

# Investigating the relationship between Organizational Entrepreneurship and Social Capital in Vocational Schools of North Khorasan

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DOI: 10.6007/IJARBSS/v3-i8/159 URL: <http://dx.doi.org/10.6007/IJARBSS/v3-i8/159>

## **Abstract:**

"Entrepreneurship" in sociologists' view is a process located in a variable network of social relations. These social relations can limit or facilitate the relationship of entrepreneurship and resources and opportunities. As yet, researches that have been conducted concerning organizational entrepreneurs attempted to determine personal characteristics of entrepreneurs and they have ignored social relations or social capital. The main goal of this research is to investigate the relationship between social capital and organizational entrepreneurship. Statistical population of this research is consisted of all of the staff and teachers of colleges in 1391, 214 of which have been selected by class sampling according to Morgan Table. This research is conducted in descriptive, correlational manner, and in order to prove its justifiability and stability the standard and global questionnaire of social capital with 60 items of Likert range and researcher-made questionnaire of organizational entrepreneurship, that its justifiability and stability is proved and applied several times, are used and for data analyzing proportional to the research hypotheses the Pearson correlation coefficient is used. The results indicated that there is a positive relationship between social capital and organizational entrepreneurship with a certainty level of 95% of the main confirmed hypothesis, i.e. there is a positive relationship between social capital and its components (partnership, coherence, honesty, mutual relations, being valuable, trust, responsibility and commitment) and organizational entrepreneurship.

**Keywords:** social capital, organizational entrepreneurship.

## **Introduction:**

Looking at entrepreneurship in social surrounded structures framework paves the way for a wide prospect of entrepreneurship, so that direct the attention toward ambiguous and ignored points, i.e. the social aspect of the social-economical phenomenon, like organizational entrepreneurship. Recently, social capital has led to some theories that are a basis for other

management studies. This capital is from modern concepts that play a more remarkable role than physical and human capital in organizations and communities.

Social capital, as a social phenomenon raises creativity, raises ideas, facilitates innovative and risk-taking behaviors and plays an important role in entrepreneurship activities; because entrepreneurship is a social- economical process that is dependent on social conditions and social context in 2 ways: first entrepreneurs are people who are a product of their own social environment and second entrepreneurship is a social activity and therefore presence or absence of social bonds and communications affect the nature of business.

The common definition for social capital in main stream on American Sociology, especially in functionalistic narration, is mutual relations, interactions and networks that appear among human groups, and the level of trust is found among a special group and population as the outcome of commitments and norms linked with social structure.

Portes 1998: defines social capital as the actors' ability to achieve and maintain resources as a result of membership in social networks. He mostly focuses on social relations and networks to analyze social capital.

Key elements and components of social capital are considered as follows:

- Social trust: is considered among the most important social capital indices. Coleman regards the trust in social capital as an important index for creating and measuring social capital. The concept of trust for Coleman is a pivotal one. In his view, people tend to social action because they want to meet their needs and meeting the needs is possible through exchange.
- Social partnership: presence of partnership networks as production areas for social capital has attracted a lot of attention in modernization and political development literature. Generally, multiplicity of social partnership networks in each group, organization or community is an indicative of their social capital. So the more abundant is the partnership networks in a group, organization or community, the richer is that group, organization or community in social capital.
- Social coherence: Jonoton Turner quotes Dorkim and says: "coherence occurs whenever people emotions are regulated by cultural symbols, wherever people that are linked to population are made social, actions are regulated and inequalities are assumed legal."

Social commitment and responsibility: Kit Davis believes that: social responsibility means a kind of commitment feeling by managers of business organizations in private sector, so that in their decisions, in addition to gaining profit for the organization, consider whole community well-being level too. It should be notes that management moral, social responsiveness and commitment differ from social responsibility. Stiphen Robins writes: if we compare the concept of social responsibility and responsiveness, we will note that social responsibility is amongst its evolution.

Social value-orienting: they consider values as a set of basic assumptions toward a good thing that is an expression of the deepest emotions about the word in community, thus create social values and reinforce social relations and discipline.

Mutual relations: relations between two people or two groups that can take different forms like cooperation, exchange, union, and friendship. Also, mutual relations can include family,

neighbor, and work relations. Development of informal communication increases mutual trust, and this increase lead to a decline in effects of position-derived differences.

