Investigation of Effective Factors on the Process of Corporate Entrepreneurship in Iran

(Case Study: Cooperative Companies in Mazandaran Province)

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1- Introduction

The study of human life from the beginning of the history of creation to the present suggests that the Entrepreneurial factor plays an important role in the development of societies. In other words, we can say that Entrepreneurship and Entrepreneurs have been active since old times, but they have been considered as proper factors until recently. Entrepreneurship, creativity and venturing are considered as the fuel to the engine of modern economy. Entrepreneurs are on the top of the business, they are looking for opportunities, and creativity is also deemed to be as the key to their success.

Entrepreneurs considers change as a natural phenomenon, they are always looking for it show reaction to it and make use it as an opportunity. (Dunphy, 1994, 1). The increasing complexity and competition in today's world which is accompanied by the rapid developments of passing and international environment from industrial society to informational society also changing the national economy in to the global

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led to the consideration of Entrepreneurship as the drive motor to the development of economy. Because it can lead to the growth and economical development of the countries, increasing the productivity, job creation and public welfare. (Ahmad pour et al. 2004,).

With regard the brief discussion presented above and also the considerations which are on the important of attention to Entrepreneurship and its role in society will be discussed later, in present research aimed at investigation and explanation of the local (native) model of effective factors in training the corporate entrepreneurs in the district of (Case Study: Cooperative Companies in Mazandaran Province), after the brief review of case literature concerning public entrepreneurship and corporate private entrepreneurship, and using the conceptual model which mill be presented some questions concerning the solution of the problem of explaining the native (local) model of effective factors on the training of corporate entrepreneurs in the above said cities as well as determining the method of research (and also executive steps), Population, sampling method, the means or tool for measuring the data and information, applied statistical assessments, the way of analyzing the data and information and explaining the questions, and finally the validity and reliability of the research have been considered.

2- Necessity and importance of Research

Entrepreneurship is the symbol of attempt and achievement in business affairs, and entrepreneurs are the pioneers of commercial achievements in society. Their ability in seizing the opportunities, and their capability in innovation and their capacity in achievement are the criteria by which the modern entrepreneurship are assessed. Entrepreneurs play an important rote in economical growth concerning leadership, management, innovation, efficiency, job creation, competition, productivity and establishing new business. It is believed that an entrepreneurship revolution is necessary to occur.

This revolution has much move importance than industrial revolution (Koratko & Hajets, 2004, 23) entrepreneurship or the process of discovering the opportunities suggests how individuals observe the problems or challenges in the organizations independently and set a new frame work of tools and goals to make use of them. Of course the Entrepreneur can only see just some matters and set a plan for those which are worthy. Along with making the most of the opportunities entrepreneurs supply those goods or services which are of interest to the customers or markets.

Thus it is necessary for entrepreneurs to have complete information of market and environment. The process of transaction with environment can provide this information (Javanovic, 1982) (Arrow, 1974).

3- Statement of problem

The problem means the difference between the current and desired situation. In other words, the problem means the gap between where we are and where we want to be. The problem is solved when we are able to change the current situation into the desired situation (Huber, 1980).

After explanations about the subject matter, the problem of the current research will be explained clearly hereafter.

In most of developing countries and modern countries during the last decades there has been special attention to the subject of entrepreneurship and entrepreneurs.

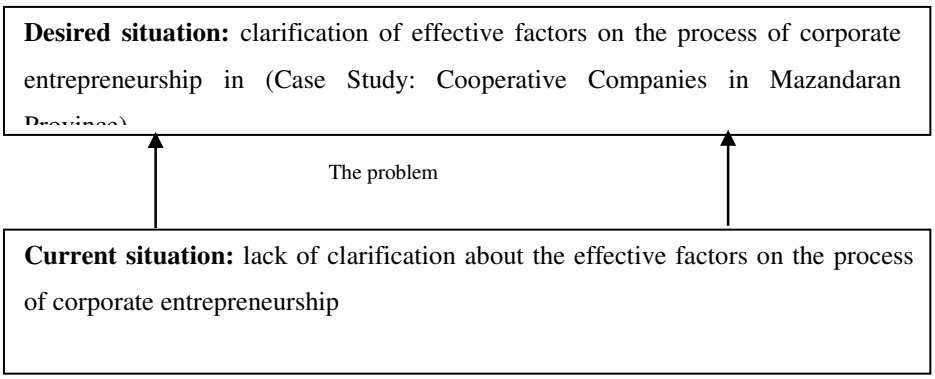
The reason for this attention has been the important, positive and constructive role of entrepreneurs in economical and social development, making the best of this energy and potential to fight against the problem and challenges such as inflation, recession especially unemployment.

