

Investigating the Effect of Individual and Organizational Entrepreneurship on Staff Empowerment of Automobile Manufacturing Industry

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Abstract: This research is aimed at investigating the effect of Individual and Organizational Entrepreneurship on staff empowerment of automobile manufacturing industry which is an applied research regarding its purpose and in the point of content and nature is descriptive/ survey research. The statistic population of this research includes all the experts and managers of Pars Khodro Automobile Company headquarters and a sample size of 196 staff have been selected by simple random sampling to test the research hypothesis. Library data collection method has been applied for the literature review of the research (Studying books and Articles) and for testing the research hypothesis a five scale of Likert based questionnaire has been used. The validity of the questionnaire has been approved by experts' views and its reliability has been obtained as 0.84 by Cronbach alpha which shows its high level of reliability. Multiple regression analysis was used to analyze the data. The results showed that there is a significant relationship between Individual and Organizational Entrepreneurship and staff empowerment.

Key words: Individual entrepreneurship, organizational entrepreneurship, staff empowerment, headquarters, Cronbach

INTRODUCTION

Human resources is considered as the most important, expensive and valuable asset in the organizational resources. Human being is the only sentient element which plays the key role as the coordinator of other organizational factors among all the factors. It is crystal clear that without efficient staff, gaining the organizational aims is almost impossible. Hence, Human resource plays a key role in success or failure of the organizations. The staff empowerment concept has grabbed lots of attentions from Academics, researchers and practitioners of management in 1990s. Staff Empowerment as a theoretical concept has lots of impact on the effectiveness of the organization and management and organizational innovation.

Today, environmental conditions and rules of the game are so complex, dynamic and uncertain that organizations cannot guaranty their Surface structure changes only by changing the methods, systems, structures, information technology as the long term. Empowerment is the most important challenge at the present time, hence the organizations are exposed to the fast and unpredictable changes. The most important causes of these changes can be noted as the increasing

worldwide competition, the development and changes in the characteristics and demands of the customer. The use of traditional management practices In such circumstances leads to the loss of Sense of innovation, staff, increased workload and restrictions for employees. Granting freedom to work, also leads to the failure and irregularities. In fact these two cases lead to waste of material and spiritual resources and not gaining the efficiency (Mishra, 1997). Now a days, the organizations that work in such atmosphere of Knowledge-based, competitive, quality-oriented and transformational and entrepreneurship for their survival and efficiency must make a revolution in the minds of their managers and staff. Organizations for maintaining their survival need flexible, self-controlled and responsible, risk taker, creative and Entrepreneur staff in which the powerful staff are prepared to deal with such situations. (Mooghali, 2008). In this regard, the automobile manufacturing companies are not exceptional. Hence, Pars Khodro automobile manufacturing company for overcoming these issues (Knowledge-based, competitive, quality-oriented, transformational and entrepreneur atmosphere) needs to empower its staff. The main issue that has attracted the attention of researchers is investigating the following question that whether there is a relationship between

individual entrepreneurship, enterprise and empowerment variables in Pars Khodro Company? If yes, which mechanisms and proposals need to be considered?

Research hypothesis:

- There is a relationship between Individual and organizational entrepreneurship in automobile manufacturing company
- There is a relationship between individual entrepreneurship and staff empowerment in automobile manufacturing company
- There is a relationship between organizational entrepreneurship and staff empowerment in automobile manufacturing company

MATERIALS AND METHODS

With regard to this fact that in this research, the relationship between Individual entrepreneurs, organizational entrepreneurship and staff empowerment in automobile manufacturing company has been investigated and the implementation of a questionnaire and survey of employees without manipulating the results has been conducted this research has adopted a Descriptive survey method. This research due to the specific application of enabling and staff empowerment can be categorized as a practical research and to examine the relationship between variables, correlation analysis and regression analysis have been used. The statistic population of the research includes all the managers and staff of Pars Khodro automobile manufacturing company’s headquarters which are 400 people after interviewing with its human resources. According to this fact and with regard to the statistic population properties, the sampling method of the present research is simple random or stratified. There are several ways to determine the number of samples. With regard to the limited number of the sample size, the following formula has been used for determining the sample size:

$$n = \frac{N \times (Z_{\alpha/2})^2 \times pq}{e^2 \times (N - 1) + (Z_{\alpha/2})^2 \times pq}$$

Where:

N = The volume of the sample

Z_{α/2} = The area under the normal distribution curve

In this study, the confidence level is intended 95% (1-α) and the amount of error 5% (α), p shows success probability and q represents the probability of failure which in the present study the probability of any of them

Table 1: The reliability of questions

Variably	No.	Reliability No.
Individual entrepreneurship	12	0.83
Organizational	22	0.81
Entrepreneurship staff empowerment	22	0.86
Total question	56	0.84

equal to 0.5, also indicated estimate accurate which this amount in this research is selected usually between 0.01-0.1, also estimation accuracy value considered 0.05. Based on the above formula, the number of samples have been calculated for the study 196 people. The questionnaire used in this study included 56 specific questions which to measure organizational entrepreneurship used Antonic and Hisrich ()2003 questionnaire consisting of 22 questions and to measure innovation dimension, risk-taking, self-renewal, leadership and aggressive competition is taken into account. To assess the individual entrepreneurship, the 12-item questionnaire of Leonidas and coauthors have been used. To measure staff empowerment used a questionnaire of 22 questions Spreitzer (1995) was used. Dimensions sense of competence, effectiveness sense, significance, choice and confidence in the questionnaire located. In order to assess the reliability, primary sample contains 30 pre-test questionnaire and then using the data obtained from the questionnaire, then by using obtained data the confidence coefficient value calculate with alpha Cronbach method mentioned in Table 1.

