

Study of Relation between Organizational Roles and tendency to Entrepreneurship

Roohangiz Namdari

Faculty member of:

Islamic Azad University Abadan branch-Iran

Namdari_world@yahoo.com

Abstract-Study of experiences of developed countries show that development in advanced societies is dependent on creative, practical and decisive person's activities known as entrepreneurs. They gift welfare and economic and social development to their own society and city through entrepreneurship activities. Although entrepreneurship is by no mean equivalent to creating job but its growth can lead to creation of jobs in the country.

The purpose of this research is to study the relationship between organizational roles and entrepreneurship in industrial and non-industrial organizations of Abadan city in Iran.

Approach: The research with respect to the methodology and nature is descriptive and quantitative.

The 300 people statistic community include employee and founders from 30 different companies, 122 persons were selected as random samples. The way of collecting field information and data collection tool has been questionnaire.

The questionnaire consist of 3 different parts based on participants roles in the organization which is include questions related to employees, founders and both, respectively.

The methodology used in this study statistical techniques, used include: Descriptive statistics, standard deviation analysis, Pearson correlation coefficient, χ^2 test and analyzing data done by using software SPSS.

The findings show that as an organization matures and expands, its founders become more likely to leave and start another new venture, while its employees become more likely to remain with the company.

On the other hand, a positive relationship was observed between entrepreneurship, sex and age of employees and founders.

Also, presence of direct and significant relationship between managerial roles and entrepreneurship was proved.

Finally we considered relationship between entrepreneurship and previous organizational role of founders, relationship between age of organization and likelihood of leaving company by founders to create a new organization and relationship between organization size and employees trend to leave it to create a new organization thus negative, positive and negative relationship was revealed for these three aspects respectively.

Key words: *Entrepreneurship, organizational roles, organizational age/size*

I. INTRODUCTION:

How the jobs should be created? How the youth unemployment problem, which today has become the country's most important concern, can be solved?

Whether it is government responsibility to offer job to unemployed? Is there any other alternative to solve the problem?

In modern world where the speed of changes is very amazing and the move from industrial society to informational society has faked only a few years. It seems that new concepts should be defined in global economy as changes exist. Developed countries from several past decades and developing countries in recent year with respect to the useful and effective role of economic entrepreneur in the society, have taken the utilization of this potential in to consideration to encounter problems such as record, inflation, unemployment. The consideration has been to the extent of formulating strategies, policies, practical program to develop entrepreneurship behavior and mentality, education and consultation, to establish suitable space for entrepreneur activity in different economic and social aspects, to remove barriers, to establish relationship and coordination between them and to facilitate their access to global markets, and it has brought significant results (Hosseiny and Moradpour, 2008).

Generally, there are two definitions of entrepreneurship, a broad one and a narrow one. The broad definition is that it is creation of new business, which is accompanied by risking and uncertainty.

But the narrow definition includes the process of discovery, evaluation and using opportunities and maximizing the value resulted from it. Entrepreneurship is inclination toward team work, risking, creation, leading, application and following the innovative idea in order to maximizing the value resulted from the opportunities regardless of limitation of existing models, structures or resources.

The promotion of entrepreneurship, its role in society and the opportunities it presents for personal gain, appears to be critical for facilitating economic growth. Policies geared toward enhancing the entrepreneurial capacity of a society will have the greatest impact on the level of entrepreneurial activity (center for rural entrepreneurship2005).

The entrepreneur is also influenced by civil society. Norms and values are often part of the individuals sub consciousness. If starting a new business is unusual in a

community, fewer people will think have becoming entrepreneurs compared to a community where many people start and run their own business. If an individual breaks with established practices, social community may be more or less supportive depending on its norms and values (Ronning, L. and Ejunggren, 2007).

Entrepreneurship can be defined as the process of using private initiatives to transform a business concept into a new venture or to grow and diversify an existing venture or enterprise with high growth potential (UNDP, 1999).

Voslee (1994) asserts that a conceptual understanding of entrepreneurship and its role in the process of economic development. The evidence from developing and developed countries supports the position that government should not manage development in detail (Voslee, W, B, 1994)

Wenneker and Thriuk (1999) describe a model of entrepreneurship which identifies three levels at which entrepreneurship may be viewed, the individual, the firm and the region. They also identify three dimension of entrepreneurship the condition which leads to entrepreneurship, the attributes and impacts of entrepreneurship. In regard to individual, the conditions for entrepreneurship are culture and incentives, elements are attitudes, skills and creativity and impacts are self realization and income (Wennekers, A.R.M. and A.R.Thurik, 1999).

Background of entrepreneurship: Entrepreneurship and entrepreneur were first considered by economists and all economic schools since 16 century have described somehow entrepreneurship in their theories. The history of entrepreneurship concept in current knowledge backs to 200 years ago and the first person who proposed this issue is called Cantilon.

The change occurred in the category of entrepreneurship, has affected all of the word, as if the world of business and trade will be always affected by it.