The result of this attention was remarkable in most of the countries. The study and comparative investigation of the results from the effects of attention to the subject of entrepreneurship and entrepreneurs in other counties can reflect its importance more than ever and would be good guidance in using their experiences for our country, Iran.

According to the research carried out in 47 industrial counties as well as developing once (Ahmad pour et al, 2004, 4).

Regarding to the five important economical indexes concerning the entrepreneurship including the percentage of job creation, gross domestic production per capita, the ability to invest in venture to develop business, the level of understanding of managers of entrepreneurship and finally the total expense of researches suggested that there is a positive relation between the level of attention to entrepreneurial operations and improvement of the mentioned indexes in the studies counties. As the evidence shows, the necessity to carry out the researches concerning to entrepreneurship(especially local researches) in the country to make the best use of the advantages of considering it in society can best explain the problem of research plan.

The mentioned problem is expressed in figure No. 1.



Each conceptual model is considered as a starting point and a base to carry out the studies and researches so that the concerned variable of the research and the relation between them is clarified (Edwards et al. 2000). In other words we can say that the conceptual model or the mental map (Maastricht school of management, 2001, 3) and analytical instrument (Mirzayee, 1996, 10) is a strategy to start and carry out the research, as it is expected during the research, variables, relations and transactions between them is studied and assessed, and when necessary there would be some moderation and factors are added to or subtracted from them (Sautter & Leisen, 1999).

Concerning to the review of the relevant case literature and with regard to the fact that such research is being done in statistical society for the first time, so it is predicted that the following conceptual model is used in the present research.

The present conceptual model is a mixture of the different evidenced resources (Sahlman et al, 1999, 140) (Fry, 1993, 377) (Cornwall & Perlman, 1990, 221) (Zaali, 2005) (Moghimi, 2000) (Aghajani, 2005). As mentioned in the explanation of the philosophy of the use of the conceptual model of the research the beginning of the work of the research will be the use of this conceptual model, but other conceptual models are deployed as well.

5- Literature review

The concept of entrepreneurship was for the first time presented in economical theories, but gradually by virtue of the trend of willingness of economical discussions

to use the mathematical and statistical models and methods its concept was virtually eliminated and other scientific fields have begun to discuss it (Jennings, 1994, 8).

Economists and scientists in different fields of the science of behavior gave theories in the field of entrepreneurship and entrepreneurs, among those are Vanderwerf & Brush.

Based on a survey of the 25 definition of entrepreneurship concluded that entrepreneurship as commercial activity has the following features (Vanderwerf & Brush, 1989):

- Opening or establishing a new commercial unit or business.

- General management, that is, steering and organizing a business or venturing and allocation of resources.

- Innovation and creativity, that is, creation and commercial utilization of goods, service, process, market, base materials or new organization.

- Venturing, that is, the ability to face the loss or potential failure for a business unit.

- Purpose and will that is, having powerful life in gaining the high levels of growth and profit for a business.

The inclination towards entrepreneurship and entrepreneurs since 1980s along with the emphasis of organization on innovation for survival and competition with entrepreneurs who had the most activities within the organizations (Duncan et al, 1988).

Following the penetration of bureaucracy in the culture of organizations during 1960s and 1970s, entrepreneurship has increasingly attracted the attention of senior managers so that they are able to practice the process of invention, innovation and commercialization of goods and services.

