Relationship between Organizational Entrepreneurship Culture and Organizational Commitment

Amin Raza Kamalian*, Saeedeh Jahantighi**

* Department of Management, Faculty of Humanities, Islamic Azad University, zahedan branch, zahedan, Iran
** MA Student of Management, Islamic Azad University, zahedan branch, zahedan, Iran.

Abstract

This study aims at examining relationship between organizational, entrepreneurship culture and organizational commitment in Sistan Baluchestan's General Department of Taxation (a province in Iran). It is a descriptive, correlational research. Our population consisted of employees in Sistan Baluchestan's General Department of Taxation (415 members), of which we selected 217 employees by using Morgan Table. For data collection, we used library archives and questionnaires. Our questionnaires were McGuire's Questionnaire of Organizational Entrepreneurial Culture and Allen's & Mayer's Questionnaire of Organizational Commitment. We confirmed their validity on the basis of experts' and professors' viewpoints and ensured their reliability by using Cronbach's alpha. Additionally, as far as data analysis is concerned, we performed descriptive tests (frequency) and inferential tests (Pearson and stepwise regression) by using SPSS software. Our findings demonstrated significantly direct relationship between all components of organizational, entrepreneurship culture and employees' commitment in Sistan Baluchestan's General Department of Taxation. As a result, entrepreneurship culture is required to be created and innovation should occur for greater organizational commitment.

Keywords: organizational entrepreneurship culture, organizational commitment, employees, General Department of Taxation

Introduction

For entrepreneurship, organizations should create entrepreneurial culture. They are required to consider human resources as vital resources and to conserve them at their best. They should provide environments in which innovation of their members are encouraged. They should develop great innovations and increase their risk-taking (Sandra & Dobinsky, 2000). Entrepreneurial organizations are described as institutions with risk taking, focus of attention to future, flexible organizational boundaries, and open and regular communication. Members of entrepreneurial organizations place high value on both innovation and productivity, making deeper organizational commitment. They do not give sole priority to one of them. There are
norms in accordance with which they are expected to display behaviors such as risk-taking and creation of opportunities. Additionally, they expect to gain rewards and receive encouragement in this regard. Members of entrepreneurial organizations like to have empowerment and to obtain authorization (Kormral & Preeman, 1990). Blanker et al. (2004) indicate that entrepreneurial organization is a social institution, by which whole organization, its sectors, research departments, professors, and universities attempt to manage demands in market, stimulate innovation, and focus attention to big changes in their own performance.

On the other hand, no organization achieves success unless its members and employees make organizational commitment and make attempts at accomplishment of its objectives. One of parameters for this accomplishment is commitment. Organizational commitment is an attitude towards objectives and tasks of organization. It is a representation of attitudes and value system of its members.

Impact of entrepreneurial culture upon organizational commitment has been a matter of concern in recent decades. There are discussions over the claim that successful and unsuccessful organizations differ in their culture. In other words, great success of organizations lies in their organizational culture, and employees' values and beliefs. Nevertheless, small number of studies with precision has concentrated on this issue. Therefore, greater discussions in this regard are of great significance (Mirsepasi & Zahedi, 2002:73).

Impact of organizational culture upon organizational commitment should be evaluated for building strong foundations for entrepreneurship in organizations including Sistan Baluchestan's General Department of Taxation (a province in Iran).

Sistan Baluchestan's General Department of Taxation is one of crucial organizations for management of one of most significant financial resources in Iran i.e. taxes. As a result, it is required to have employees with high commitment and loyalty in a way that it can accomplish its main objective i.e. tax assessment. Otherwise, economic structure of the province and country get into great difficulty.

This study attempts to examine whether or not there is relationship between organizational, entrepreneurial culture and employees' organizational commitment in Sistan Baluchestan's General Department of Taxation.

**Literature Review**

Organizational, entrepreneurial culture is a system of shared beliefs, values, and norms of organizational members in which a great value is attached to innovation and innovative employees. Innovation and adventuresome spirit for market opportunities are very significant at the time of environmental uncertainty, rivals' attempts and difficulties with survival (McGuire, 2003). For evaluation of organizational, entrepreneurial culture, scholars use McGuire's model of organizational, entrepreneurial culture (2003) which contains 10 parameters including boldness, work meaningfulness, cooperation, and tolerance of creative deviation, risk-taking,
proactive innovation, underdog aggressiveness, open communication, voice, and fun. Their definitions are as follows:

- **Boldness**: It is defined as the extent of members' focus of attention to grasping market opportunities at the time of decision making. In other words, boldness is a priority of adventurous spirit for creation of future environment of organization.
- **Tolerance of creative talents**: The more diversity is allowed, the more creative talents are tolerated. Especially, viewpoints of innovative persons presenting challenges to current conditions are expressed.
- **Underdog aggressiveness**: It is a level in which organizational members attempt to gain more success than competitors and novices.
- **Work meaningfulness**: Deeper understanding of working values and greater focus of attention to objectives, independence, and escape from beaureacracy accounts for work meaningfulness.
- **Risk-taking**: It shows that to what extent organizational members attempt to take reasonable risks in all organizational levels and to what extent they believe successes and defeats should receive responses.
- **Open communication**: It determines to what extent organizational members consider recurrent, open communication essential and to what extent they regard unrestricted access to information a useful approach. Viewpoints are put forward from different resources including employees in different organizational levels.
- **Cooperation**: Organizational objectives are accomplished by collective responsibilities and members' collaboration with other members.
- **Proactive Innovation**: It suggests to what extent organizational members give priority to innovation over fixed routines and to what extent they view innovation as a way and means for organizational growth and survival.
- **Voice**: It indicates to what extent organization considers members' expression of dissatisfaction (for the purpose of improvement in performance) more appropriate as compared with silent tolerance or resignation.
- **Fun**: It shows that to what extent employees attach significance to fun besides working and to what extent they believe applied games can produce satisfactory solutions to difficulties and increase capacities in organization (McGuire, 2003).

**Organizational Commitment:**
Due to organizational commitment, members view their organization as their own identity (Robins, 2005). Additionally, organizational commitment is defined as employees' psychological similarity to or association with their organization (Keivani, 2013).
There are many reasons for requiring increased organizational commitment (Steers & Porter, 1992:290). (1) Organizational commitment is a new concept and differs with job satisfaction and dependence (Robins, 2007). For instance, nurses may like their job, yet they do not feel satisfaction with the hospital in which they work. In that case, they seek for similar jobs in similar environments. Conversely, waiters may feel satisfaction with their working environment but not with their job (Greenberg & Barron, 2008). (2) Findings reveal that organization commitment has positive correlation with job satisfaction (Batman & Strasser, 1998), attendance (Estarvan, 2006), meta-social organizational behavior (Ariel & Chatman, 1986), and job
performance (Myer, Allen & Smith, 1993) and has negative correlation with resignation (Moody, Porter & Steers, 1982; Xian Change et al. 2009).

Fig 1. Conceptual Model Of Organizational, Entrepreneurial Culture In This Study
Hypotheses:

Main Hypothesis:

 There is significant relationship between organizational, entrepreneurial culture and organizational commitment.

Other hypotheses:

 There is significant relationship between boldness of employees and their organizational commitment.
 Tolerance of creative talents is significantly related with organizational commitment of employees.
 Underdog aggressiveness is significantly related with organizational commitment of employees.
 There is significant relationship between employees' work meaningfulness and their organizational commitment.
 There is significant relationship between employees' risk taking and their organizational commitment.
 Employees' open communication is significantly related with their organizational commitment.
 Cooperation of employees is significantly related with their organizational commitment.
 There is significant relationship between employees' proactive innovation and their organizational commitment.
 There is significant relationship between employees' voice and their organizational commitment.
 There is significant relationship between employees' fun and their organizational commitment.

Methodology:

This study is an applied, descriptive, and survey-based research (Khaki, 2008). In descriptive research, the considered phenomena are described. Additionally, survey is one of subsections in descriptive research for examining distribution of population. In the present study, we attempted to examine relationship between organizational, entrepreneurial culture and organizational commitment among employees of Sistan Baluchestan's General Department of Taxation (a province in Iran). For description, we analyzed data by using descriptive statistics indicators and then we examined our hypotheses by using inferential statistics indicators (correlation coefficient and regression). As regards theoretical principles and review of literature, we used library
archives, articles, and magazines. For data collection, we distributed questionnaires and examined our population. We used two questionnaires i.e. McGuire's Questionnaire of Organizational Entrepreneurial Culture and Allen's & Mayer's Questionnaire of Organizational Commitment and ensured their reliability. Our population consisted of employees in Sistan Baluchestan's General Department of Taxation (415 members), of which we selected 217 employees by using Morgan Table. 196 questionnaires were completed. We distributed questionnaires randomly because any of employees might be selected. For data collection, we prepared our questionnaires on the basis of interviews with experts and professors. Then, we distributed them in studied population, and analyzed our data by using SPSS and OFFICE Software.

Findings of Study:

We analyzed our hypotheses by calculation of correlation coefficient, as shown in Table 1.

- There is significant relationship between boldness of employees and their organizational commitment.

As Table 1 shows, there is a significantly direct correlation between boldness of employees and their organizational commitment ($r=0.0780; P \leq 0.05$). Therefore, greater boldness in employees results in their greater organizational commitment.
Tolerance of creative talents is significantly related with organizational commitment of employees.