**Organizational entrepreneurship**

The process of continuous and quick transition in the beginning of the third millennium is one of the most prominent streams in human life and is among its most important features and entrepreneurship and creativity process that is the basis and platform of transition and plays a fundamental and determinant role in this respect.

Nowadays, innovative and entrepreneurship thinking and using it in organizations is inevitable. As in organization's birth and death it depends on insight, intuition and abilities of the founders, its growth and survival is also depended on factors like ability, creativity and innovation of their human resource. If planners, decision-makers and staff in an organization are entrepreneur, they will understand economic opportunities better and can use the existing resources in order to do this. To this end they should develop entrepreneurship activities in organizations and train entrepreneurship spirit in decision-makers and staff in the organization and finally rule out a entrepreneurship environment in the organization. This needs a cognition, explanation and description of organizational entrepreneurship concept and process.

Jennings and Lumpkin believe that an entrepreneur organization, in relation to normal organizations, create newer products and newer products. In contrast to one-dimensional, Miller considers organizational entrepreneurship as a phenomenon that includes a tendency to innovation, prediction and risk-taking in developing products and technology.

According to Jonson there are several basic variables that can affect developing entrepreneurship spirit and also creating a good platform for it. These variables are specified as a research model in figure 1.

**Figure 1 – effective factors on organizational entrepreneurship**



**Social capital and entrepreneurship**

The relationship between different forms of social capital and economical changes has penetrated in texture of economical-social literature like a gold thread. Nevertheless, except a few studies that have been conducted on racial groups and minorities, Cook and Wills 1999 investigated the political interventions and countermarches, the aim of which was to boost social capital in small and medium size firms in order to increase innovation level.

### **The relationship of social capital and organizational entrepreneurship**

Wilken believes that in addition to economic factors like market and capital advantages that affect entrepreneurship, non-economic factors like network of social relations also can influence entrepreneurship phenomenon. Social capital, as a social characteristic, leads to creativity, idea-raising, facilitation in innovative and risk-taking behaviors, and this is among entrepreneurship indices.

According to Pootnam 1993 membership in networks reinforces entrepreneurship activity, because this membership provides the user with some useful information resources. In order to involve in entrepreneurship activity, people should be able to consider environmental changes and evaluate the effect of these changes on their new business.

### **Conducted researches related to social capital and organizational entrepreneurship in our country**

- Seyednaghavi and Abdollahpoor 1391 conducted a study and concluded that there is a positive and significant relationship between social capital and organizational entrepreneurship.
- Arab, Ali 1388 conducted a study titled "investigating and comparing the relationship between social capital and organizational entrepreneurship in public and private sectors in state of Qom" and the result is: in both surveyed statistical population there is a significant relationship between social capital and organizational entrepreneurship.
- Shafizadeh et al. 1390 conducted a research titled "investigating the relationship between social capital and organizational entrepreneurship in casting industries of Iran in Kave industrial park". The results of this research showed that there is a significant relationship between organizational entrepreneurship and social capital, as well as its different aspects.

### **Conducted researches related to social capital and organizational entrepreneurship outside our country**

- Linan et al. 2008, in Spain and Taiwan, conducted a research and concluded that the social learning theory has provided a new possibility to have a better understanding of social relations in the processes creation, intention and distinguishing opportunities. They believe that national culture can form entrepreneurship views, rather than societal ones. Therefore, both societal capital and culture can play a role in entrepreneur intention.
- The results of Marry and Saprito (2006)'s research, titled "social capital and entrepreneur opportunities", show how they find interaction and penetration for

exploiting opportunities through social capital and cognition. To this end, the research focuses on the ideas of social cognition theories to explain how this behavior (exploiting opportunities) is a result of interactions among environment (social capital network) and personal factors (cognitive biases and understanding risk).

1. Research methodology

This study is a non-empirical research in terms of variable control that has been conducted in correlational manner, and is descriptive-survey in terms of its nature. It is also an applied research, because its aim is to identify the relationship of social capital and organizational entrepreneurship of staff in organizations.

After collecting the data, they were registered and analyzed by SPSS software.

The statistical population is: the entire formal, contract, and tuition professors and staff of vocational schools and colleges in North Khorasan, who have university degrees and are working there from 1390-91. The total number of them is 476, 214 of which have been selected according to Morgan Table using random sampling.

The data collecting tool is the standard and global questionnaire of social capital with 60 items of Likert range and researcher-made questionnaire of organizational entrepreneurship, that its justifiability and stability has been proved already by Ebrahimzadeh 1387.