Since the beginning of 1980s and the sudden developments of industries in the field of global competition, the importance of entrepreneurial process in big companies has been emphasized, and researches diverted their focus of attention to the manner of infusion of entrepreneurship category in the administrative structure of big companies (Stevenson & Gumpert, 1985).

Some researchers from the beginning said that entrepreneurship and administrative bureaucracy are contradictory concepts and can not be exercised in the same structure. But some other researchers believed in the explanation of the manner of establishing entrepreneurial venturing within the parent companies or organizations, what is common among entrepreneurs is venturing, and the goal of generalization of entrepreneurship process in organization is to give priority to do venturing for the current programs of the organization (Burgleman, 1984).

Investigations show that there is a positive correlation between the economic growth of the countries and their level of entrepreneurial operation.

Based on an investigation carried out in 21 countries, the general following conclusion are about the relation between entrepreneurship and economic growth using the model GEM (Global entrepreneurship Monitor) and resulted from the following questions (Ahmadpour et al, 2004).

The questions for the mentioned model are following:

1- What effects does the level of entrepreneurial operation have on the level of the growth of national and welfare of society?

2- How different are the operations for stating a business among different countries?

3- What can make a country an entrepreneur? What factors can limit the operation of a business or improve it?

The general results of this study are as follow:

- The level of entrepreneurial operations among countries is different.

- The policies adopted and improving the capacity of entrepreneurship in a society (including skills and motivations) will have the most influence on the level of entrepreneurship operations.

- The effect of women participation in entrepreneurship is a perpetual necessity for the economy.

- in order to have a long lasting influence of the policies people under age of 25 and over 44 should be encouraged in the process of entrepreneurship.

- Every government that is determined to improve the economy should provide the required support for all aspects of the economic system which increase the level of

entrepreneurship operations. issues such as minimizing the taxes, availability of work force, decreasing the costs of non- wage taking man force limiting the regulations and rules, facility for establishing business, are examples of these supports.

- Policies should determine the development of venture investment and increasing the motives and private sector to optimal investment in basic levels of every new business.

according to the investigations carried out among 47 developing and industrial countries, concerning the five important economic indexes relating to entrepreneurship including the percentage of job creation, gross domestic production per capita, the ability of invest in venturing investment to develop the business, the level of understanding of managers of entrepreneurship and finally the total cost of investigations it is approved and confirmed that there is a positive relation between the level of consideration to entrepreneurial operations and important of the mentioned indexes in the studied countries (Ahmadpur et al ,2004, 4)

It was suggested in a research that innovation within organizations involves a change in applying the resources and creating new capabilities. In this research it was emphasized that to renew the organizational life three strategies including organizational risk taking (venturing), organizational innovation and the change based on frame work breaking should be applied (Sandra & Dubinsky, 2000).

Ahmadpoor in his thesis for PhD after gathering and setting the characteristics and effective factors on organizational and independent entrepreneurship, considers entrepreneurship as a system having its own special input, process and output (growth, change and innovation). He finally presented a model for entrepreneurship (Ahmadpour, 2002).

Moghimi in his research studied the entrepreneurship obstacles in the industry of the country within the triple model of behavioral and base obstacles in part of this research it is implied that though the managers are not familiar with the explanation of entrepreneurship, because of lack a sound reward system it is not welcomed (Moghimi, 2000).

Samad Aghaei in his research aimed at investigation of the bottlenecks for the development of entrepreneurship in the series of companies for organization of development and renovation of Iran industry and classified them into 2 groups of local (internal) and external obstacles (samad Aghaei, 1999).

6- Questions/Hypothesis

If it is impossible, according to the investigation of case literature to predict a specific direction for the explanation, expressing the relation or difference between the research variables we need to pose the specific question of the research (Bazargan, 1998, 37). In other words, in researches in which we are looking for the what of a phenomenon or asking for the people's opinion about a phenomenon me need to develop and pose a question, and when we want to investigate about the cause and effect relation or correlation between two or more phenomena we use theory (Zohori,1999, 60).

