Factors Affecting Corporate Entrepreneurship Growth in Cooperative Companies

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Abstract
Entrepreneurship is nowadays treated as a necessity for a healthy economic environment so that its role is sustainability and economic stability has been proved. Development of entrepreneurial activities can contribute to innovation growth, competitive environment creation, economic development and job creation in a society. Entrepreneurial moral is a driver for economic growth and it should be increased in organizational level as well as individual level.

The present research aims not only to study the concept of corporate entrepreneurship but also to determine factors affecting on corporate entrepreneurship growth in cooperative companies considering specific requirements in such organizations. The required data were collected from questionnaires distributed among 308 experts in field of cooperative management and the gathered data were analyzed using factor analysis method and Lisrel Software. The research findings indicate that factors affecting on corporate entrepreneurship growth in cooperative companies include willingness to change, commitment to change, perceived opportunities in technology, competitiveness and strategic planning.

Keywords: corporate entrepreneurship, cooperative companies, factors affecting growth

Introduction
In current era, entrepreneurship is interpreted as driving force of economic growth (Stewart, 2011). Entrepreneurship plays an important role in economic growth, innovation, competitive advantage as well as poverty eradication (Lingelbach, 2004). In Lazear’s opinion, entrepreneurship is the most important player of modern economy (Lazear, 2003). Accordingly, majority of governments have adopted entrepreneurship as a strategy for national development and conducted numerous measurements to develop it. Entrepreneurs benefit from their potential forces for creative solving of problems to change threats and environmental barriers in society to opportunity relying on their risk-taking behavior and tolerance through smartness, and considerable speed (Beheshti et al, 2009).

Management support and the level of senior management support of risk takers and innovators in entrepreneur organizations is an important point and basically management support is one of considerable factors among the main factors of corporate entrepreneurship including encourage and reward, organizational structure, risk-taking, access to resources and management support. It is recommended to staff in traditional organizations following the issued orders, not committing any fault, not defeating, and remaining in their positions. Hence, there is not any opportunity for creativity, flexibility, risk-taking and entrepreneurship. Organizational culture is one of important and effective factors to identify, develop, improve and maintain entrepreneur organizations. Organizational culture is a collection of values, beliefs, perception, inference and thinking method so that organization members have common aspects indicating the unwritten part but tangible part of organization (Samad Aghaee, 2006).

Organizational learning process is extremely related to work place culture that encourages all staffs and organization levels to share their ideas and visions. Organizational learning happens when it is supported by managers (James et al, 2008). Organizational learning is learning knowledge by individuals and groups that are interested in using it in their jobs and affect others in order to well do their tasks that are important for organization (Kander & Shama, 2006). According to characteristics of learner organizations, barriers to organizational learning, reasons and obstacles for organizational learning, it can be stated that entrepreneur organizations are the same learner organizations (Samad Aghaee, 2003).

Nowadays, great industrial and developed countries with educated and expert persons in scientific, research and cultural centers in different fields not only can optimally benefit from capitals and resources using them to develop technology and production for growth and development of country but also can access to innovations and creativities that lead to accelerated growth and development in country. Job creation is one of basic provisos for growth and development in different social, economic, and cultural dimensions of every society. Different economic structures follow various
strategies to solve the employment problem. Job creation is the government task in a completely governmental economy and in fact it is government who designs and implements the basic process of economy. Majority of jobs created in a traditional economy with government sovereignty are not flexible to cope with social and economic transformations; hence, these jobs would lose their efficiency and yield after a while. This group of jobs has no effective share in wealth production and economic growth. On the other hand, those jobs mismatched with basic needs of society are not able to meet monetary and intellectual needs of employees properly. Contrary to traditional structures, job creation is not considered as government task within structures of modern and advanced economies in which, the role of government is only developing and widening the entrepreneurship cultures as well as developing required public and legal infrastructures to create and develop appropriate job opportunities. The main task of entrepreneurs is to discover and use these opportunities. In other words, people in an active and entrepreneur economy are stimulated to actively and extensively participate in social and economic activities.

In fact, this paper is to examine the question about the factors affecting entrepreneurship growth in cooperative organizations environment considering the mentioned points. In this regard, the relationship between five variables including willingness to change, managers’ commitment, technological opportunities, competitiveness, strategic planning and corporate entrepreneurship growth in cooperative companies.

