

THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND CORPORATE ENTREPRENEURSHIP IN FOOD AND BEVERAGE INDUSTRIES

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ABSTRACT

In today's world, economic conditions and demographic changes have made finding ways to play a leading role in economic scene inevitable. Industrial organizations are recommended to take advantage of corporate entrepreneurship facing with today's environmental conditions. The main objective of this research is to study the relationship between organizational culture and corporate entrepreneurship, with regard to gender, work experience and education. The population of this research is the employees holding university degrees. A sample of 296 employees was randomly selected using Morgan's table. The data was gathered by questionnaire, and analyzed using inferential statistics. The results show that there is a significant relationship between organizational culture and corporate entrepreneurship.

Keywords: entrepreneurship, corporate entrepreneurship, organizational culture, gender

INTRODUCTION

One of the ways for industries to meet environmental requirements is to utilize corporate entrepreneurship. In today's world, economic conditions and demographic changes have made finding ways to play a leading role in economic scene inevitable. To achieve this goal, it is necessary to have models, patterns and appropriate solutions for educating, training, and utilizing active and entrepreneurial workforce. It is argued that creativity and innovation are vital lifelines for organizations. These two are tools for entrepreneurs to identify and take advantage of opportunities. The key issue for organizations is to develop these capabilities as every human being has a degree of these potentialities. To develop these potentialities proper planning by managers is required (Liang, 2002). Corporate entrepreneurship is considered as an additional input to production (Schumpeter, 1994). Moreover, growing and intense competition, lack of confidence in traditional management styles, and high turnover of talented employees, make corporate entrepreneurship a necessity (Jaribi, 2003). Organizations Like 3M and Johnson & Johnson are famous of having a creative and innovative culture (Ahmed, 1985). Although entrepreneurship is rooted in Iranian national culture, the importance of it has not been reflected in the government's political and administrative policies (Daryani, 2001). Therefore, a comprehensive study of entrepreneurship, recognition of its significance, identifying factors affecting entrepreneurial process, and studying the relationship between entrepreneurship and organizational are not only important but also necessary.

ORGANIZATIONAL CULTURE

Organizational culture is a system of common definitions which are preserved by the members of an organization and it creates distinction between organizations (Pardakhtchi, 2006). Robbins (1990) identified ten key characteristics composing organizational culture.

They include individual initiative, risk tolerance, direction, integration, management support, control, identity, reward system, conflict tolerance and communication patterns.

In this study, conflict tolerance refers to the extent to which employees are encouraged for their tolerance of criticism and also taking advantage of positive conflicts. Integration refers to the degree of employees' interest to do their tasks in coordination with their colleagues and how this coordination is accepted by authorities. Direction is referred to how clear authorities define employees' tasks and how aware employees are of their responsibilities, assignments and organizational expectations. Management support refers to the degree to which employees are supported by their seniors and also how close the cooperation between them is. Control refers to authorities' direct control over employees and also their emphasis on following the rules and regulations. In this paper reward system refers to the system that rewards good performance of employees and leads to their promotion or career development.

Corporate Entrepreneurship

Corporate entrepreneurship is one of the subjects that have attracted academic attention all over the world since the end of 20th century. Corporate entrepreneurship is a process aimed at creating innovative products, services and processes in an organization by developing an entrepreneurial culture. Corporate entrepreneurship can be assessed by measuring factors like management support, organizational culture, organization's goals and strategies, and systems including performance appraisal, rewards and reinforcement, recommendations, and training.

Economist has paid attention to functional roles of entrepreneurship while psychologists and sociologists have studied the cultural and social dimensions of impact of environment on individuals, and personal characteristics of entrepreneurs. However, all definitions of entrepreneurship indicate a behavior that includes: 1- pioneering acceptance 2- reorganization of socio-economic mechanisms in order to utilize resources 3- risk or failure acceptance.

