Designing a Model of Antecedents of Entrepreneurial Orientation and Behavior (Case Study: Administrative Agencies in Kerman Province)

Sima Mirkamandar 1
Malikeh Beheshtifar 2*
Masoud Pourkiani 3
Ayob Sheykhi 4

1PhD student of Human Resource Management, Department of Management, Rafsanjan Branch, Islamic Azad University, Rafsanjan, Iran.
https://orcid.org/0000-0002-9122-8363
Email: msba1393@gmail.com

2Corresponding Author: Associate Professor, Department of Management, Rafsanjan Branch, Islamic Azad University, Rafsanjan, Iran.
https://orcid.org/0000-0002-2157-288X
Email: m.beheshtifar@iaurafsanjan.ac.ir

3Assistant Professor, Department of Management, Kerman Branch, Islamic Azad University, Kerman, Iran.
https://orcid.org/0000-0002-5370-3768
Email: pourkiani@iauk.ac.ir

4Assistant Professor, Department of Statistics, Faculty of Mathematics and Computer, Shahid Bahonar University of Kerman, Iran.
https://orcid.org/0000-0002-3731-6012
Email: sheikhy.a@uk.ac.ir

*Corresponding Author: Malikeh Beheshtifar, Associate Professor, Management Department, Rafsanjan Branch, Islamic Azad University, Rafsanjan, Iran, Email: m.beheshtifar@iaurafsanjan.ac.ir

Abstract: This present study aims to design a model of antecedents of entrepreneurial orientation and behavior in the administrative agencies in Kerman province, Iran. Accordingly, first, antecedents of entrepreneurship were identified through exploratory studies and a survey of those expert in the topic using the Delphi technique, and then, identified antecedents were presented in a model and tested in the target statistical population. In the present study, a model of antecedents of entrepreneurial orientation and behavior was presented. In the model, three sets of independent variables, including organizational (8 variables), individual (4 variables) and environmental factors (6 variables), were considered. They are of factors directly affecting entrepreneurial orientation and behavior. Then, based on this model and the data obtained from the questionnaire, the relationship between the antecedents of entrepreneurship and the entrepreneurial behavior and orientation were investigated using the structural equation modeling approach. The results show that there is a relationship between antecedents of entrepreneurship and the entrepreneurial behavior and orientation were investigated using the structural equation modeling approach. The results show that there is a relationship between antecedents of entrepreneurship and entrepreneurial orientation and behavior in the administrative agencies in Kerman province. Moreover, there is a relationship between organizational, individual and environmental factors and entrepreneurial orientation and behavior. Keywords: Design, Antecedents, Organizational Factors, Individual Factors, Environmental Factors, Entrepreneurial Orientation and Behavior.

1. INTRODUCTION

Entrepreneurship is the foundation and essence of development which has economic, social, cultural and political consequences for individuals, organizations, and society with the economic and spiritual value-creation (Soleimani & Namamian, 2017). In other words, entrepreneurship is the main economic driving force that develops production entry and
requirements using change and innovation. Certainly, entrepreneurship plays a vital and prominent role in the economic and social development of communities and reducing unemployment and the development of occupational activities have always been one of the macro objectives of the development of every country (Badiezadeh et al, 2019).

Entrepreneurial behavior is a set of activities that individuals at various levels of responsibility aim to creatively utilize resources to identify and exploit opportunities. Entrepreneurial behavior increases organizations’ chance to create a sustainable competitive advantage (Chizari et al, 2018).

Nowadays, it seems that the number of organizations looking for the improvement of employees’ entrepreneurial behavior is increasing. There are two main streams of research on the factors that encourage or limit intra-organizational entrepreneurship and employees' entrepreneurial behavior. The first stream focuses on the organization (contextual factors) and the second stream focuses on the individuals (individual factors). Research texts show that the majority of intra-organizational entrepreneurship, in the first place, investigated the organizational factors related to entrepreneurial behavior and mainly, neglected the interactions between organizational and individual factors. Hence, in the present study, in addition to the focus on organizational, individual and environmental factors affecting the entrepreneurial behavior of employees are investigated (Hornsby et al, 2015).

Based on the behavioral approach, every behavior is the result of a complex process on which many variables have an impact. Entrepreneurial behavior is also not an exception. For this reason, scholars have designed models on the emergence of entrepreneurial behavior the most comprehensive of which is Fry’s model (1993). According to Fry, three factors are effective in the employee’s motivation in the emergence of entrepreneurial behavior including antecedent or underlying variables, and accelerating variables. In the present study, both categories of these variables are included in the conceptual framework as antecedents of entrepreneurial behavior (independent and mediating variables). Underlying and accelerating variables create the potential motivation of entrepreneurship, however, it does not mean that the entrepreneurship will actually happen. This is where rehabilitation factors play a role (Zare, 2006).