**Theoretical Literature**

Cooperation sector as one of three important economic sectors would effectively contribute to economic and social advancement in Iran. Hence, creation and expansion of cooperative companies in developing countries should be treated as one of important instruments for social, economic, and cultural development (Zamani and Yazdanpanah, 2004). Cooperation sector with optional aspect, emphasizing on knowledge expansion, encouraging to critical discussion, trust building, creating equality, supervision, and providing maximum reliability is a method that can lead to social justice, reduced deprivation of the poor in society within development process (Koohi, 2009).

Experiences of different countries indicate that economic development is indebted to entrepreneurship development particularly through creating small businesses with group and cooperative nature. Therefore, in accordance with role of cooperative companies in creating small and medium-size businesses across the Iran, this sector can play a vital role in creative entrepreneurship development through teachings, cooperative skills, expanding culture of cooperation and group collaboration.

Entrepreneurship is renewal of strategies and evolution in organization, entering to new markets and a dynamic process to increase wealth (His rich, 2005). According to Kuratku, entrepreneurship is a dynamic process including mission, change, and creation (Kuratku, 2009).

According to the mentioned theoretical bases, entrepreneurship is combination of opportunities in scopes related to it with required personal characteristics to identify and follow these opportunities and create specific results (His rich, 2005). Environmental uncertainty disorder and heterogeneity in current organizations would lead to a set of strategic challenges. More than before increased competition in domestic and world markets has revealed the prominent role of entrepreneurship in business development. Therefore, organizations increasingly rely on effective use of corporate entrepreneurship to cope with development challenges and strengthen competencies of central core. Corporate entrepreneurship is an attempt to improve competitive advantage through creating internal innovations that create new industries (Kiajvare et al, 2012).

Corporate entrepreneurship not only is treated as an entrepreneurial activity but also is a factor for survival in competitive environments acting in an innovative, risky and hyperactive scope and subject so that it is a precious tool for innovative products, services, and processes as well as formation of new businesses in organization and reconstruction of companies (Baden-Fuller et al, 1993). There have been many models proposed in relation with corporate entrepreneurship and affecting factors on it. According to the studies conducted by Eser et al (2012), factors affecting corporate entrepreneurship are as follows:

1. Willingness to change: a culture that guides the person toward innovation and change as one of vital components in competitiveness.
2. Managers’ commitment: organization senior managers’ adherence to growth and survival of organization and ability to burden crisis and failure in organization
3. Perceived opportunities of technology: managers perception of ability to support new technologies through innovative products and processes
4. Competitiveness: capabilities of a company to make direct and indirect challenges for competitors to gain a better position in market.
5. Strategic planning: systematic process to determine minimum objectives for 3-year time interval and planning for resources allocation to achieve the goals.

There have been many studies in field of urban brand that each of them presents different dimensions for urban brand.

Turrúa et al (2014) conducted a study entitled “culture and innovation, the effect of cultural values on corporate entrepreneurship” in which the role of culture is important for innovation development. They used watching data of Global Entrepreneurship for 2004-2008 and Logistic Regression Techniques to examine the effect of environmental factors on corporate entrepreneurship. It was determined that some factors such being in an entrepreneurial culture, accessibility to financial resources, existence numbers of required steps to create a business and companies leaders have positive effect on corporate entrepreneurship.

Martín-Rojasa et al (2013) carried out a study entitled “effect of technological supports, organizational learning, competency, and skill on corporate entrepreneurship in European technology-based firms” to examine the effect of different technological variables including senior management support of technology, technology skills and distinguished technology competency and organizational learning on corporate entrepreneurship as well as analysis of the effect of large companies entrepreneurship on organizational performance in field of company technology. Data of this study were collected from 160 managers of European companies in 2009. The result of this study indicated that in studied companies senior management support of technology, technological skills, distinguished technology competency and organizational learning have a positive effect on corporate entrepreneurship and corporate entrepreneurship has a considerable effect on performance of companies in field of technology.

Alvani et al (2013) conducted a study entitled “identifying and ranking organizational factors affecting on executive dimensions of corporate entrepreneurship” to identify and rank organizational factors affecting on executive dimensions of corporate entrepreneurship in entrepreneur companies in food industry. The results of this study indicated that components of organizational factors have positive effect on institutionalization of entrepreneurship in entrepreneur companies in food industry and this positively effect on executive dimensions of corporate entrepreneurship.

Turbarsa et al (2011) carried out a study entitled “study of the situation of corporate entrepreneurship in public libraries in Iran”. The obtained results of this study indicated that corporate entrepreneurship in public libraries is not at an optimal level. On the other hand, the hypotheses testing results indicated that three components of innovative organizational structure, organizational climate and organizational culture were not at an optimal situation while the component of human capital capabilities was optimal.

