

## **THE IMPACT OF ORGANIZATIONAL CULTURE ON ENTREPRENEUR TREND WITH INTERMEDIATE ROLE OF CREATIVITY OF STAFFS (CASESTUDY: STAFFS OF PRODUCTIVE COMPANIES OF ILAM CITY)**

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***Abstract:** The aim of this research is studying structural relationships between variables of organizational culture, creativity of staffs, and entrepreneur trend, so as determine if creativity of staffs can play any role in relationship between organizational culture and entrepreneur trend or not? The method of research is descriptive -survey and specifically is of modeling structural equations. Statistical population of research is all staffs of active productive companies in Ilam city in 20015 which according to Kokaran sampling formula 180 subjects were chosen as research sample. In order to measure variables following standard questioners were used: Ivori and Hovisman' organizational culture questioner (2007), Amabile's creativityquestioner (1990), and Wang's entrepreneur trend questioner (2008). Reliability of questionerswas measured by Cronbach alpha that it was more than desirable value of 70%. Validity of questioners wasconsidered throughconfirmative factor analysis. Findings are as follows: 1) organizational culture has significant and direct impact on creativity of staffs. 2) Creativity of staffs has significant and direct impact on entrepreneur trend. 3) Organizational culture has significant and direct impact on entrepreneur trend. And finally 4) organizational culture has significant and indirect on entrepreneur trend through creativity of staffs.*

***Keywords:** organizational culture, creativity, entrepreneur trend, productive companies*

### **INTRODUCTION**

Generally, empirical studies have found that institutions with high degree of trend towards entrepreneur have better function (Wang, 2008). This relationship is stronger

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for different scales of entrepreneur trends, differences in measuring performances (financial vs. non financial) (Anderson *et al.*, 2009) and also differences in eastern and western cultures (Lee *et al.* 2008). Entrepreneur trends can be trained or can be hindered; and there isn't in organizational by itself (Kavin & Slovin, 1991). As a result it is necessary for institutions to understand the quality of entrepreneur trends and its underlying factors. Although previous research has shown useful outcome of entrepreneur trend obviously, a few studies have been done about this matter that how there is entrepreneur trend inside of an organization (Wals *et al.* 2011).

### **STATEMENT OF PROBLEM**

Unpredictability of process of issues and future events which is said is the most important features of information era, has increased the necessity of paying attention to creativity in organizing (Sajadi, 2005). The developed world which is in front of us, in the period of explosion of information, is result of mental ability of scientists and creation of new ideas (Farhang, 1998). Creativity is defined as process of involving innovative and imaginative points of views about different situations (Morhed, 1995). Albert Rent Giorgi defines creativity as a different point of about phenomena which other people also looked at them. Creativity is engine of entrepreneur (Motahari, 2007). In the next decades, the war between countries won't be over energy nor markets, but the real war will be over creative and enterpriser human forces (Sajadi, 2005). Therefore considering creativity and its effect on entrepreneur trend of people in organization is oriental and it has very important role in development and growth of organizations especially productive and evolution- oriented companies. On the other hand entrepreneur trend is strongly needed in a multidimensional interaction namely in both concepts of creation of occupation and in concept of creating evolution through innovative and improving process and also as a key factor in economical growth. Even entrepreneur trend can be calculated as one of the main basic strategies in any country. In recent years matter of entrepreneur has been noticed. But entrepreneur trend as a moving force of enterprising is a new topic and requires more attention and wider research. Regarding this issue that in one hand, entrepreneur and creative culture is not very important for active productive companies in Iran, and in other hand, there is no any study which includes all three variables of organizational culture, entrepreneur trends, and creativity simultaneously in our country; hence the present research with understanding the importance and necessity of this issue and with regard to existent empirical and theoretical background tries to study the amount of impact of organizational culture on entrepreneur trend with the intermediate role of creativity of staffs in productive companies in Ilam city and to present some useful suggestions in this case.