2. Findings and analysis

Testing the main hypothesis

The main hypothesis is "there is a relationship between social capital and organizational entrepreneurship of staff in vocational schools of North Khorasan."

entrepreneurship		
0.500	Pearson correlation	Social Capital
0.000	The lowest significance level	
210	Number	

Given that the least significance level of Pearson correlation test is  $>0.05$ , so we can say that the hypothesis of the relationship between social capital and organizational entrepreneurship of staff in vocational schools of North Khorasan is supported. Given the amount of correlation it can be concluded that this correlation is positive and its intensity is high.

Testing the secondary hypotheses

Hypothesis 1: there is a relationship between social partnership and organizational entrepreneurship of staff in vocational schools of North Khorasan.

Given that the least significance level of Pearson correlation test is  $>0.05$ , so we can say that this hypothesis is supported. Given the amount of correlation it can be concluded that this correlation is positive and its intensity is low.

Hypothesis 2: there is a relationship between social honesty and organizational entrepreneurship of staff in vocational schools of North Khorasan.

Given that the least significance level of Pearson correlation test is  $>0.05$ , so we can say that this hypothesis is supported. Given the amount of correlation it can be concluded that this correlation is positive and its intensity is medium.

Hypothesis 3: there is a relationship between social value-orienting and organizational entrepreneurship of staff in vocational schools of North Khorasan.

Given that the least significance level of Pearson correlation test is  $>0.05$ , so we can say that this hypothesis is supported. Given the amount of correlation it can be concluded that this correlation is positive and its intensity is medium.

Hypothesis 4: there is a relationship between social trust and organizational entrepreneurship of staff in vocational schools of North Khorasan.

Given that the least significance level of Pearson correlation test is  $>0.05$ , so we can say that this hypothesis is supported. Given the amount of correlation it can be concluded that this correlation is positive and its intensity is medium.

Hypothesis 5: there is a relationship between social mutual relations and organizational entrepreneurship of staff in vocational schools of North Khorasan.

Given that the least significance level of Pearson correlation test is  $>0.05$ , so we can say that this hypothesis is supported. Given the amount of correlation it can be concluded that this correlation is positive and its intensity is medium.

Hypothesis 6: there is a relationship between social coherence and organizational entrepreneurship of staff in vocational schools of North Khorasan.

Given that the least significance level of Pearson correlation test is  $>0.05$ , so we can say that this hypothesis is supported. Given the amount of correlation it can be concluded that this correlation is positive and its intensity is medium.

Hypothesis 7: there is a relationship between social responsibility and commitment and organizational entrepreneurship of staff in vocational schools of North Khorasan.

Given that the least significance level of Pearson correlation test is  $>0.05$ , so we can say that this hypothesis is supported. Given the amount of correlation it can be concluded that this correlation is positive and its intensity is high.

### **3. Conclusion**

The results of this research show the existence of a relationship between social capital and its aspects and commitment and organizational entrepreneurship. Thus, it can be concluded that there is a direct relationship between social capital and organizational entrepreneurship and an increase/decrease in social capital has a direct effect on increase/decrease in organizational entrepreneurship.

And as it was stated by Colman, social capital, as a social phenomenon raises creativity, raises ideas, facilitates innovative and risk-taking behaviors and plays an important role in entrepreneurship activities; because entrepreneurship is a social- economical process that is dependent on social conditions and social context in 2 ways: first entrepreneurs are people who are a product of their own social environment and second entrepreneurship is a social activity and therefore presence or absence of social bonds and communications affect the nature of business.

According to the results obtained from hypotheses testing it can be said that an organization with a high social capital, using its impression on information exchange, can develop new ideas in people and these ideas will lead to creativity and this creativity will cause innovation and entrepreneurship in the organization. So an organization with an appropriate level of social capital potentially can be an entrepreneur organization.

Social capital of an organization is an asset that is useful and helpful for both organization (through creating value for beneficiaries) and organization members (through improving staff skills). Social capital is the main infrastructure of every community for growth and development, and is created by aggregation of human capital, natural capital, physical and financial capital, and the type of relations and interactions between capitals in the community, and paves the way for community to progress toward future.

It can be said that, given the key role of vocational schools in upbringing entrepreneur graduates, it is important to pay attention to social capital because this capital is an essential part of entrepreneurship and will facilitate it.

The existence of this capital in them will make them to have special activities like searching. In fact the aims are those people who are potentially or actually entrepreneur and employer.

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