Furthermore, nowadays, the initial disagreement of experts on the “being born” or “being made” of entrepreneurs is gone and everyone knows that entrepreneurship can be adventitious. In the past, one of the major disagreements among entrepreneurship researchers was to identify the origin of entrepreneurial behavior. Through an interview with more than 500 entrepreneurs for 3 years, Jacobowitz concluded that the personality traits of entrepreneurs are very similar to each other. Therefore, he concluded that entrepreneurs are born with this trait, not nurtured. Later, this view was criticized and based on Shapero’s model and investigating the environmental effect, experts showed that entrepreneurial behavior is voluntary and planned. Therefore, despite the initial imaginations that supposed that entrepreneurs are born instead of being made and their traits are too rare and special that cannot be found in another place, nowadays, it is obvious that entrepreneurs are made instead of being born (Zare, 2006). This is actually the same special aim that the present study seeks to realize it by investigating all the possible variables; that is to say, creating and nurturing the entrepreneurial behavior in employees. On the other hand, in recent years, the cultural, political, social, and economic conditions of the country led to paying attention to entrepreneurship, particularly the education of entrepreneurs, in the third, fourth, and fifth development plans. Nowadays, unemployment and employment challenge not only is one of the most important social issues of the country but also, considering the population growth rate in the past two decades, it can be considered as the most important social challenge of the next few decades. Tackling such a problem has made politicians of many countries face great
challenges so that the stability and failure of some governments depend on solving the unemployment crisis. Economic experts believe that Iran also needs an economic transformation to solve its unemployment crisis while according to the official statistics published in the past years, there is no considerable change in the economic growth of the country; especially, in such conditions that based on the estimations of the entry of 800 thousand of job seeking to the market and prediction of 10 million unemployed in the horizon of 1400, it will be one of the main challenges of socio-economic challenges in the fourth development plan and the next plans until the horizon of 1400 (Salehi & Baradaran, 2019).

Studies conducted show that most of the intra-organizational entrepreneurial studies, in the first place, investigated the organizational factors related to the entrepreneurial behavior and neglected the interactions between organizational and individual factors. It also seems that the most important step in the proper planning of entrepreneurship is detecting effective factors on the entrepreneurship of employees that broader studies must be done in this regard based on which, officials and managers can design a comprehensive pattern and fundamental solution for entrepreneurial behavior of employees. Empirical evidence obtained from the researcher’s studies shows that the effective variables on entrepreneurial behavior and orientation are classified into three classes of environmental, individual, and organizational factors (Fekri et al, 2013).

Thus, in the current study, in addition to the emphasis on the organizational factors, individual and effective factors on the entrepreneurial behavior of employees are investigated. The perspectives mentioned on the environmental variables also present a better perception of external environment and its effect on the strategy of organization and also, assist managers in gaining a clear understanding of environmental uncertainty and its effect on the characteristics of a strategic decision such as tendency to take risk, foresight, accountability, and defense (Andri Putranto, 2013).

In summary, three sets of aforementioned variables, traditionally imply that entrepreneurship is an individual characteristic that describes risk-taking and creative individuals who grab the opportunities and succeed (entrepreneurial behavior). Another approach is that entrepreneurship is a social attribute that focuses on the impact of the sociability processes of specific groups of individuals in the way that their jobs make them entrepreneurs (entrepreneurial orientation). In other words, the orientation of an organization towards entrepreneurship will encourage the entrepreneurial behavior of the organization’s members. Therefore, in the present study, it is tried to consider all these three sets (Antoncic, 2007).

The theoretical studies show that in the country’s organizations including executive organs, less attention has been paid to the organizational entrepreneurship and its relation to the organizational entrepreneurial orientation. Considering that the researcher has faced much empirical evidence related to the relationship between the abovementioned variables and organizational entrepreneurship, therefore, the present study’s question is that what are the patterns of orientation antecedents and entrepreneurial behavior in the executive organs? Moreover, the current study investigated the components of this pattern based on the presented patterns and, based on the view of experts and informants in this regard, the optimal pattern is extracted and will examine it by quantifying the pattern and distributing the questionnaire and through using Structural Equation Approach (Bart, 2011).

