

## Identification and Explanation of Dimensions of an Entrepreneur-Training Organization and its Impact on the Organization's Policies

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**Abstract.** Today, organizational entrepreneurship is considered as an effective factor in growth, creativity and dynamicity of organizations in order for their promotion and survival. Therefore, the present study aims to identify and explain the dimensions of an entrepreneur-training organization and its impact on the

organization's policies. The research method, due to sequence of qualitative and quantitative methods, is a sequential mixed method. In the qualitative section, the statistical population of this study is consisted of experts and elite in the field of management having experience in administrative system. Using a targeted sampling method and snowball method, 15 experts of the mentioned statistical population were identified and semi-structured interviews were conducted with them. In the quantitative section, the statistical population of this study is consisted of heads of trade unions of Khorasan Razavi's chambers of business who are 850 people. The sample size has been calculated to be 265 people using Cochran formula, and simple random sampling method has been used for collecting the data. The collected data has been analyzed using structural equation modeling technique and Amos software. Finally, four dimensions of innovation, creativity, risk taking and independence have been identified as the dimensions of entrepreneur-training organization and the impact of each of these dimensions on the organization's policies has been confirmed.

**Keywords:** Organizational Entrepreneurship; Entrepreneur-Training Organization; Policy Making

## 1. Introduction

In today's world, the thought of innovation and entrepreneurship and its use in organizations and creation of entrepreneur-training organizations is inevitable. As birth and death of organizations depend on insight, vision, and abilities of its founders, their growth and survival also depend on factors such as ability, creativity and innovation of their human resources (Seifi Saldehi et al., 2014). Entrepreneurs look at the element of change as an ordinary phenomenon and they are always looking for change, respond to it, and exploit it as an opportunity (Ramirez et al., 2010). An entrepreneur-training organization is an organization in which, through induction of entrepreneurial culture within the organization, the whole company obtains an entrepreneurial spirit and this leads to innovation in products and processes (Samad

Aghayee, 2013). Also, regarding entrepreneur-training organization, it should be said that: in this organization, organizational entrepreneurs cannot easily ignore the issues and problems they see. They consider the end of all issues to be open and are always looking for a solution to them. They always think to new ideas and plans in their minds (Hisrich et al., 2010). The importance and position of organizational entrepreneurship has become completely perceptible as in which the employees add new value to the services and products provided by the organization (Fakher et al., 2016). On the other hand, organizations took on some kind of change in their policy orientation in order to encourage and facilitate entrepreneurship. In fact, this shift in orientation can be seen as a reaction to the accelerated and evolving social and economic environment of organizations that were manifested in the increasing evolution of technological advances, growth of global competition, emergence of knowledge-based economy, economic and industrial reconstruction, and democratic values. Organizations recognized the solution to manage these rapid changes to be entrepreneurship. In fact, policies are the tools to determine the overall framework of thoughts for managers to make better decisions that can guide the thoughts of organizations in targeted decision making and thus ensure that decisions are made within certain boundaries (Aliabadi et al., 2018). Guilds also as organizations interacting with community and its institutions must be able to adapt to rapid changes in the environment in order to keep pace with scientific and technological changes. The general trend in Iranian governmental organizations indicates that the situation governing them is traditional and non-entrepreneurial, and it seems that one of the most important reasons for inefficiency of Iranian governmental organizations is lack of enough attention to organizational entrepreneurship. Given what has been mentioned, in order to overcome the problems and threats facing today's organizations, one of the best essential solutions is creation of an entrepreneur-training organization. In this regard, entrepreneur-training organization is becoming a selected weapon for many newly emerging organizations, especially large organizations or organizations that are moving toward restructuring. The public sector is no exception too. Therefore, inefficiency of this sector will create

multiple problems for a community. The scope of tasks assigned to governments, even if the ground is provided for participation of private and non-governmental sector, is very broad and the consequences of doing these tasks influence a vast majority of people in the community. Accordingly, this study aims to identify and explain dimensions of an entrepreneur-training organization and its impact on organizational policies in order to improve conditions and workplace of employees, and improve behavioral level and scientific-specialty situation of the staff.