### **NECESSITY OF RESEARCH**

Productive companies of Ilam city which are called small and medium sized companies have important role in economical development of province and creation of stable

occupation. Knowing the effective factors on forming entrepreneur trend among staffs of these companies can have valuable results for these organizations and create competitive advantage for them. Rich resources, specialists, import capabilities to Iraq and so on have provided opportunities for this province which in case of success can lead to economical development. Along with this direction, it is needed to know effective factors on forming entrepreneur trend among staffs of these companies. Therefore, the purpose of this research is providing empirical evidences for role of organizational culture and creativity of staffs in their entrepreneur trend so as determine if organizational culture has direct impact on entrepreneur trend or if it can be effective in forming entrepreneur trend among staffs through making creativity.

## **THE ORETICAL ELEMENTS OF THE RESEARCH**

### **Organizational culture**

Shine (2003) has defined organizational culture as follows: it is a pattern of basic data which the members of group learn for solving problem related to accommodate with external environment and its internal evolution. It acts so good that it is known as a valid and correct method for understanding, thinking, and feeling about problem solving of organization. Organizational culture is mysterious, coherent, and obvious character of organization which there is in a three complicated level of conscious (collection of visible and tangible behavioral and work process, concepts, symbols, and artifices, semi conscious (collection of values, beliefs, norms, points of view, and expectations) and unconscious (collection of basic hypotheses) and iteffects on organizational performance in all levels while it gives identity to the organization and distinguishes it from other organizations (Khakpoor, 2011: 84).

In this research, model of competitive values of organization culture has been used and elements of organizational culture in the research have been derived of this model (Bartell *et al.*, 2014). These four elements include developmental culture, group culture, hierarchal culture, and intellectual culture.

### **Creativity**

The meaning of creativity is creating and making and it is a power which cause creation of novel works (Taban, 2014, 19). Creativity means ability of new point of view about one topic or in another words, it is process of breaking and new creation and obtaining new insights to the nature of that topic (2014, 19).

Specialists have presented numerous definitions about creativity. Herbert Fox believes that process of creativity is any kind of thought process which solves problems usefully and exquisitely. Also according to George Seidel the ability of linking and relating topic to each other regardless field which is done, is of elements of using creative mind (Rezaeean, 2003). Also Erich Fromm believes that creativity is ability of seeing (being aware) and responding.

Creativity, is making novel mixture for solving contradictions in framework of an idea which goes beyond the limit of existent response (Mirmiran, 138, 7). Creativity is offering new qualities of concepts and meanings (Samad Aghaee cited by Gizilin, 2006). Creativity is forming experiences in new structures (Samad Aghaee cited by Tylor, 2006: 14).

### ENTREPRENEUR TREND

Lumpkin & Dess (1996) have defined entrepreneur trend as process, method, and decision making activities that leads to new method. Entrepreneur trend as a structural organization is one of the most important concepts in the field of entrepreneur (Wals & *et al.*, 2011). In recent years, it has been shown that organizations have become more entrepreneur because of dynamic commercial environment (Heat, 2000). Different authors have researched entrepreneur trend and have resulted that organizations with high degree of entrepreneur trend have better performances rather than those with low degree of entrepreneur trend (Lee *et al.*, 2008).

Entrepreneur trend is equivalent to systems and methods of company which suggests basis for entrepreneur decisions and actions; and therefore, it is considered as process of creating entrepreneur strategy. According to this definition structure of entrepreneur trend has been conceptualized into three dimensions in our literature: innovativeness, pioneering, and risk taking (Rooch *et al.*, 2008).

### LITERATURE REVIEW

Sayedi *et al.* (2014) have analyzed the relationship between organizational culture with creativity and organizational change among elementary schools in section 1 of Shiraz city. The results of research showed that there is a significant relationship between dimensions organizational culture and creativity and among dimensions of organizational culture dimensions of risk taking, individuality, and male orientations have the power of predicating creativity of managers. There is a significant relationship between dimensions of organizational culture and change and innovativeness and among dimensions of organizational culture, dimensions of risk taking and male orientation have power of predicating creativity of managers.