As indicated in the scientific experience of researches the study of case literature concerning the subject of this project hn the field of executive concern there has never been a research in this regard, so in this part with regard to the conceptual model of research instead of theory(theories), the specific question of the research has been posed as follow:

6-1- main question

- What are the effective factors on the process of corporate entrepreneurship in the districts of (Case Study:Cooperative Companies in Mazandaran Province)(according to what has been presented in conceptual model)?

6-2- Secondary question

- What are the effective personal factors on the process of corporate entrepreneurship hn the districts of (Case Study:Cooperative Companies in Mazandaran Province)(according to what has been presented in conceptual model)?

1. What are the effective job factors on the process of corporate entrepreneurship in cities of (Case Study:Cooperative Companies in Mazandaran Province)?

- What are the effective environmental factors on the process of corporate entrepreneurship in the districts of (Case Study:Cooperative Companies in Mazandaran Province)?

- Wate are the effective Behavioral factors on the process of corporate entrepreneurship in the district of (Case Study:Cooperative Companies in Mazandaran Province)?

7- The goal of research

In present research there would be an investigation and explanation on the effective factors on the process of corporate entrepreneurship in the districts of (Case Study:Cooperative Companies in Mazandaran Province). So according to this, the main and secondary goals of the research with regard to what has been presented in the conceptual model are as follow:

7-1- main goals

Explanation of the effective factors on the process of corporate entrepreneurship in cities of (Case Study:Cooperative Companies in Mazandaran Province).

7-2 secondary goals

According to the main goal mentioned above, the secondary goals of the research era as follow:

2. Explanation of the effective personal factors on the process of corporate entrepreneurship in cities of (Case Study: Cooperative Companies in Mazandaran Province).

3. Explanation of the effective job factors on the process of corporate entrepreneurship in cities of (Case Study:Cooperative Companies in Mazandaran Province).

4. Explanation of the effective environmental factors on the process of corporate entrepreneurship in cities of (Case Study:Cooperative Companies in Mazandaran Province).

5. Explanation of the effective Behavioral factors on the process of corporate entrepreneurship in cities of (Case Study:Cooperative Companies in Mazandaran Province).

8- Research methodology

8-1- Research method (data gathering):

As other discussion on the humanities science, there have been different comments and perspective in study references on the research method (Zohoori,

1999, 27). There are so many contradictory views and perspective on the field of humanities science and other field there to that it is impossible to present a unique theory.

Of course the great number of different definition and interpretations in the field of humanities science is suggestive of the significance and importance of the subject matter that can be considered in different perspectives. On the other side it is an indicative of the dynamic nature of the subject matter that can pave the way for presenting different models, theories and premises(Ahmadpour, 2002, 3). The next paragraph shows the accuracy and status of the present research.

According to both naturalistic and rationalistic approaches and the class of research methods resulting from them which are quantitative and qualitative methods (Bazargan et al, 1998, 77), the present research lies in both class. Concerning to the experimental and nonexperimental nature of the researches, the present research method is considered as developmental nonexperimental method (Bazargan et al, 1998, 79). In the most general classification, they considered the research method as library and field method both of which are used in the present research. Finally in management research the premises (question) are confirmed or rejected in two ways:

1.By using the statistical techniques.

2. Using non-statistical techniques such as research in operation. In former group the inductive statistical techniques and theories assessment are applied, but in the latter premises(question) are confirmed or rejected by using the techniques such as research in the operations through optimizing the decision problem(Azar, 1994, 34). The present research with regard to this classification will be placed in the first group.

8-2- statistical society

Those who are the fonder of at least one company in cities of (Case Study:Cooperative Companies in Mazandaran Province) are the members of the statistical society for the present research so that they can be considered, evidenced by the review of the case literature concerning the entrepreneurship, as the independent and personal corporate entrepreneurs. The number of these people is about one hundred so that they can be included in gathering the required data and information.

