</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Performance&lt;--- Organization</td>
<td>0.651</td>
<td>0.081</td>
<td>0.573</td>
<td>8.002</td>
<td>***</td>
</tr>
<tr>
<td>Culture (CC) &lt;---Organization</td>
<td>1.036</td>
<td>0.063</td>
<td>0.901</td>
<td>16.314</td>
<td>***</td>
</tr>
<tr>
<td>Organizational Support (CA) &lt;--- Organization</td>
<td>0.461</td>
<td>0.046</td>
<td>0.617</td>
<td>9.997</td>
<td>***</td>
</tr>
<tr>
<td>Communication (CE) &lt;---Organization</td>
<td>0.486</td>
<td>0.058</td>
<td>0.525</td>
<td>8.316</td>
<td>***</td>
</tr>
<tr>
<td>Formal Control (CD) &lt;---Organization</td>
<td>0.724</td>
<td>0.048</td>
<td>0.853</td>
<td>15.07</td>
<td>***</td>
</tr>
<tr>
<td>Work Independence (CB) &lt;--- Organization</td>
<td>0.59</td>
<td>0.062</td>
<td>0.592</td>
<td>9.554</td>
<td>***</td>
</tr>
<tr>
<td><strong>Entrepreneurships</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Performance&lt;--- Entrepreneurships</td>
<td>0.654</td>
<td>0.156</td>
<td>0.243</td>
<td>4.19</td>
<td>***</td>
</tr>
<tr>
<td>Business venturing (BD&lt;--- Entrepreneurships</td>
<td>1.109</td>
<td>0.173</td>
<td>0.615</td>
<td>6.426</td>
<td>***</td>
</tr>
<tr>
<td>Proactivenss (BC) &lt;--- Entrepreneurships</td>
<td>1</td>
<td></td>
<td>0.613</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 3: Total, direct and indirect influence separately

<table>
<thead>
<tr>
<th>Dependant variable</th>
<th>Independent variable</th>
<th>Direct influence</th>
<th>Indirect influence</th>
<th>Total influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate entrepreneurship</td>
<td>Environmental factors</td>
<td>0.206</td>
<td></td>
<td>0.206</td>
</tr>
<tr>
<td></td>
<td>Organizational factors</td>
<td>0.417</td>
<td></td>
<td>0.417</td>
</tr>
<tr>
<td>Environmental factors</td>
<td></td>
<td>0.164</td>
<td>0.050</td>
<td>0.214</td>
</tr>
<tr>
<td>Organizational factors</td>
<td></td>
<td>0.573</td>
<td>0.101</td>
<td>0.674</td>
</tr>
<tr>
<td>Corporate entrepreneurship</td>
<td></td>
<td>0.243</td>
<td></td>
<td>0.243</td>
</tr>
</tbody>
</table>

Level of Chi Square is smaller than 3, level of RMSEA is smaller than 0.08 and other indices are larger than 0.90. Total model has acceptable evaluation and level of T statistics reveal that hidden and visible variables have significant relationship, moreover influence of each factor is considered based on factor load. According to level of Chi Square smaller than 3, RMSEA smaller than 0.08 and other variables being larger or equal to 0.90 shows that designed structural model that is offered for evaluating the corporate entrepreneurship is valid and acceptable for examining the relationship between structure; therefore, the structure for evaluation of model with its factor basis is compatible and acceptable. The present Corporate entrepreneurship model is accepted as a native model upon being tested with structural equation model and confirming its adaptability with available status of active companies in the field of small and medium size enterprises of Sistan and Balouchestan province. By using this
method the direct and indirect influence of each forms and general influence of criterions and their importance and priority is determined. Based on path analysis model, the Corporate entrepreneurship of business units and related coefficients are specified.