Dehcordi *et al.* (2011) have studied the impact of organizational culture on entrepreneur trend of organization in Zamiaad car making company. The findings of this research showed that: 1) organizational culture had significant and positive relationship on entrepreneur trend of Zamiaad car making company. 2. The amount of adoptability of organization had positive impact on entrepreneur trend of experts in Zamiaad Company. 3. The amount of involvement of experts of Zamiaad Company has significant and direct impact on their entrepreneur trend 4) the task of organization has significant and direct impact on entrepreneur trend of experts and 5) the amount of stability of experts of Zamiaad Company has significant and direct impact on their entrepreneur trend.

Tabersa *et al.* (2010) in an article under the name of *studying the impact of entrepreneur organizational culture on creativity and innovativeness in institution of public libraries of Iran and with using direction analysis* showed that entrepreneur organizational culture has positive impact on creativity and innovativeness. Also the results showed that among different dimensions of entrepreneur culture, the valuable dimension of work, entertainment, and recreation are in desirable situation and other dimensions of organizational culture including animosity, tolerance of creative deviance, futile aggression, risk taking, open relationship, cooperative and collaboration, hyperactive innovativeness, speech, and also entrepreneur organizational culture were in undesired situation.

Bartel *et al.* (2014) in an article under the name of *how organizational culture effects on innovativeness, pioneering, and risk taking: training enter entrepreneur trend in small and medium sized companies*, concluded that elements of developmental, grouping and intellectual culture have positive impact on enterentrepreneur trend while hierarchical culture has indirect impact on entrepreneur trend.

Chen *et al.* (2015) in an article under the name of *technological capabilities of information and function of innovativeness of production with emphasis on the role of entrepreneur of company and intensity of competition in productive companies*, found that entrepreneur of company has complete intermediate role in relation to technology of information and performance of innovativeness of production and intensity of competition has modifierole in above mentioned relation. Hogan and Coot (2014) in an article under the name of *organizational culture, innovativeness and performance with studying almost people of managers of legal companies* showed that how layers of organizational culture specially norms of cultural products and creative behaviors has intermediate role in effectiveness of supporting values of creativity over measures of performance of company.

Zampitakis *et al.* (2011) in an article under the name of *creativity and entrepreneur trend among young people* have concluded that if young people know themselves as creative people, they have higher level of entrepreneur. Also it was determined social and cultural features like training and experience had positive impact on entrepreneur trend.

Research of Zampitakis and Moustakis (2006) under the name of *ties between creativity and entrepreneur trend with structural approach* showed that students' self understanding of creativity and family environment, which is supporting creativity thought, can predicate higher level of entrepreneur trend.

Anderson (1995) in a research under the name of *relationship between organizational culture and creativity* has studied relationship between these two variables. Findings of this research showed that there is significant relationship between organizational culture and creativity.

## CONCEPTUAL MODEL AND RESEARCH HYPOTHESES

Regarding conceptual model in figure 1, following hypotheses are designed.

### Main Hypothesis

Organizational culture has significant impact on entrepreneur trend with the intermediate role of creativity of staffs in productive companies in Ilam city

### Secondary Hypotheses

1. Organizational culture has significant and direct impact on creativity of staffs in productive companies in Ilam city
2. Creativity of staffs has significant and direct impact on entrepreneur trend of productive companies in Ilam city.
3. Organizational culture has significant and direct impact on entrepreneur trend of productive companies in Ilam city

## METHODOLOGY OF RESEARCH

The present study is descriptive- survey. By survey method in this research we mean using questioner. In survey research it is tried to generalize results for statistical population through analyzing data derived from sample. Statistical population of research consists of all staffs of productive companies in Ilam province. They are about 340 subjects. The method of sampling is simple random and the sample according to Kokaran formula is 180 people. In this research Ivori and Hovisman' questioner (2007) has been used in order to measure organizational culture. This questioner has 12 questions in Likert' 5-level spectrum from strongly disagree to strongly agree. Amabile's questioner (1990) has been used for measuring creativity. It has 9 questions and responding spectrum is of kind of 5-level Likert from strongly disagree to strongly agree. In this research entrepreneur trend will be measured by using Wang' questioner (200). It measures 3 elements of innovativeness, pioneering, and risk taking.