**Entrepreneurial Behavior**

Entrepreneurial behavior in the organization refers to all the activities related to the detection, assessment, and exploitation of entrepreneurial opportunities that are done by the members of the organization. A set of activities and methods that individuals implement at
different levels spontaneously using a combination of resources innovatively for production and for the recognition and exploitation of opportunities in the organization, is called entrepreneurial behavior. Entrepreneurial behavior includes innovative measures, trustworthy and defendable actions from the credit and measures considered. Researchers like considered the emergence of entrepreneurial behavior and inherent characteristic and knew it as an inherent phenomenon which is existed in some humans since birth. On the other hand, consider the organizational structure and tendency of employees as factors driving entrepreneurial behavior (Borins, 2000).

Researchers believe that entrepreneurial behavior is an inclusive and necessary matter for all the organizations including government and private organizations. This is a vital matter in the great organizations to support the entrepreneurial behaviors at all hierarchical levels for the function growth and obtaining competitive advantage. In fact, there are two research main streams that promote and encourage entrepreneurial behavior including 1) focus on organization, 2) focus on individual. Indeed, detection and measurement of entrepreneurial behavior is very difficult because it is considered a targeted behavior in relation to a special event. (Cavus et al, 2014).

Entrepreneurial studies show that individual, organizational, and environmental factors are effective in the emergence of entrepreneurial behavior. Recent studies emphasized the role of intermediate managers in the enforcement of entrepreneurial behavior. In other words, it is expected that because of having a better organizational situation, managers be more effective in the creation of entrepreneurial supportive environment (Hornsby et al., 2002). Entrepreneurial behavior does not occur in a vacuum, but rather through the actions taken in the organization. Entrepreneurial behavior is a set of entrepreneurial activities by which, individuals make a decision in the conditions of uncertainty. Entrepreneurial orientation and its quintet aspects including innovation, risk-taking, proactivity, and professional independence of employees and aggressive competition create the context of entrepreneurial behavior occurrence. Entrepreneurial behavior is a path by which entrepreneurship can be actualized in any type of organization. In today’s organizations, entrepreneurial behavior is inevitable (Collins et al, 2016).

Entrepreneurial orientation

In fact, individual and social approaches are focused on the individual entrepreneur and the organizational characteristics approach is focused on the recognition of entrepreneurs’ roles and their behaviors in the organization to explain the phenomenon of organizational entrepreneurship. According to the organizational approach, entrepreneurs can detect opportunity valves and allocate resources, organize systems, and implement strategies to exploit opportunities. In this case, the role of organizational entrepreneurship can often be fulfilled by equipping all the capabilities of the organization that are beyond the capabilities of each key person. Entrepreneurship also relates to the applicability of findings to all types and sizes of organization. The challenge of describing organizational entrepreneurship is to identify the individual dimensions of entrepreneurship that transform into organizational entrepreneurship.

Although many aspects of entrepreneurship are mentioned in the literature, there is no agreement among researchers on the most acceptable definition or entrepreneurial orientation approach. While the controversy continues about what shapes entrepreneurship, it seems that there is a reasonable agreement on the explanation of entrepreneurial orientation of which is based on innovation, proactivity, and risk-taking. In this concept, the researchers found out that entrepreneurial orientation is an organizational capability including innovation, proactivity, and high level of risk-taking (Covin & Slevin, 1991). Therefore, the
entrepreneurial orientation of organizations, government organizations, in particular, depends on how their organizational individuals are innovative, act proactively, and take the risk.

Covin & Slevin considers the strategic situation of entrepreneurial orientation which versus conservative orientation based on the three elements of innovation, proactivity, and risk-taking even though each of these components is related to each other which makes this orientation distinguished and strategic (Covin & Slevin, 1991).

Antecedents of behavior and entrepreneurial orientation

Organizational factors

Organizational variables describe the main characteristics of an organization which are out of control of individuals. In the following, organizational factors in the conceptual framework of research including organizational structure, organizational culture, leadership style, and strategic management of human resources are investigated.

Organizational structure is the way or manner in which organizational activities are divided, organized, and coordinated. Organizational structure is one of the main factors driving change because structure shapes the body of all processes and organizational decisions. The structure is the result of a combination of organizational elements that forms the existential philosophy of activities. Organizational structure is an effective factor in the processes, the framework of the relationship between jobs, systems, and processes and also, is effective on the operational processes, individuals, and groups which try mutually to achieve a specific goal. If an organization truly intends to have entrepreneurship, the culture of the organization must transform into an entrepreneurial atmosphere which is not possible in the short term. However, if excellent management provides the required supports, it can be achieved during the time. Innovative products or processes emerge through inducing and creation of entrepreneurial culture in a pre-established organization (Dess & Lumpkin, 2005).