It can be claimed that in some countries like America, Malaysia, Taiwan, business opportunities created is a symbol of systematic movement toward the promotion of the quality of entrepreneurship activities in different aspects.

II. THE PLACE AND METHODS OF ENTREPRENEURSHIP IN IRAN ?

With Iran's membership in the global consortium, the grounds are set for early calculation of entrepreneurship activities rate in country as well as the possibility for comparison of these indices with other member countries. So we can achieve the real place of entrepreneurship in country. Based on the results mentioned in GEM 2008 reports, Iran's rank regarding the new entrepreneurship index (with 9.2%) among 42 GEM members is 19. Also the entrepreneurship intention is 37%, i.e. from 100 persons 37 intend to establish a business in three years. On the other hand while Iranians are not frightened of loss (with the rank 2 among 42 countries), they recognize less entrepreneurship opportunities. In addition, since the new entrepreneurship index with international inclination is low in Iran (with 4.8%), entrepreneurship in Iran should develop based on international inclination. This way Iran's share of global

markets will get more and the speed of growth and economic development will increase.

III. THEORY AND HYPOTHESISSES

A. Organizational Roles and Entrepreneurship

In predicting Entrepreneurship (the transition from leaving one organization to found another, expressed in terms of the carrier history approach), organizational roles matter for at least two important reasons. First, one's ability to pursue a creative idea within the context of an existing organization-to mobilize resources in support of its development, and ultimately to bring it to fruition-is invariably affected by features of the organizational context; the pursuit of creative idea is facilitated by an informal fluid and less constraining environment, where the rigidity of an established bureaucracy has not yet taken hold. Second, access to information about Entrepreneurial opportunity, including the potential value of an innovative idea outside the boundaries of the current organization, largely varies by an individual's position in the organizational structure, which (among other things) affects the ability to learn about opportunities for Entrepreneurship. We theories about these issues below and specify hypotheses about the effects of organizations and organizational roles on transitions to Entrepreneurship. We begin by drawing an important distinction between organizational members and founders that underscores our main argument that the impact of organizational context hinges on an individual's role in the organization.

IV. MATERIALS AND METHODS

The research with respect to the methodology and nature is descriptive and quantitative, it is of kind of adhesion in regard to the relation of organizational roles and entrepreneurship and it is applicable with respect to the aim because it can be implemented. The statistical community includes the total of founders and employees in industrial and non-industrial organizations that based on the statistics presented by Companies Registration Office of mentioned city are 300 persons from 30 distinct companies. The tool of collecting information was the questionnaire in which questions desired in 3 parts. The admissibility and durability of the questionnaire was approved.

The methodology used in this study statistical techniques, used include: Descriptive statistics, standard deviation analysis, Pearson correlation coefficient and analyzing data done by using software SPSS.

V. RESULT

In part of descriptive statistics, research findings show that 31.8% of respondents are female and 68.2% are male (Fig 1). With respect to the age, 5% of respondents have been below 25 years old, 50% have been in range of 26-35 years old, 35% in a range of 36-45 years old and 10% of respondents have been above 46 years old (Fig 2). In regard

to educations, of respondents who answered to questions, 4.5% have been primary, 13.7% have been high secondary and 81.8% have been higher education (Fig 3).

In order to relationship between entrepreneurship and previous organizational role of founders 31.8% of founders were unemployed previously, 31.8% were top managers, 22.7% were assistant managers and 13.6% were staff members (fig 4). On the other hand, 18.18%/1.54%, 22.73%/54.54%,36.36%/13.63%,4.54%/22.73% and -/4.54% of founders left previous organization to create new job again in with increase the size/age of organization (fig 5). Finally negative relationship between organizational size/age and member's trend to leave organization to create new job is proved based on founded frequencies include 31%/36%, 26%/30%, 19%/14% , 24%/12%, -/8% of members who left company with respect to increase in organization size/age (Fig 6).

Since in part of hypothesis test and Pearson correlation coefficient method has been used, a meaningful level, correlation coefficient rate and results are presented in table 1.