Materials and Methods
Research Hypotheses
The hypotheses of this research are as follows:

1. Willingness to change has a positive and direct effect on corporate entrepreneurship growth.
2. Managers’ commitment has a positive and direct effect on corporate entrepreneurship growth.
3. Perceived opportunities of technology have a positive and direct effect on corporate entrepreneurship growth.
4. Competitiveness has a positive and direct effect on corporate entrepreneurship growth.
5. Strategic planning has a positive and direct effect on corporate entrepreneurship growth.

Research method
The purpose of this study is to determine factors affecting corporate entrepreneurship in cooperative companies. In accordance with the mentioned objective, this is an applied research. This study is a descriptive-survey research in terms of data collection method (library and field method).

After identifying factors affecting corporate entrepreneurship in cooperative companies at this study, the research questionnaire was designed based on 5-point LIKERT scale to collect required data and specify the proposed model using factor analysis method. It should be mentioned that content validity of mentioned questionnaire was approved based the opinions of experts using face approach and its reliability was also approved calculating Cronbach’s alpha equal to <0/07 for all questions of questionnaire dimensions.

Research data were collected from 308 members of managers and experts in cooperative companies in Tehran using simple random sampling method and finally the collected data were statistically analyzed using factor analysis method and Lisrel Software.

Results and Discussion
Research Findings
According to theoretical literature and research background of this study, factors affecting corporate entrepreneurship in cooperative companies were identified. The factors affecting corporate entrepreneurship in cooperative companies are described in table 1 in accordance with the research objective.
Table 1. Factors affecting corporate entrepreneurship in cooperative companies

<table>
<thead>
<tr>
<th>effective factor</th>
<th>factor measures</th>
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<tbody>
<tr>
<td>willingness to change</td>
<td>cooperative activities based on network and team approaches, existence of trust and honesty among cooperative staffs within collaboration and knowledge and information transfer, staffs tendency toward systematic changes and work process, governance of customer-oriented culture in cooperative company, and appropriate personal incentive among staffs to do innovative and new activities</td>
</tr>
<tr>
<td>managers’ commitment</td>
<td>priority of personal development of staffs for cooperative managers, encouraging staffs to look at change as an opportunity by cooperative managers, having the idea that staffs faults is a proper opportunity for them, encouraging staffs to perform innovative activities and proposing new suggestions, allocating enough financial and nonfinancial resources to innovative activities and apparent support of them</td>
</tr>
<tr>
<td>perceived opportunities of</td>
<td>belief of cooperative head in the growth through product and process innovation, performing product and process innovations in cooperative companies, developing knowledge and technology through innovation in cooperative company, learning technology and expanding it in cooperative company, designing and implementing innovative strategies and technologies in cooperative company</td>
</tr>
<tr>
<td>technology</td>
<td></td>
</tr>
<tr>
<td>competitiveness</td>
<td>defining aggressive strategies for cooperative companies’ activities, existence of various strategic and technical competences in cooperative company, proper capability of cooperative company to challenge with competitors in market, tendency of company toward unconventional features and responsibilities</td>
</tr>
<tr>
<td>strategic planning</td>
<td>analysis of strength points and weaknesses, opportunities and environmental threats of company regarding cooperative mission, determining the cooperative objectives at least for 3-year time interval, planning for resources allocation to achieve the objectives, effective participation of cooperative staffs in strategic planning, changing and coordinating strategic capabilities and resources of cooperative companies with environmental conditions</td>
</tr>
</tbody>
</table>

After determining the effective factors in corporate entrepreneurship, the research questionnaire was designed and distributed among experts to examine validity and specify determined dimensions.

Descriptive findings

According to the analysis of data general equations collected from questionnaires, majority of respondents were men (73%) and in terms of education level, majority of sample members (47%) had BA degree and then 34% had MA degree, 10% PhD and 9 members had associate degree. The most work experience of respondents in field of cooperation management was at the range of 10-20 years (50%) and the remained respondents were distributed as follows: 20% had 5-10 years’ work experience and 20% had more than 20 years’ work experience. Table 2 indicates demographic features of respondents of studied sample.