8-3- sample of statistic and the method of sampling

With regard to the specific form of the dispersion of the staff and present experts in statistic society, the sampling method in present research is kind of simple random and classified one and is contemporary. Although the number of the members of statistic sample can be evaluated and calculated using the statistical equation(Azar& Moemeni, 2000, 67), evidenced by the review of the relevant case literature because the lack of certainly and reliability in determining the percentage of permitted error(d) and relatively bias treatment with it, it is preferred in this research that the two accepted rules in statistics that is the central limit equation(Azar& Moemeni, 2000, 21) and at least 10 percent of total statistic society to be used as the number statistic sample members. The advantages of using the central limit equation is that in case of increasing the number of sample more than 30 the distribution of the data to be considered as normal. In spite white mentioned above, and carrying out of primary study and using the percentage of the permitted error(d) resulted there of, the number of sample member is determined based on the statistical equation as well.

In either case, the three guidelines mentioned above will be carried out, and either of them which show more samples is selected as the statistic sample of the present sample.

8-4- tools for gathering data

Tools fore gathering data and information are as follow:

Referring to documents and evidence, observance and especially interview and questionnaire. It should be noted that in management researches in Iran applying questionnaire can best meet the data requirements of the researches (Azar,1994, 28).

8-5-Method of analyzing the data and information (and statistical assessments)

After extracting the data and information and analyzing them the explanation of question(premises) through taking statistical assessment such as ANOVAs, Alpha chromatic, Binomial, Regression, Path Analysis, Friedman, Run and when necessary some more assessment is carried out. The statistical are Soft wares applied to perform the analyses are Lisrel, SPSS win.

8-6- The scope of research

8-6-1- time scope:

The time period to carry out a research is considered as the plan time scope. Of course it should be noticed that science there has never been such research done in cities of (Case Study:Cooperative Companies in Mazandaran Province) so when necessary more time period will be of primary importance.

8-6-2- spatial scope:

As is supposed the local (native) model of the effective factors on the corporate entrepreneurship in cities of (Case Study:Cooperative Companies in Mazandaran Province) to be explained (according what presented in the conceptual model of the research) the spatial scope of this research considers the companies in cities of (Case Study:Cooperative Companies in Mazandaran Province).

8-6-3- The subject scope

The subject matters relevant to entrepreneurship in public and (personal and independent) corporate entrepreneurship in private in (Case Study:Cooperative Companies in Mazandaran Province) are considered as the scope of the present research, actual mentioned in the conceptual model.

8-7- assessment of Validity and Reliability

It is predicted that the Validity and Reliability of the tools of measurement (questionnaire or interview) results from the study of case literature of the research and extracting the variable from it wich is virtually the views and perspectives of specialists (Bazargan et al, 1998, 171). There are various methods to determine the reliability of the tools of measurement one of wich is the assessment of internal conformity (Conca et al, 2004). The internal conformity of measurement tools can be measured by the coefficient of Chronbach Alpha(Chronbach,1951) and is also used in present research.

8-8- Problems and potential limitations

The most important problem wich predicated carrying out the present is possibly lack of cooperation or poor cooperation of the members of statistical society(of course it might not be so) and we try to regain their cooperation

following studying the problem and communicating with them formally or informally along with applying the techniques for behavioral science.

8-9- Definition of words and expressions (words in the title of this research, conceptual model, goals, questions and theories).

- Entrepreneurship: entrepreneurship is a process in wich the entrepreneurs start a new small business with their own investment (Drucker,1985). Entrepreneurship is a process in with opportunities are followed by people(Hurley,1999,2). Entrepreneurship is identification, creation and seizing the opportunities in society within providing goods and services, either through establishing a new organization (personal and independent entrepreneurship) or within an existing organization (inter-organization entrepreneurship).

- Corporate, independent and personal entrepreneurship:

A process with the out put of with is establishing a new organization to make use of opportunities to produce goods and providing service for society.

- Inter-organization entrepreneurship:

The process of doing an entrepreneurial activity within an organization the structure of with is usually traditional and bureaucratic.

Organizational entrepreneurship:

A process in witch an of the organizations try to pave the way for an of the staff to proactive entrepreneurial activities in group, individually and continually.

9- Reference:

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