Figure 1. Relationship between sex of founder and entrepreneurship

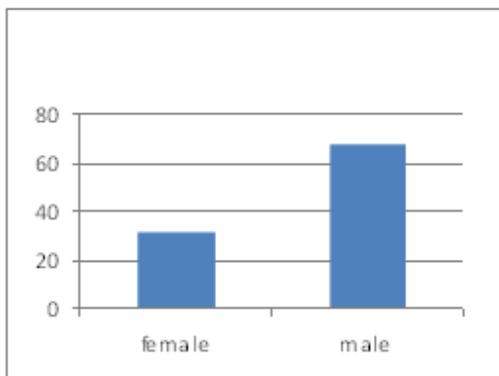


Figure 2. Relation between age and entrepreneurship

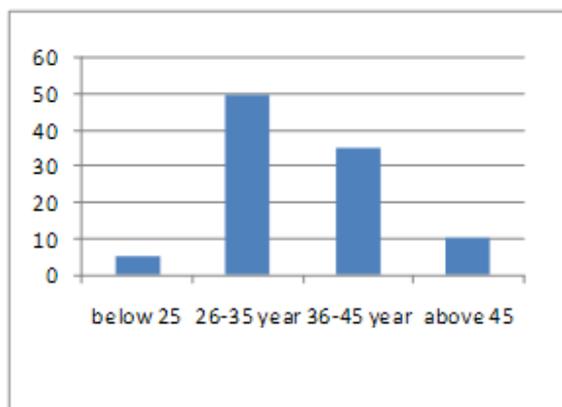


Figure 3. Relationship between Education and Entrepreneurship

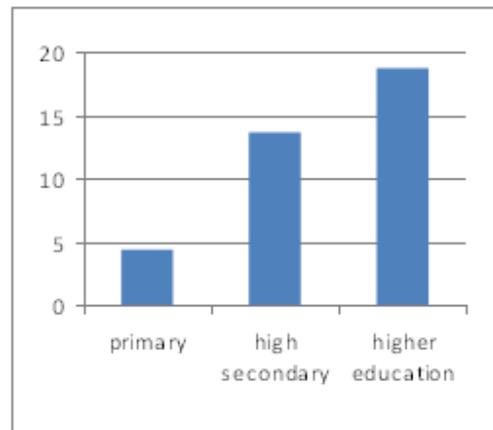


Figure 4. Relationship between entrepreneurship and previous Organizational roles of founders

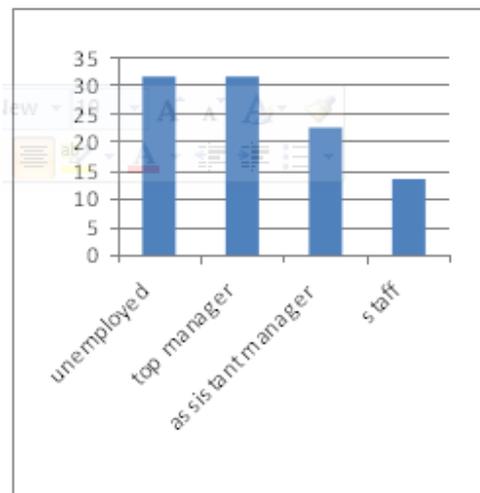


Figure 5. Relationship between size/age of organization and founder's trend to leave it to create a new organization

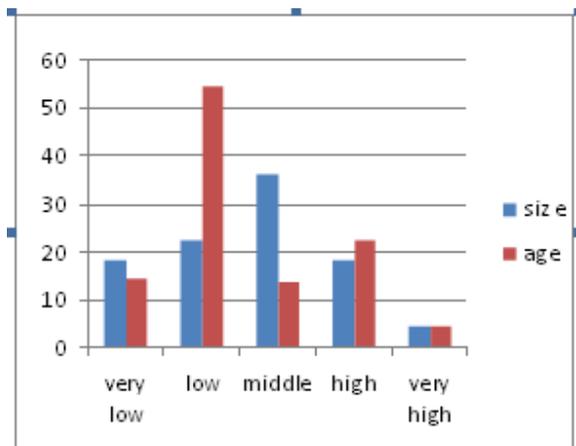
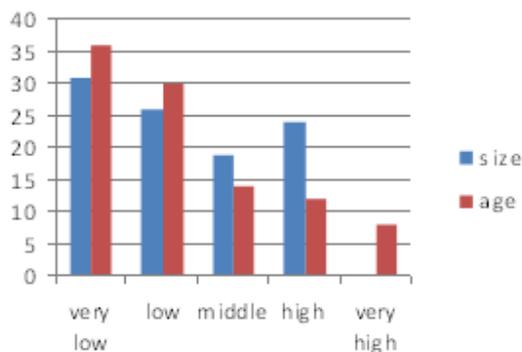


Figure 6. Relationship between organization size/age and member's trend to leave it to create a new organization



VI. DISCUSSION AND CONCLUSION:

As seen in table 1, in two comparisons positive correlation is proved between entrepreneurship and age/ size of organization by founders and members respectively, similarly we found a positive correlation between founder's previous organizational role and transition to entrepreneurship.

In contrast, presence of negative correlation between organizational age/size and transition to entrepreneurship by members and founders respectively, is revealed.

In respect to age of founders, the highest level of entrepreneurship was observed in range of 26-35 years old and it is more prevalence in male than female. As the third chart demonstrates the founder's level of education positively affect the tendency toward entrepreneurship

TABLE I. PEARSON CORRELATION COEFFICIENT

Relationship	Correlation direction	Correlation coefficient	Significance level
Organizational age and	positive	0.201	0.396

founders transition to entrepreneurship			
Organizational age and members transition to entrepreneurship	negative	0.377	0.00
Organizational size and founders transition to entrepreneurship	positive	0.44	0.041
Organizational size and members transition to entrepreneurship	negative	0.423	0.00
Founders previous organizational role and transition to entrepreneurship	positive	0.201	0.396

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