Table 2. Demographic features of respondents

<table>
<thead>
<tr>
<th>feature</th>
<th>frequency</th>
<th>percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>female</td>
<td>83</td>
<td>27%</td>
</tr>
<tr>
<td>male</td>
<td>225</td>
<td>73%</td>
</tr>
<tr>
<td>academic degree</td>
<td></td>
<td></td>
</tr>
<tr>
<td>associate degree</td>
<td>28</td>
<td>9%</td>
</tr>
<tr>
<td>BA</td>
<td>144</td>
<td>47%</td>
</tr>
<tr>
<td>MA</td>
<td>105</td>
<td>34%</td>
</tr>
<tr>
<td>PhD</td>
<td>31</td>
<td>10%</td>
</tr>
<tr>
<td>work experience in cooperatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to 5 years</td>
<td>30</td>
<td>10%</td>
</tr>
<tr>
<td>5-10</td>
<td>62</td>
<td>20%</td>
</tr>
<tr>
<td>10-20</td>
<td>154</td>
<td>50%</td>
</tr>
<tr>
<td>&gt;20</td>
<td>62</td>
<td>20%</td>
</tr>
</tbody>
</table>
Obtained findings from Confirmatory Factor Analysis Method

Confirmatory factor analysis method was used in this study to analyze obtained data and examine the validity of proposed framework for factors affecting corporate entrepreneurship in cooperative companies. The confirmation base of factors is factor load level in confirmatory factor analysis method. Factor load is an amount between 0 and 1. If the factor load is less than 0/3, the identified index is considered as a weak index and is eliminated. The factor load between 0/3 and 0/6 is acceptable and more than 0/6 amount is desirable (Habibi, 2011). Of course, what is required to be examined before studying the framework of effective factors in corporate entrepreneurship in cooperative companies is specification of the proposed framework. In other words, if the proposed framework is an appropriated framework for effective factors in corporate entrepreneurship in cooperative companies. In general, there are two goodness and badness indexes to test model fit. Goodness indexes includes GFI, AGFI, NFI … that the higher the amount of these indexes, the better the model will be. The suggested amount for these indexes is equal to 0/9. Badness indexes include df/\(\chi^2\) and RMSEA that the lower their amount is, the model is better fitted. The permitted extent df/\(\chi^2\) is equal to 3 and this amount for RMSEA is equal to 0/08. P-value should be lower than 0/05. To respond the question about model fit, the mentioned indexes including df/\(\chi^2\), RMSEA, AGFI, GFI, NFI, CFI should be examined. It should be mentioned that badness indexes are prior to goodness indexes (it means that they are more important). According to the obtained results from Lisrel software, df/\(\chi^2\) =2/50, RMSEA=0/079 and P-value=0. On the other hand, all indexes of GFI, AGFI and NFI were more than 90%. Hence, it can be concluded that the presented framework for factors affecting corporate entrepreneurship in cooperative companies have been an appropriate framework in view of experts. The diagram 1 indicates the research framework at the standard estimation state.

Diagram 1. Framework of factors affecting corporate entrepreneurship in cooperative companies at the standard estimation state
As it is seen in diagram 1, factor loads of measures of model dimension are appropriate at standard estimation state (all of them are more than 0.3). T-value index is used in confirmatory factor analysis to indicate the significant relationships between measures of factors affecting corporate entrepreneurship in cooperative companies and factors affecting corporate entrepreneurship in cooperative companies as well as significance of existing relationships between factors affecting corporate entrepreneurship in cooperative companies and corporate entrepreneurship in these companies. This index is calculated by the ratio of each parameter coefficient to standard deviation error of that parameter so that its absolute value should be more than 1/96 to indicate statistical significance of estimations.

Diagram 2 indicates corporate entrepreneurship framework in cooperative companies at significance state.

Diagram 2. Framework of factors affecting corporate entrepreneurship in cooperative companies at the significance state
As seen in diagram 2, factor loads of measures of effective factors and effective factors are all appropriate at significance level (all of them are more than 1/96). On the other hand, table 2 indicates results if indexes if measurement mode fit of factors affecting corporate entrepreneurship in cooperative companies. According to table 2, all indexes are suitable and the estimated model is good.

<table>
<thead>
<tr>
<th>fit indexes</th>
<th>obtained value</th>
<th>acceptable value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Squar/df</td>
<td>1/12</td>
<td>&lt;3</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0/028</td>
<td>&lt;0/08</td>
</tr>
<tr>
<td>P.Value</td>
<td>0/047</td>
<td>&lt;0/05</td>
</tr>
<tr>
<td>IFI</td>
<td>99%</td>
<td>&gt;90%</td>
</tr>
</tbody>
</table>
According to the results of indexes of fitting model of factors affecting corporate entrepreneurship growth in cooperative companies, the estimated model for factors affecting corporate entrepreneurship growth in cooperative companies and its components have been well fitted. Therefore, the obtained results of estimation of measurement model at standard and significance states as well as the results of model fit indexes in field of interpreting research hypotheses test can be summarized as follows:

### Table 3. Results of research hypotheses testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Factor Load</th>
<th>t value</th>
<th>Hypothesis test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willingness to change has a positive and direct effect on corporate entrepreneurship growth.</td>
<td>0.97</td>
<td>8.40</td>
<td>accepted</td>
</tr>
<tr>
<td>Managers’ commitment has a positive and direct effect on corporate entrepreneurship growth.</td>
<td>0.84</td>
<td>7.51</td>
<td>accepted</td>
</tr>
<tr>
<td>Perceived opportunities of technology have a positive and direct effect on corporate entrepreneurship growth.</td>
<td>0.81</td>
<td>5.99</td>
<td>accepted</td>
</tr>
<tr>
<td>Competitiveness has a positive and direct effect on corporate entrepreneurship growth.</td>
<td>0.78</td>
<td>7.44</td>
<td>accepted</td>
</tr>
<tr>
<td>Strategic planning has a positive and direct effect on corporate entrepreneurship growth.</td>
<td>0.88</td>
<td>6.26</td>
<td>accepted</td>
</tr>
</tbody>
</table>

**Conclusion**

As it was shown, this paper tried to propose the model of factors affecting corporate entrepreneurship growth in cooperative companies. For this purpose, the model of factors affecting corporate entrepreneurship growth in cooperative companies examined and fitted using confirmatory factor analysis method through Lisrel Software after analyzing collected descriptive data from survey of statistical sample. According to the research results, the estimated model for measurement of factors affecting (willingness to change, commitment to change, perceived opportunities of technology, competitiveness, and strategic planning) corporate entrepreneurship growth in identified cooperative have a good fit. The following applied recommendations are presented for managers of cooperative companies to improve corporate entrepreneurship in cooperative companies according to the obtained results of research hypotheses:

1. According to the acceptance of hypothesis 1, willingness to changes has an effect on corporate entrepreneurship growth in cooperative companies. In accordance with this result, it is recommended to managers and authorities of cooperative companies to pay attention to some options including establishment of network and team approaches, expansion of trust and honesty among cooperative staffs within collaboration and knowledge and information transfer, encouraging staffs’ tendency toward systematic changes and work process, having teachings in field of customer-oriented culture in cooperative company, and stimulating appropriate personal incentive among staffs to perform innovative and new activities and allocate required resources to improve corporate entrepreneurship in cooperative companies.

2. According to the acceptance of hypothesis 2, commitment to changes has an effect on corporate entrepreneurship growth in cooperative companies. In accordance with this result, it is recommended to managers and authorities of cooperative companies to pay attention to some options including priority of personal development of staffs for cooperative managers, encouraging staffs to look at change as an opportunity by cooperative managers, having the idea that staffs faults is a proper opportunity for them, encouraging staffs to perform innovative activities and proposing new suggestions, allocating enough financial and nonfinancial resources to innovative activities and apparent support of them and allocate required resources to improve corporate entrepreneurship in cooperative companies.

3. According to the acceptance of hypothesis 3, perceived opportunities of technology have an effect on corporate entrepreneurship growth in cooperative...
companies. In accordance with this result, it is recommended to managers and authorities of cooperative companies to pay attention to some options including belief of cooperative head in the growth through product and process innovation, allocating required human and financial resources for performing product and process innovations in cooperative companies, developing knowledge and technology through innovation in cooperative company and relationship with leading companies in technology, learning technology and expanding it in cooperative company, designing and implementing innovative strategies and technologies in cooperative company and allocate required resources to improve corporate entrepreneurship in cooperative companies.

4. According to the acceptance of hypothesis 4, competitiveness has an effect on corporate entrepreneurship growth in cooperative companies. In accordance with this result, it is recommended to managers and authorities of cooperative companies to pay attention to some options including defining aggressive strategies for cooperative companies’ activities, existence of various strategic and technical competences in cooperative company, attempt to gain proper capability of cooperative company to challenge with competitors in market, tendency of company toward unconventional features and responsibilities and allocate required resources to improve corporate entrepreneurship in cooperative companies.

5. According to the acceptance of hypothesis 4, strategic planning has an effect on corporate entrepreneurship growth in cooperative companies. In accordance with this result, it is recommended to managers and authorities of cooperative companies to pay attention to some options including analysis of strength points and weaknesses, opportunities and environmental threats of company regarding cooperative mission, determining the cooperative objectives at least for 3-year time interval, planing for resources allocation to achieve the objectives, effective participation of cooperative staffs in strategic planning, changing and coordinating strategic capabilities and resources of cooperative companies with environmental conditions and allocate required resources to improve corporate entrepreneurship in cooperative companies.
References