## **2. Literature review**

An entrepreneur-training organization is an organization that pursues opportunities regardless of the existing and controlled resources. In other words, organizations have entrepreneurial conditions that are fearless and aggressive and place particular emphasis on supporting the above conditions for technological leadership and research and development. What makes an organization entrepreneurial is strong commitment to being a leader in new products and services (Arabshahi, 2016). Entrepreneur-training organizations provide conditions and ground that, firstly, any person or group who wants to follow the process of intra-organizational entrepreneurship can implement it quickly, comfortably and effectively, and secondly, they stimulate, encourage and educate individuals for implementation of entrepreneurial activities (Razavi and Talebpour, 2018). On the other hand, entrepreneurship issue has attracted the attention of many researchers and policy makers in recent decades. One of the main reasons for focusing on entrepreneurship is the increasing need of societies to utilize creative people who can accelerate the process of economic development through new ideas and turning these ideas into profitable activities (Keshavarz, 2014). The pre-requirement for promotion of entrepreneurship in an organization is having a good environment that will be used as an excellent management tool for guiding employees (Tsado and Gunu, 2016). Policy is a path for certain actions that provides guidance, direction, and orientation in order for achieving general and partial goals required by the government (Baghernejad et al., 2016). Adretch et al. (2001) have provided a model for analyzing the factors determining entrepreneurship

that helps to understand how to apply public policy in order to promote entrepreneurship. This model has provided five types of governmental policies affecting entrepreneurial activities as follows: 1.Provision of entrepreneurship 2.Demand for entrepreneurship 3.Formation of entrepreneurial values in culture 4.Strengthening of risk taking for entrepreneurship 5.Access to knowledge and financial resources (Zolfaghari, 2009). Shadmani and Karami (2011) in their study examined barriers of organizational entrepreneurship in governmental companies and provided solutions for their elimination. According to the results of the research, the most important barriers to corporate entrepreneurship are in the five categories of structural barriers, style and attitude of managers, lack of entrepreneurial organizational culture, incorrect methods of payment of rewards and wages, and educational issues, especially lack of entrepreneurial training. Zolfaghari (2009) in his study titled "Examination of the factors affecting development of organizational entrepreneurship in Job and Social Affairs organizations" tried to investigate the impact of organizational strategy, organizational culture, employee and managers' characteristics, leadership style of managers, and motivation of human resources on development of organizational entrepreneurship in the mentioned organizations, and ultimately provide solutions and suggestions for promoting organizational entrepreneurship. Dai et al. (2018) conducted a study entitled "Government policies and firms' entrepreneurial orientation: Strategic choice and institutional perspectives". The research was conducted in China and the results of this study showed that the more entrepreneurs understand efficiency of new policies it is more likely that their companies participate in entrepreneurial activities and benefit from such policies. Arshed (2017) conducted a study titled "The origins of policy ideas: The importance of think tanks in the enterprise policy process in the UK". The results of interviewing with eight representatives showed that the ideas provided by opponents to the government do not have any formal process and they are allowed to, instead of focusing on the origin of policy ideas as a possible explanation for weakness of organizational policies, be dominated by informal relations and channels of communication between key actors.

### 3. Method

In this study, firstly, through library studies, the dimensions and components of entrepreneur-training organization were studied and then, using qualitative method, the dimensions and implicit components of the studied phenomenon were discovered and the theoretical model was completed. After examination of the considered field using Delphi method, the studied dimensions and components were identified and the structural model was designed. At the end, in the quantitative section, by designing the questionnaire's questions, the status quo was examined and the designed model was tested. Therefore, the present study is both qualitative and quantitative in terms of data type; and due to sequence of qualitative and quantitative methods, its method is sequential mixed. In the qualitative section, the statistical population of the study is consisted of experts and elite of the field of management and experienced managers of the administrative system among which, using targeted sampling method and snowball method, 15 experts were identified and semi-structured interviews were conducted with them. In the quantitative section, the statistical population of the study is consisted of heads of trade unions of Khorasan Razavi's chambers of business who are 850 people. The sample size was calculated to be 265 people using Cochran formula and simple random sampling method was used to collect the data. In order to determine validity and reliability of the interview questions, content validity method and consensus coefficient method were used, respectively. In order to determine validity of the questionnaire, Confirmatory Factor Analysis (CFA) method has been used using Amos software. But before doing factor analysis, firstly it is required to be sure that the available data can be used for analysis. In other words, whether the number of the considered data is appropriate for factor analysis or no? For this purpose, KMO index and Bartlett test are used. KMO index is an indicator of sampling adequacy. This index is in the range of 0 to 1. If the value of the index is close to one, the data are suitable for factor analysis and otherwise (usually less than 0.5), the factor analysis results for the given data are not so appropriate. Given that KMO criterion value for all dimensions is greater than 0.5 and