Intrapreneurial culture is a culture that results in the growth of entrepreneurship in the common constraints of the organization. Vernon and Wortzel believe that culture has a vital role in entrepreneurship development because culture determines individuals' attitudes at the beginning of entrepreneurial activity; in addition, every era creates the special models of entrepreneurship in accordance with the special needs of the community. Pin Chot mentions some indices of organizational entrepreneurial culture that are as follows: 1) freedom in choice, 2) Persistence, 3) executor decides, 4) employment of unused capacities of organization, 5) Baseball Philosophy, 6) Risk, failure and mistake tolerance, 7) Willingness to invest, without expecting an immediate return, 8) being free from limits, 9) multi-tasking teams, and 10) Multiple choices.

Leadership is important for organizations to achieve goals. Since leadership is a key factor to improve the organization’s performance, failure or success of the organization depends on the leadership effectivity at all levels. Researchers state that leadership is the ability to have an effect on the attitudes, capabilities, and beliefs of employees to achieve the organizational goals. Although the leadership has been the main topic among scholars, dramatic social changes that occurred in the last two decades have made effective leadership debate more important (Duckett & Macfarlane, 2003). Throughout the twentieth century, numerous theories and models have emerged to identify the characteristics of effective leadership. Over the past twenty years, there has been a great deal of interest in exploring new leadership patterns. Many of the early definitions of leadership seem to emphasize rational and cognitive processes. In addition, previous leadership patterns have been criticized for failing to fully describe existing leadership styles and behaviors.
The link between human resources management and business strategy is believed to lead to effective and strategic human resources management, organizational performance improvement and ultimately the success of a particular business. It can also help organizations reach competitive advantage by creating exclusive systems of human resources management which are inimitable by others. To this end, human resources units must be future-oriented and human resources strategies must perform in line and compatible with the general business outline. The future-based approach based on human resources forces organizations to regularly perform analyzes of the type of human resource competencies needed for their future and act to meet such needs in accordance with key human resources (recruitment, development, and payment) tasks (Holbeche, 1999).

**Individual Factors**

Nowadays, the number of organizations looking for improvement in the entrepreneurial behavior of employees is increasing. There are two research main streams on the encouraging or limiting factors of intra-organizational entrepreneurship and entrepreneurial behavior of employees. The first stream is focused on the organization (contextual factors) and the second stream is focused on individuals (Individual factors). Research texts show that most of the intra-organizational entrepreneurship, in the first place, investigates the organizational factors related to the entrepreneurial behavior and generally, neglected the interactions between the organizational and individual factors (Fekri et al, 2013). Hence, in the current study, in addition to the focus on organizational factors, individual and effective factors on the entrepreneurial behavior of employees are also investigated. A glance at the texts related to the entrepreneurial behavior of employees indicates that different factors including perception of organizational support, networking behavior, and emotional intelligence are effective on the entrepreneurial behavior of employees in the organization (Fekri et al, 2013) & (Covin & Slevin, 1991) These variables are explained in the following.

**Environmental factors**

According to the most important and fundamental theoretical approaches in the organizational strategy’s theories, the function and output of organizations are intertwined with its environmental aspects. Many studies in this regard have investigated the different aspects of this matter including fit of organization’s strategy and its external environment, organizational characteristics such as structure, administrative systems and management features. Especially, (Engelen et al, 2015) claimed that when an environment is changing, or the results of organizational performance is low or decreasing, the main task of leadership is the intervention in the patterns performing the exchange and commitment so that by which, the change in path occurs in the communication personality of the organization.

This indicates that successful managers must carefully consider the external environment before making any important decisions. It should be noted that the organization environment improves and limits the activities and behaviors within the company boundaries. Recent studies indicated the effect of environment on the organizational life as a strategy, structure, and also, organizational processes (Engelen, 2010).

2. **RESEARCH METHODS**

The present study is applied in terms of aim and descriptive in terms of method. Also, it is a combination of library and survey studies. The Delphi method has also been used to implement the survey method. To select the proper sample among academics and elites, a non-random sampling method is used. Based thereon, among the experts and academics,
samples enjoying the inclusion criteria are 16 out of which 11 are male and 5 are female and 9 has a Ph.D. degree while 7 have a Master’s degree. The present study is done in two phases. In the first phase, investigating the literature review and background, entrepreneurial antecedents are extracted. In the second phase, these indices are determined and validated using the Delphi method and the perspective of experts.

3. RESULTS

T-sample test is used to investigate the entrepreneurial antecedents. Based on the results and considering that the p-value (0.000) for all the components is less than the significant level (0.05), therefore, the zero hypothesis is rejected. In other words, according to the means obtained, it can be said that the entrepreneurial antecedents include three aspects of organizational, individual, and environmental factors (Table 1).