**Results:**
Hypothesis 1: There is positive significant relationship between environmental factors with entrepreneurship
Hypothesis 2: There is positive significant relationship between organizational factors with entrepreneurship
Hypothesis 3: There is positive significant relationship between environmental factors with organizational performance

Hypothesis 4: There is positive significant relationship between organizational factors with organizational performance
Hypothesis 5: There is positive significant relationship between entrepreneurship with organizational performance

**Discussion & Conclusion:**
As it was already mentioned, this research examines the relationship between organizational and environmental factors with corporate entrepreneurship and its influence on organizational performance of small and medium size enterprises in Sistan and Balouchestan province through benefiting structural equation model and offering appropriate model. One of the most important findings of the present research is having significant relationship between organizational factors and corporate entrepreneurship. Doubtlessly, developing entrepreneurship in any organization is impossible; unless through inner organizational support. Management may have important role for preparing software and hardware facilities. From intellectual point of view creation of motivation among employees is regarded as facilitator factor. One of the effective inner organizational factors is independence i.e. independence of employees plays key role on improving creativity and innovation of people and having dynamic environment. Moreover, having suitable technology is one of the most important and fundamental prerequisites of entrepreneurship that in compliance with great and quick evolutions in the age of information, organization shall take duly step for application of suitable and up-to-dated technology in different fields. Another effective factor is organizational values. In fact, bounding to organizational values in some case plays preventive role and in other cases plays progressive role and is regarded as important factor for developing organizational entrepreneurship. Finally, another finding of this research is having relationship between inner organizational factors, environmental factors and corporate entrepreneurship with organizational performance in 2 aspects including: profit-making and organizational growth i.e. there is significant relationship these variables and organizational performance and related research hypothesis is confirmed. According to the research findings, the following recommendations are offered:
- Establishment of mechanisms for holding specialty courses for improving innovation and making employees familiar with stages and methods of innovation
- Establishment of mechanisms for holding training courses on creativity that is now being taught at world’s accredited universities. In these courses, entrepreneurs become familiar with creative problem solving methods at any place and time
- Establishment of mechanisms for holding risk taking courses and making employees acquainted with different forms of appropriate and inappropriate risks
- Establishment of mechanisms for improving entrepreneurship behaviors and entrepreneur relationships and suitable opportunity for corporate entrepreneurship
- Developing networks, inner and outer organizational relationships for increasing ability and potentials for environmental communication
- Selecting leadership style among managers of organization that leads to increasing partnership of employees for making decision
- Increasing delegation of powers to employees and welcoming their recommendations and critics
- Moving toward analysis and foresightedness organizational strategies
- Establishment of self-control methods instead of direct methods
- Designing bonus system for organizational entrepreneurship
- Developing suitable and entrepreneurship organizational culture
- Developing basics of innovation, creativity and pioneer culture in organization
- Improving trust, dependability, commitment and loyalty of employees
- Attention of managers to indices and properties of organizational culture for moving toward establishment of entrepreneurship culture in organization
- Recognizing new environmental opportunities through establishment of effective communication based on cooperation and competition with other organizations
- Reducing the impediments of bureaucracy among executive organization and facilitation of affairs
- Recognizing environmental impediments of organization and attempt for solving them
- Preparing required infrastructures for access of corporate to modern technologies including: IT and communication
- Increasing research budget of each province in the field of entrepreneurship and activation of entrepreneurship offices
- Establishment of mechanisms for increasing communication of industry and university
- Establishment of temporary production laboratories (commercial incubation) and establishment of scientific and research industrial parks
- Establishment of mechanisms for permanent security in each province for encouraging entrepreneurs for investment
- Offering mechanisms for establishment of counseling and specialty corporate with experts in each province for offering counseling to entrepreneurs
- Establishment of mechanisms for training entrepreneurship for, holding educational workshop on entrepreneurship by the applicable organizations
- According to the policy of government in the field of privatization, it is recommended to assign different plans and projects by priority of small and medium size enterprises
- Managers shall improve job satisfaction of their employees through material and intellectual means that leads to improving their job performance
- To establish database in the field of financial, price, stock exchange, active companies and other useful information of corporate for easy access of managers to this information and preparing the opportunity of suitable communication between persons and corporate
- Making appropriate policy in each province for developing entrepreneurship and reducing its impediments
- Support from small and medium size enterprises and priority of offering bank loan

Recommendations for Further Researches:
One of the most important limitations of this research is broad area for studying all cities, problem for accessing to all respondents, reluctance of some respondents for completion of questionnaires; therefore, it is recommended for the researchers to examine the mediator role of corporate entrepreneurship between environmental and organizational factors and organizational performance among large industrial units

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