It has 9 questions in framework of 5-level Likert spectrum from strongly disagree to strongly agree. Regarding being standard of scales, their validity is confirmed. For determining reliability of scales Cronbach alpha has been used which its amount is 0.85 for organizational culture, 0.82 for creativity, and for entrepreneur trend is 0.87.

## FINDINGS

### Test of data normality

Before test hypothesis, Sminorof-Kolmogrof test was used in order to determine distribution of research data (dependent variable). The result showed that obtained significant level for dependent variable (entrepreneur trend) is 98% which is indicating

normal distribution of data and confirming H0 in this test. The normality of data is among preconditions of solving structural equations.

**Test of research hypotheses**

Figure 1 and figure 2 show summary of hypotheses. Secondary hypothesis 1 studies the impact of organizational culture on organizational culture. The amount of impact of organizational culture on creativity of staffs regarding standard coefficient is 0.87 which its T statistics is more than 1.96, namely it is significant at the level of 0.95 and secondary hypothesis 1 is accepted. Secondary hypothesis 2 studies the impact of intermediate variable of creativity of staffs on entrepreneur trend. The impact of creativity of staffs on entrepreneur trend is 0.89. Amount of T in this hypothesis is more than critical level of 1.96 which is indicating the impact of organizational culture on entrepreneur trend of 0.70 and it is significant at the confidence level of 95%. Finally the main hypothesis is accepted. It means creativity has played intermediate role in relationship between organizational culture and entrepreneur trend.

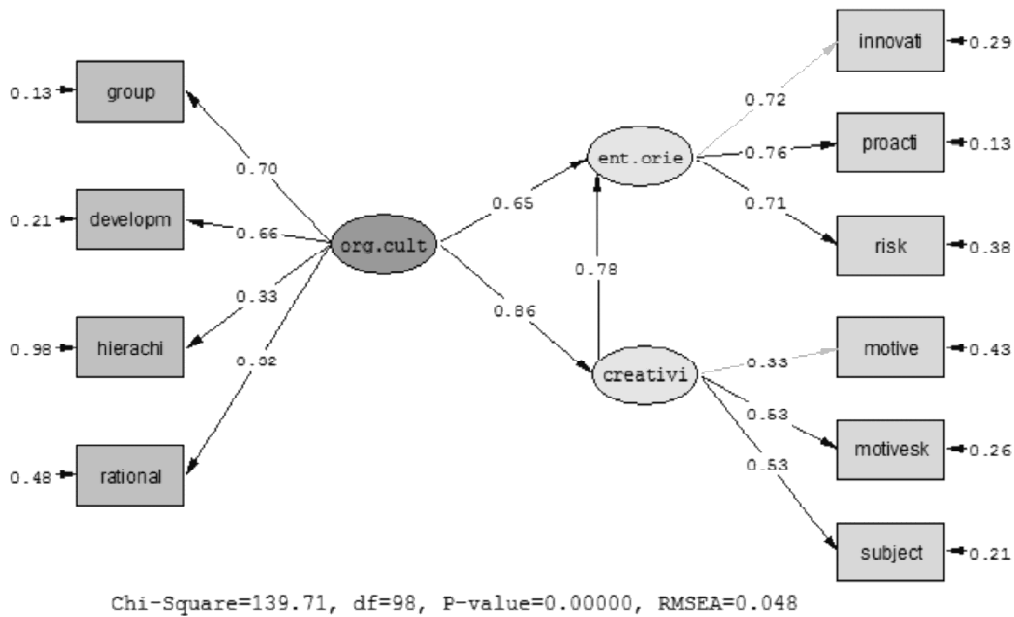


Figure 1: Standard coefficient model

In order to practice of the model, the indices suggested by Bagozzi and Yi (2012) were used, which its results has been shown in table 1. With regard to observed values and comparing to desirable values, it can be concluded that performed model has suitable practice.