Table 1. Entrepreneurial antecedents’ components

<table>
<thead>
<tr>
<th>Organizational components</th>
<th>Individual components</th>
<th>Environmental components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational structure</td>
<td>Receiving organizational support</td>
<td>Generosity</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>Networking</td>
<td>Dynamism</td>
</tr>
<tr>
<td>Leadership style</td>
<td>Emotional Intelligence</td>
<td>Complexity</td>
</tr>
<tr>
<td>Human resources strategic management</td>
<td>Employees personality characteristics</td>
<td>Organizational conflict</td>
</tr>
<tr>
<td>Size</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational resource</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In the following, the content validity ratio (CVR) of all the sub-indices for the antecedents and their aspects is calculated and assessed. As can be seen, the value of the numerical mean of all the sub-indices is more than 1.5 and the CVR value is more than 0.49 (optimal value based on 16 experts). As a result, these sub-indices are accepted (Table 2).
Table 2. CVR values, the numerical mean of judgments and the results of assessing the antecedent indices

<table>
<thead>
<tr>
<th>Index</th>
<th>Sub-indices</th>
<th>CVR</th>
<th>Numerical mean</th>
<th>Accepted/rejected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational factors</td>
<td>Organizational structure</td>
<td>0.87</td>
<td>1.93</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Organizational culture</td>
<td>0.73</td>
<td>1.87</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Leadership style</td>
<td>0.60</td>
<td>1.80</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Human resources strategic management</td>
<td>0.60</td>
<td>1.80</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Size</td>
<td>0.87</td>
<td>1.93</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Strategy</td>
<td>0.73</td>
<td>1.87</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Competency</td>
<td>0.87</td>
<td>1.93</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Organizational resource</td>
<td>0.73</td>
<td>1.87</td>
<td>Accepted</td>
</tr>
<tr>
<td>Individual factors</td>
<td>Receiving organizational support</td>
<td>0.73</td>
<td>1.87</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Networking</td>
<td>0.73</td>
<td>1.87</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Emotional intelligence</td>
<td>0.73</td>
<td>1.87</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Employees personality traits</td>
<td>0.60</td>
<td>1.80</td>
<td>Accepted</td>
</tr>
<tr>
<td>Environmental factors</td>
<td>Generosity</td>
<td>0.60</td>
<td>1.80</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Dynamism</td>
<td>0.60</td>
<td>1.80</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Complexity</td>
<td>0.73</td>
<td>1.87</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Organizational conflict</td>
<td>0.60</td>
<td>1.80</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Managers personality traits</td>
<td>0.73</td>
<td>1.87</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td>Industry characteristics</td>
<td>0.73</td>
<td>1.87</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

4. DISCUSSION

Antecedents and underlying factors are opportunities or characteristics that make individuals investigate the entrepreneurial facilities consciously or unconsciously. Accelerating factors is a situation that accelerates entrepreneurship action in a special way. Underlying and accelerating factors develop entrepreneurship motivation; however, it does not mean that entrepreneurship will actually happen. On the other hand, the most important step in proper planning for entrepreneurship is the recognition of effective factors in the entrepreneurship of employees; it requires broader studies and investigation based on which managers and officials of this organizations be able to design a comprehensive pattern and fundamental solution for entrepreneurial orientation and behaviors of employees.

Theoretical studies show that in the organizations of the country including executive organs, less attention has been paid to the organizational entrepreneurship and its relation with organizational entrepreneurial orientation. Considering that the researcher faces much empirical evidence in regard to the abovementioned variables and organizational entrepreneurship, therefore, the present study seeks to investigate that how the antecedent
pattern of entrepreneurial behavior and orientation is in the executive organs. Furthermore, the present research has investigated the components of this pattern based on other given patterns and extracted the optimal pattern based on the perspectives of experts and informants in this regard and has tested it by quantifying the pattern and distributing questionnaire using a structural equation approach.

5. SUMMARY

The present study has presented an antecedent pattern of entrepreneurial behavior and orientation. Three sets of independent variables are considered including organizational factors (8 components), individual factors (4 components), and environmental factors (6 components) for the effectivity on the entrepreneurial behavior and orientation that directly affect it. According to the literature review and investigating different variables, the structure of organizational factors using organizational structure components, organizational culture, leadership style, and human resources strategic management were measured. The structure of individual factors was also measured using perceived organizational support, networking behavior, emotional intelligence, and personality traits of employees; the structure of environmental factors was evaluated using generosity, dynamism, and complexity, organizational conflict, and personality traits of managers.

REFERENCES