METHODOLOGY

This is an applied descriptive research using survey method, and questionnaire was used to collect the required data. In order to design the questionnaire, the characteristics of organizational culture and corporate entrepreneurship were initially identified, and to do a more detailed study, some parameters were defined for each of them. Then, on the basis of these parameters the questionnaire was designed and finalized. The questionnaire consists of 49 Likert scale multiple-choice questions. Inferential statistical methods, like Pearson correlation coefficient and regression testing and analysis, were used to test the hypotheses. Considering the scope of the survey, the population consists of employees holding university degrees (associate's, bachelor's, master's and PhD) working at F&B industries of Tehran province, their number being 2560. Stratified random sampling was used and based on Morgan table, 256 employees were selected. The F&B industries were divided into manufactories, R&D centers and administration departments, and questionnaires were distributed considering the ratio of the samples in each division.

HYPOTHESES

1. There is a significant relationship between the components of organizational culture and corporate entrepreneurship.
2. There is a significant difference between employees' viewpoints on organizational culture and corporate entrepreneurship, in terms of gender.
3. There is a significant difference between employees' viewpoints on organizational culture and corporate entrepreneurship, in terms of work experience.

4. There is a significant difference between employees' viewpoints on organizational culture and corporate entrepreneurship, in terms of education level.
5. There is a significant difference between employees' viewpoints on the relationship between organizational culture and corporate entrepreneurship, in terms of gender.

RESULTS

The data shows that 65.5 percent of respondents are female and 34.5 percent are male. Majority of respondents (48.7 percent) have 1-10 years of work experience. The respondents in the group 11-20 and 21-30 are 37.8 percent and 13.4 percent respectively. Majority of respondents (54.6 percent) hold bachelor's degree. 27.8 percent have associate's degree while 17.6 percent have completed postgraduate education.

In order to generalize the conclusions to the whole population, hypotheses were tested and the results of calculations are summarized and shown in table 1.

Table 1. Results of Pearson Correlation Coefficient With Regard To the Relationship between Components Of Organizational Culture And Corporate Entrepreneurship

<i>Organizational Culture</i>	<i>Corporate Entrepreneurship</i>	
	<i>PPMCC</i>	<i>Sig</i>
Control	0.167	0.69
Direction	0.601	0.001
Identity	0.273	0.003
Reward system	0.388	0.001
Individual initiative	0.323	0.001
Risk tolerance	0.450	0.001
Conflict tolerance	0.473	0.001
Integration	0.424	0.001
Communication patterns	0.436	0.001
Management support	0.496	0.001
Organizational Culture	0.628	0.001

Relationship between the Components of Organizational Culture and Corporate Entrepreneurship

Control: As the table1 shows, the correlation coefficient with 5 percent error level for this hypothesis is 0.167. Hence, it can be concluded at a 95% confidence level that there is not a significant relationship between direct controls with corporate entrepreneurship in F&B industries. The study showed that establishing corporate entrepreneurship through emphasis on strict rules and regulations is not possible. It can be said that direct control and

implementation of strict rules are contrary to the scientific spirit of R&D centers and administration departments.

Direction: As the table 1 shows, $r=0.601$ at the significance level of $p<0.05$ is significant. Hence, it can be concluded at a 95% confidence level that there is a significant relationship between direction and corporate entrepreneurship in F&B industries.

Identity: According to the data given in table 1, since $r=0.273$ at the significance level of $p<0.05$ is significant there is a direct and positive relationship between organizational identity and corporate entrepreneurship.

Reward system: According to the data given in table 1, there is a significant relationship between reward system and corporate entrepreneurship as $r=0.388$ is significant at the significance level of $p<0.05$.

Individual initiative: It can be said at a 95% confidence level that there is a direct and positive relationship between individual initiative and corporate entrepreneurship as $r=0.33$ at the significance level of $p<0.05$ is significant (see table 1).

Risk tolerance: As the table 1 shows, $r=0.45$ at the significance level of $p<0.05$ is significant. Therefore, it can be concluded that there is a direct and positive relationship between risk tolerance and corporate entrepreneurship. In other words, high risk tolerance leads to high corporate entrepreneurship and vice versa.

Conflict tolerance: According to the table 1, since $r=0.473$ is significant at the significance level of $p<0.05$, there is a significant relationship between conflict tolerance and corporate entrepreneurship in F&B industries.