significance value of Bartlett test is also less than 0.05, therefore, it can be ensured that the sample size is suitable for conducting confirmatory factor analysis (KMO index for Policy of entrepreneur-training organization(0.891), Dimensions of entrepreneur-training organization (0.796), Innovation in entrepreneur-training organization(0.814), Creativity in entrepreneur-training organization(0.675), Risk taking in entrepreneur-training organization(0.669), Independence in entrepreneur-training organization(0.707)). After performing confirmatory factor analysis, considering that factor load of all items is above 0.4 and their significance level is less than 0.05, it can be said that the designed questionnaire has a good validity (Table 1). Also, in order to determine reliability of the questionnaire, after distributing the researcher-made questionnaire among 30 people from the population, internal consistency of components of each of the main dimensions was assessed using Cronbach's alpha method and SPSS software which was obtained to be 0.8 which indicates high reliability of the dimensions and components of entrepreneur-training organization and its policies (reliability of Dimensions of entrepreneur-training organization(0.888), Innovation in entrepreneur-training organization (0.860), Creativity in entrepreneur-training organization(0.712), Risk taking in entrepreneur-training organization(0.774), Independence in entrepreneur-training organization(0.825), Policy of entrepreneur-training organization(0.918)). After confirmation of reliability and validity, the questionnaire consisting of 27 questions in 5-degree Likert scale was used, and its dimensions and components in four dimensions of innovation (with components of innovation in methods and processes, innovation in resources and raw materials, innovation in service, and innovation in organizational arrangements), creativity (with components of flexibility, initiative, attention to details), risk taking (with components of financial risk taking, technical risk taking, investment risk taking), and independence (with components of authority in decision making, authority in implementation, and self-monitoring) were examined. Finally, SPSS and Amos software programs have been used to analyze the data.

#### 4. Findings

In order to confirm validity of the questionnaire, confirmatory factor analysis method was used for questionnaire's items, the results of which are given in Table 1.

**Table 1.** Results of confirmatory factor analysis

Variables	Dimensions	Item	Factor load	Significance	Result
Dimensions of entrepreneur-training organization	Innovation	q1	0.760	0.001	Significant
		q2	0.809	0.001	Significant
		q3	0.747	0.001	Significant
		q4	0.795	0.001	Significant
	Creativity	q5	0.698	0.001	Significant
		q6	0.630	0.001	Significant
		q7	0.681	0.001	Significant
	Risk taking	q8	0.662	0.001	Significant
		q9	0.825	0.001	Significant
		q10	0.725	0.001	Significant
	Independence	q11	0.812	0.001	Significant
		q12	0.821	0.001	Significant
		q13	0.721	0.001	Significant
Policy of entrepreneur-training organization	q14	0.546	0.001	Significant	
	q15	0.691	0.001	Significant	
	q16	0.775	0.001	Significant	
	q17	0.786	0.001	Significant	
	q18	0.633	0.001	Significant	
	q19	0.758	0.001	Significant	
	q20	0.672	0.001	Significant	
	q21	0.786	0.001	Significant	
	q22	0.779	0.001	Significant	
	q23	0.707	0.001	Significant	
	q24	0.656	0.001	Significant	
	q25	0.769	0.001	Significant	
	q26	0.831	0.001	Significant	
	q27	0.801	0.001	Significant	

As can be seen in the fitted factor analysis model, all items have significant significance. Therefore, none of the items were excluded from the analysis process. The significance of the items is that their significance level is below 0.05 and the factor load of all items is above



0.4. Finally, 27 items of questionnaire were analyzed. After confirmation of validity the research tool, the following structural equation model has been derived by analyzing the questionnaire data.