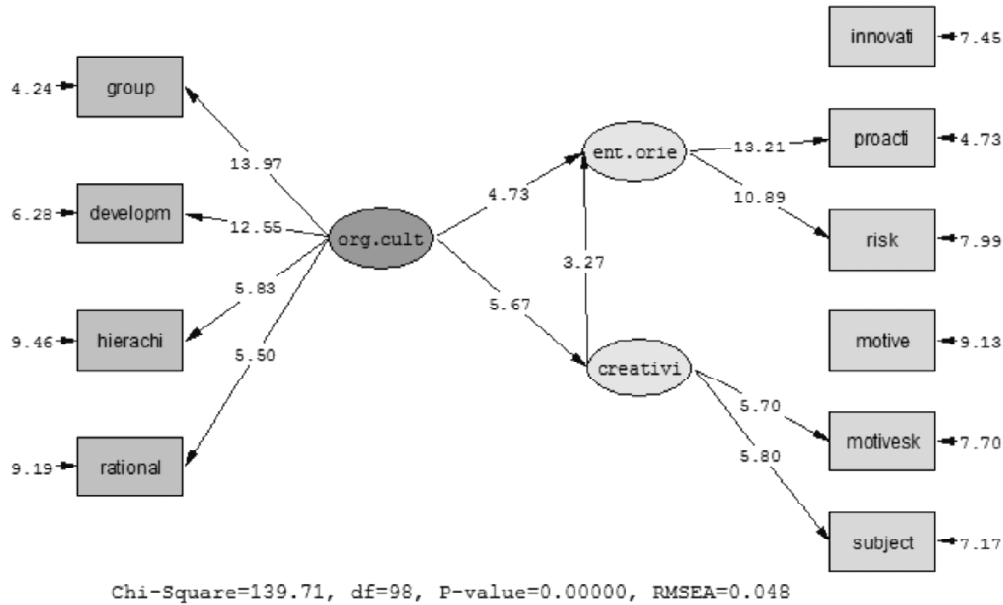


Figure 2: Significance coefficient model

## DISCUSSION AND CONCLUSION

The aim of present research is studying the impact of organizational culture on entrepreneur trend of staffs with emphasis on intermediate role of creativity of staffs in productive companies of Ilam city. Test of secondary hypothesis 1 showed that organizational culture has significant and direct impact on creativity of staffs. Result of this hypothesis is consistent with those of Sayedi *et al.* (2014), Tabersa *et al.* (2010), and Anderson (1995). Test of secondary hypothesis 2 showed that creativity of staffs has significant and direct impact on entrepreneur trend. Standard coefficient showed that the amount of creativity of staffs on their enterprunor trend is 0.89. The results of this hypothesis is consistent with findings of Zampitakis *et al.* (2011). Test of secondary hypothesis 3 showed that organizational culture has significant and direct impact on enterprunortrend. Moreover, analysis of direct and standard coefficient showed that organizational culture has impact on enterprunor trend up to 70%.

Therefore, it can be said organizational culture is among effective factors on forming and reinforcing enterprunor trend. There are some companies in which existent organizational culture isn't an emotion enterprunortrend, while there are some other companies which encourage enterprunor trends and spirits. Organizational culture of these companies encourages enterprunor trends. It is staffs that develop organization and ensure its stability. If companies have staffs with high entrepreneur trends, existent opportunities will be known and market demands can be responded. New units of



work will be composed in organizations, the organization will be developed geographically, and different strategies will be used in order to respond to new demands of the market. The situation of productive companies in Ilam city confirmed this issue that prevalent culture in these companies is predicating and encouraging enterprunor trends of staffs. The results of the present research imply that organizational culture in productive companies in Ilam city not only has significant and direct impact entrepreneur trends but it also is effective on entrepreneur trends of staffs through reinforcing spirits.

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