Integration: According to the data given in table 1, $r=0.424$ at the significance level of $p<0.05$ is significance. Hence, it can be concluded that high integration leads to high corporate entrepreneurship and vice versa.

Communication patterns: As the table 1 shows, $r=0.436$ is significant at the significance level of $p<0.05$. Therefore, it can be said at a 95% confidence level that opens patterns and variety of communication in organization leads to higher corporate entrepreneurship.

Management support: There is a direct and positive relationship between management support and corporate entrepreneurship as $r=0.496$ is significant at the significance level of $p<0.05$ (see table 1).

The above analyses indicate that there is a significant relationship between the components of organizational culture and corporate entrepreneurship. Hence, the first hypothesis is proved.

Table 2. Results of T-Test For Independent Groups With Regard To Different Viewpoints On Corporate Entrepreneurship And Organizational Culture In Terms Of Gender

Variable	Gender	Quantity	Average	Measure of Spread	T	D.F	Significant
Organizational Culture	Male	78	68.12	14.50	-1.504	117	0.135
	Female	41	72.17	12.76			
Corporate Entrepreneurship	Male	78	47.47	11.44	-0.472	117	0.638
	Female	41	48.53	12.07			

Difference between Employees’ Viewpoints on Organizational Culture and Corporate Entrepreneurship, in Terms of Gender

As the table 2 shows, $t=-1.504$ and $t=-0.472$ at the significance level of $\alpha= 0.05$ is not significant. Therefore, the null hypothesis cannot be rejected and the second hypothesis of the research is rejected at a 95% confidence level. In other words, there is no significant difference between employees’ viewpoints on corporate entrepreneurship and organizational culture, in terms of gender.

Table 3. Results of One-Way Analysis Of Variance With Regard To The Difference Between Employees’ Viewpoints On Corporate Entrepreneurship And Organizational Culture, In Terms Of Work Experience

<i>Variable</i>	<i>Change Resources</i>	<i>Total Square</i>	<i>D.F</i>	<i>Square Average</i>	<i>F</i>	<i>Significant</i>
Organizational Culture	Intergroup	170.316	2	85.158	0.430	0.652
	In-Group	22999.381	116	198.271		
	Total	23169.697	118			
Corporate Entrepreneurship	Intergroup	80.955	2	40.477	0.296	0.744
	In-Group	15871.012	116	136.819		
	Total	15951.966	118			

Difference between Employees’ Viewpoints on Organizational Culture and Corporate Entrepreneurship, In Terms Of Work Experience

According to the data given in table 3, $F=0.430$ and $F=0.296$ at significance level of $\alpha= 0.05$ indicate that there is no significant difference between employees’ viewpoints on organizational culture and corporate entrepreneurship, in terms of work experience. Hence, the third hypothesis is rejected.

Table 4. Results of One-Way Analysis Of Variance With Regard To The Difference Between Employees’ Viewpoints On Corporate Entrepreneurship And Organizational Culture, In Terms Of Education Level

<i>Variable</i>	<i>Change Resources</i>	<i>Total Square</i>	<i>D.F</i>	<i>Square Average</i>	<i>F</i>	<i>Significant</i>
Organizational Culture	Intergroup	353.635	2	176.817	0.899	0.410
	In-Group	22816.063	116	196.680		
	Total	23169.697	118			
Corporate Entrepreneurship	Intergroup	193.593	2	96.79	0.713	0.493
	In-Group	15758.374	116	135.848		
	Total	15951.966	118			

Difference between Employees’ Viewpoints on Organizational Culture and Corporate Entrepreneurship, In Terms Of Education Level

According to the data given in table 4, F=0.899 and F=0.713 at significance level of $\alpha= 0.05$ indicate that there is no significant difference between employees’ viewpoints on organizational culture and corporate entrepreneurship, in terms of education level. Hence, the fourth hypothesis is rejected.