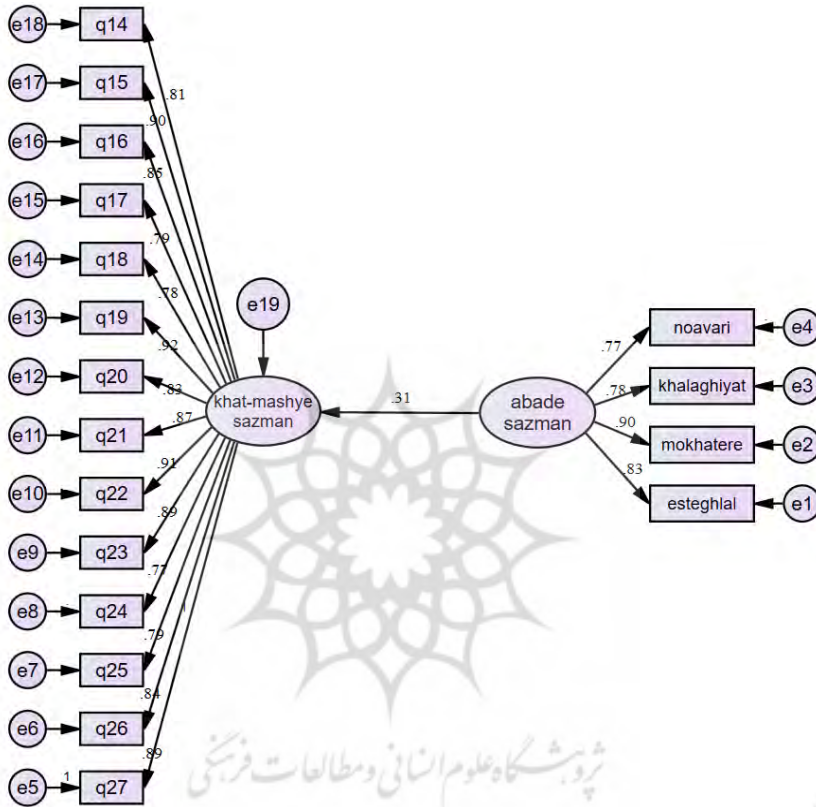


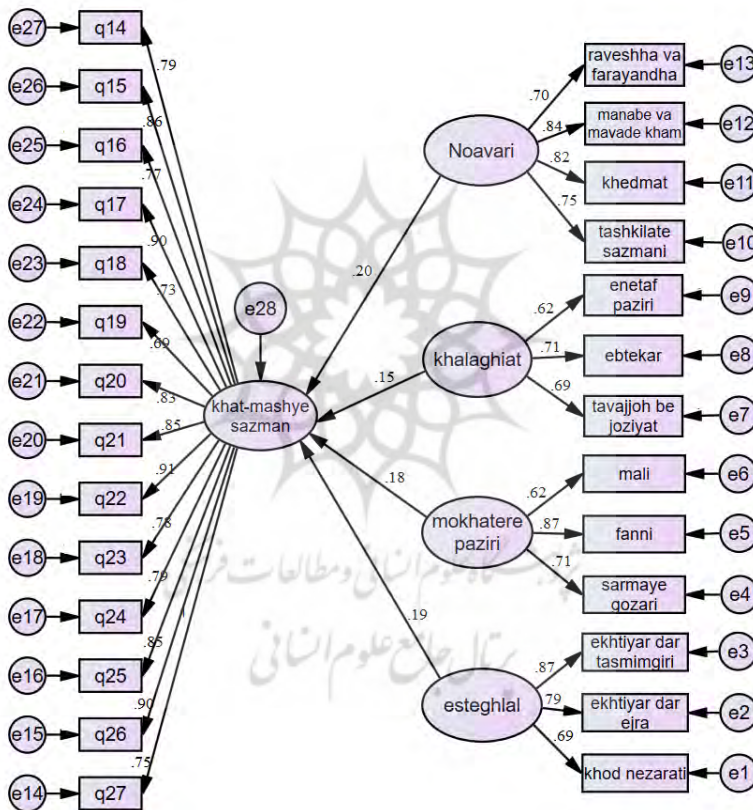
Figure 1. First fitted model of research

To investigate the relationship between each dimension of entrepreneur-training organization and its policies, the second model of research has been fitted according to figure 2 considering the partial index value of 0.000 which is less than the significance level of 0.05 and also the significant value of 5.39 and it can be concluded that this path coefficient at the level Error of 0.05 is significant, meaning there is a positive and significant relationship between the dimensions of

Entrepreneurship Organization and Entrepreneurship Organization policy in Khorasan Razavi Guild Room. Table 2 shows the test results.