As shown in Table 1, tolerance of creative talents is significantly and directly correlated with employees' organizational commitment (r=0.0689; P ≥0.05). As a result, greater tolerance of creative talents makes contribution to organizational commitment of employees.
Underdog aggressiveness is significantly related with organizational commitment of employees.

As Table 1 shows, there is a significantly direct correlation between underdog aggressiveness and organizational commitment \((r=0.0617; P \geq 0.05)\). Therefore, increase in underdog aggressiveness causes greater organizational commitment of employees.

There is significant relationship between employees' work meaningfulness and their organizational commitment.

As shown in Table 1, employees' work meaningfulness is significantly and directly correlated with their organizational commitment \((r=0.0286; P \geq 0.05)\). As a result, their greater work meaningfulness makes contribution to their organizational commitment.

There is significant relationship between employees' risk taking and their organizational commitment.

In accordance with Table 1, employees' risk taking is significantly and directly correlated with their organizational commitment \((r=0.0460; P \geq 0.05)\). Therefore, higher risk taking results in greater organizational commitment of employees.

Employees' open communication is significantly related with their organizational commitment.

As Table 1 shows, there is a significantly direct correlation between employees' open communication and their organizational commitment \((r=0.0604; P \geq 0.05)\). Therefore, more open communication makes contribution to greater organizational commitment.

Cooperation of employees is significantly related with their organizational commitment.

As Table 1 indicates, there is a significantly direct correlation between cooperation of employees and their organizational commitment \((r=0.0820; P \geq 0.05)\). This Table suggests that their more cooperation gives greater organizational commitment.

There is significant relationship between employees' proactive innovation and their organizational commitment.

In accordance with Table 1, employees' proactive innovation is significantly and directly correlated with their organizational commitment \((r=0.0629; P \geq 0.05)\). Therefore, their more proactive innovation makes contribution to greater organizational commitment.

There is significant relationship between employees' voice and their organizational commitment.

As Table 1 indicates, there is a significantly direct correlation between employees' voice and their organizational commitment \((r=0.0614; P \geq 0.05)\). This Table suggests that addition of voice is an indication of greater organizational commitment.
There is significant relationship between employees' fun and their organizational commitment.

Table 1 shows a significantly direct correlation between employees' fun and their organizational commitment ($r=0.04130; P \leq 0.05$) i.e. employees' is a significant determinant of greater organizational commitment.

**Discussion & Conclusion:**

Culture in organizations is same as personality in humans. Fundamental assumptions, beliefs, attitudes, norms and values build its foundation and illustrate its points. Culture in organizations is a crucial parameter for their structures and exerts crucial impact upon organizational structures, internal and external environment of organizations, their technology, their human resources, their strategies and their productivity. It determines dos and don’ts and develops patterns of organizational behavior. A coherent and strong culture makes contribution to more profound understanding of organizational strategies and objectives. Therefore, organizational members feel satisfaction and make commitment. This trend, along with sound management, raises employees' spirit, strengthens their motivation, and boosts their productivity.

Management scholars indicate that the most significant organizational capital is human resources producing direct effect on organizational success and failure. As a result, greater contribution to organizational commitment in employees is a great matter of concern for managers. Members with great commitment are in stricter conformity with organizational values and aims and put in performance more actively, they do not offer to resign, and attempt to find greater working opportunities. As mentioned before, organizational commitment is a positive attitude due to employees' loyalty to their organization and is indicated by members' participation in decision making, focus of attention to them, their success and their welfare. Findings reveal that employees' commitment to their organizations produces satisfactory outcomes.

**Suggestions:**

We put forward suggestion for improvements in conditions of indicators for organizational entrepreneurial culture, on the basis of our findings:

- Chairmen and managers of taxation organization can create an environment in which employees are encouraged to take reasonable risks and risk-taking is viewed as a positive quality. Taxation organization is required to view failures as inevitable in innovation process and to adopt structured and predictable approach to business.

- As far as tolerance of creative talents is concerned, employees can propose different solutions to problems in their organizations and can be encouraged to make adjustments to rules.

- Managers should identify their competitors realistically, exercise caution about them, and attempt to provide more efficient services. Top managers are suggested to create an environment
in which no delay occurs in bold decision making and precise ideas are shaped. Therefore, they find new opportunities and employees have compatibility with different conditions.

- As regards voice, managers can create an environment in which dissatisfied employees are able to express their viewpoints with clarity and make attempt at improvement in conditions. Belief in innovation should be as much profound as they fulfill unique needs of innovative employees even if they are forced.

- For encouragement of cooperation, employees should be encouraged to do team work. In addition to cooperation among members, customers, suppliers, and external partners are regarded as valuable allies.

- For stimulation of innovation, taxation organization should find opportunities which are not still considered by customers. It should view innovation as a path to problem-solving.

- Due to poor conditions of open communication, managers can create an environment in which members can gain easy access to resources, communication is improved between different sections of an organization, and employees are encouraged to share information.

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