Table 5. Results of Pearson Correlation Coefficient With Regard To the Difference Between Employees’ Viewpoints On The Relationship Between Corporate Entrepreneurship And Organizational Culture, In Terms Of Gender

Variable	Gender	Quantity	Average	Measure of Spread	Correlation Coefficient	Significant
Organizational Culture	Male	41	48.53	12.07	0.605	0.001
	Male	41	72.17	12.76		
Corporate Entrepreneurship	Female	78	47.47	11.44	0.643	0.001
	Female	78	68.12	14.50		

Difference between Employees’ Viewpoints on the Relationship between Organizational Culture and Corporate Entrepreneurship, In Terms Of Gender

According to the data given in table 5, $r=0.605$ and $r=0.643$ at significance level of $\alpha= 0.05$ indicate that there is a significant relationship between organizational culture and corporate entrepreneurship according to both male and female employees.

Table 6. Results of the Difference between Correlations of Male and Female Employees’ Viewpoints on Corporate Entrepreneurship and Organizational Culture

Descriptive Parameter	Female		Male	
	Corporate Entrepreneurship	Organizational Culture	Corporate Entrepreneurship	Organizational Culture
Average	47.47	68.12	48.53	72.17
Measure of spread	11.44	14.5	12.7	12.76
X,Y	$R_1=0.643$		$R_2=0.605$	

$$zr_1 = 0/758$$

$$zr_2 = 0/701 \frac{zr_1 - zr_2}{\sqrt{\frac{1}{n-3} + \frac{1}{n_2-3}}} = \frac{0/758 - 0/701}{\sqrt{\frac{1}{78-3} + \frac{1}{41-3}}} = \frac{0/057}{0/132} = 0/428$$

According to the data given in table 6, since $z=0.428$ is less than z of table i.e. 1.96, at significance level of $\alpha= 0.05$, there is no significant difference between male and female

employees' viewpoints on the relationship between organizational culture and corporate entrepreneurship.

Hence, the hypothesis: There is a significant difference between employees' viewpoints on the relationship between organizational culture and corporate entrepreneurship, in terms of gender is rejected.

RESULTS OF REGRESSION ANALYSIS

As the table 7 shows, in the first step the direction factor is entered into the prediction equation and explains 36.1% of changes in entrepreneurship. In this equation, $F=66.137$ at the significance level of $p<0.05$ confirms the prediction. In the second step, the risk tolerance factor is entered into the prediction equation and along with the direction factor they explain 48.4% of changes in entrepreneurship. $F=54.45$ at the significance level of $p<0.05$ confirms the prediction equation.

Table 7. The Results of Step-By-Step Regression Analysis of Entrepreneurship Based On Characteristics of Organizational Culture

<i>Step</i>	<i>Variable</i>	<i>R</i>	<i>R²</i>	<i>F</i>	<i>Sig</i>	<i>B</i>
1	Direction	0.601	0.361	66.137	0.000	2.566
2	Direction & Risk tolerance	0.696	0.484	54.450	0.000	2.301 2.292

CONCLUSIONS

The results of this research show that there is generally a significant and positive relationship between corporate entrepreneurship and organizational culture. In other words, improving organizational culture leads to corporate entrepreneurship. In addition, the relationship between characteristics of organizational culture i.e. direction, identity, reward system, individual initiative, risk tolerance, integration, conflict tolerance, and communication patterns is significant and positive in F&B industries. Generally, improvement of these characteristics leads to corporate entrepreneurship.

RECOMMENDATIONS

Based on the conclusions the following are recommended:

1. Authorities are recommended to avoid direct control and implementation of strict rules and regulations in F&B industries.
2. It is recommended that authorities of F&B industries align organizational goals with those of individuals in order to pave the way for establishing corporate entrepreneurship. This needs employees' empowerment.
3. Authorities should support innovative and creative individuals and strive to retain them.
4. Participatory decision making is necessary for F&B industries.
5. The F&B industries' websites must include the facility to enable employees contact authorities. Information on how to contact authorities must be available to employees on the websites.

Identifying the barriers to corporate entrepreneurship in F&B industries of Iran, and investigating possibilities of designing entrepreneurship as a major in F&B industries are recommended for further studies.

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