**Table 2.** Path coefficient and significance of the relationship

Direct path	Path coefficient	P-value	Significance number	Result
Dimensions of entrepreneur-training organization → Policy of entrepreneur-training organization	0.31	0.000	5.039	Significant



**Figure 2.** The second fitted model of research

Table 3 shows path coefficients between each of the dimensions of entrepreneur-training organization and its policy in Khorasan Razavi’s chambers of business. Given that in all questions, path coefficient is

positive and the partial index value is equal to 0.000 and is lower than the significance level of 0.05, and it can be concluded that this path coefficient is significant at the error level of 0.05, and there is a significant relationship between all dimensions of entrepreneur-training organization and its policies.

**Table 3.** Regression coefficients

Questions	Direct path	Path coefficient	P-value	Significance number	Result
1	Innovation→ Policy of entrepreneur-training organization	0.20	0.004	2.987	Significant
2	Creativity→ Policy of entrepreneur-training organization	0.15	0.035	2.257	Significant
3	Risk taking→Policy of entrepreneur-training organization	0.18	0.021	2.369	Significant
4	Independence→Policy of entrepreneur-training organization	0.19	0.018	2.303	Significant

## 5. Discussion and Conclusions

The present study aimed to identify and explain the dimensions of an entrepreneur-training organization and its impact on the organization's policies. Hence, firstly, with the help of documentary studies and Delphi technique, the dimensions and components of an entrepreneur-training organization were discovered. The results of the qualitative section showed that at least four dimensions of innovation, creativity, risk taking and independence, and 13 components including innovation in methods and processes, innovation in resources and raw materials, innovation in service, and innovation in organizational arrangements for the innovation dimension; flexibility, initiative, and attention to details for creativity dimension; financial risk taking, technical risk taking, and investment risk taking for risk taking dimension; and authority in decision-making, authority in implementation, and self-monitoring for independence dimension can be proposed. These dimensions and

components and policies of entrepreneur-training organization were tested based on quantitative indices and the results of confirmatory factor analysis showed that the main dimensions and components forming the dimensions of entrepreneur-training organization in the designed model are suitable factors, because given the obtained indices, fit of the model is confirmed. In general, the results of research showed that there is a positive relationship between dimensions of entrepreneur-training organization and its policies in Khorasan Razavi's chambers of business. This shows that the process of creating new abilities and capacities through exploitation of opportunities and presentation of a new idea and transforming that idea into tangible results and new abilities in an entrepreneur-training organization affects development of better and more flexible policies and organizations and institutions' performance in future. In fact, these policies are a guide for action and determine the priority of dos and don'ts in future. This result is consistent with the studies by Zolfaghari (2009), Dai et al. (2018), and Arshed (2017). Also, the research results showed that innovation, creativity, risk taking and independence affect policies of entrepreneur-training organization. This means that independent and risk taking individuals in organizations cause managers to develop plans and policies in which innovation and creativity are evident, and lead to survival of the organization in today's changing and dynamic environment. In fact, people in an organization by searching for creative, innovative and unique solutions for issues, as well as by their willingness to allocate resources to opportunities that have a reasonable chance of failure or victory, cause the goals of a proposed plan or policy to be achieved positively and appropriately. These results are consistent with the results by Zolfaghari (2009), Dai et al. (2018), Arshed (2017), and Mirzanti et al. (2015). According to the obtained results, it is suggested that managers of organizations, by adopting initiatives in each of the organizational subsystems can contribute to creation of innovation culture. Initiatives such as broad and merit-based trainings, fair compensation for services and encouragement based on performance, result-based performance management systems with a long-term vision, and such actions all lead to creation of a culture supporting innovation

and encouraging employees to perform entrepreneurial behaviors. As a result, the organization becomes an entrepreneur-training organization which leads to development of more flexible, more creative, and more efficient policies in the organization. It is also recommended that by making the rules more flexible in the organization, the employees will be allowed to express their opinions and ideas so that they will express their creative ideas and plans without any fear.

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