Since, Cronbach’s alpha obtained for all variables as well as total of questionnaire is >0.7 then used questionnaire has appropriate reliability.

RESULTS AND DISCUSSION

To investigate the relationship between individual entrepreneurship, organizational entrepreneurship and staff empowerment was used correlation test to help spss statistical software.

First research hypothesis:

- It seems there is no significant relationship between individual and organizational entrepreneurship r = 0
- It seems there is a significant relationship between individual entrepreneurship and organizational entrepreneurship r ≠ 0

Given that this hypothesis variables are in the distance and distance level, we can use the Pearson correlation coefficient: The results of the Pearson correlation test between the two variables of individual

Table 2: Pearson correlation coefficient

Value	Individual entrepreneurship
Organizational entrepreneurship	
Pearson correlation coefficient	0.506
Significant level	0.000
Total	196

Table 3: Pearson correlation coefficient

Value	Individual entrepreneurship
Empowerment	
Pearson correlation coefficient	0.320
Significant level	0.000
Total	196

entrepreneurship and organizational entrepreneurship shows its significant, according to the Pearson correlation coefficient which is 0.506 and significance level obtained (0.000) estimated from the significance level namely is <0.05 , so assuming of test significant is accepted and shows positive relationship and average. We can say with 95% certainty, any individual entrepreneurship is higher in the automotive industry, organizational entrepreneurship are higher shown in Table 2.

- H_0 : Rejected

Second research hypothesis:

- It seems there is no significant relationship between individual entrepreneurship and empowerment $r = 0$
- It seems there is a significant relationship between individual entrepreneurship and empowerment $r \neq 0$

Given that this hypothesis variables are in the distance and distance level, we can use the Pearson correlation coefficient: The results of the Pearson test between the statistical relation between two variables of individual entrepreneurship and empowerment according to the Pearson correlation coefficient value which is 0.320 and significance level obtained (0.000) is less than from the estimated significance level namely 0.05, so assuming of test significant is accepted and shows positive relationship and average. We can say with 95% certainty, any empowerment is higher in the automotive industry, individual entrepreneurship are higher shown in Table 3.

- H_0 : Rejected

Third research hypothesis:

- It seems there is no significant relationship between organizational entrepreneurship and empowerment $r = 0$
- It seems there is a significant relationship between organizational entrepreneurship and empowerment $r \neq 0$

Table 4: Pearson correlation coefficient

Value	Organizational entrepreneurship
Empowerment	
Pearson correlation coefficient	0.949
Significant level	0.000
Total	196

Given that this hypothesis variables are in the distance and distance level, we can use the Pearson correlation coefficient: The results of the Pearson test between two variables of organizational entrepreneurship and empowerment according to the Pearson correlation coefficient value which is 0.949 and significance level obtained (0.000) is less than from the estimated significance level namely 0.05, so assuming of test significant is accepted and shows positive relationship and average. We can say with 95% certainty, any empowerment is higher in the automotive industry, organizational entrepreneurship are higher shown in Table 4.

- H_0 : Rejected

CONCLUSION

The results of the first Pearson correlation test shows that there is a significant and positive relationship between individual entrepreneurship and organizational entrepreneurship. So, we can conclude that the managers of Pars Khodro company in order to entrepreneur the organization and meet the needs of customers must align individual entrepreneurship and organization would provide an entrepreneur in your company (bilateral relationship of individual and institutional entrepreneurship).

The results of the Pearson correlation of second hypothesis test shows that there is a significant and positive relationship between individual entrepreneurship and empowerment. So, we can conclude that, employees who want creativity and learn new techniques and skills in their jobs, employees are empowered. So in this regard it is suggested that, Pars Khodro Company to strengthen the staff, their businesses and skills and new ways of working encourage, to empower them to provide, as well as the organization can by empowering employees leads to creativity and individual entrepreneurship provide (individual entrepreneurship and empowerment bilateral relationship).

The results of the third hypothesis Pearson correlation test showed that, there is a significant positive relationship between organizational entrepreneurship and empowerment. So we can conclude that Pars Khodro Company towards innovation, leadership and self-renewal can cause empower your employees to provide and on the

other hand it can be concluded that Pars Khodro Company can provide corporate entrepreneurship by empowerment staff (organizational entrepreneurship and empowering two-way relationship).

Given that, in this study, there is a significant positive relationship the individual entrepreneurship and organizational and employee empowerment and it is necessary to managers focus on the promoting entrepreneurial activity of individual and organizational, so that they can improve their empowerment in the organization and the results of entrepreneurship of individual and organizational and empowerment benefit.

SUGGESTIONS

According to research findings, practical recommendations for decision-making and the application of the results provide: The first practical application as a result of the research, found that senior managers and directors of human resources, to entrepreneurship and risk-taking as a basis for recruitment and selection of their requirements (theoretical and practical tests designed to measure the risk potential taking and entrepreneurship applicants).

RECOMMENDATIONS

It is recommended to senior management that create entrepreneurship in the employees and strengthen. It should be noted that, the entrepreneurial have the capabilities of growth. In general, managers can be encouraged employees to improve their risk appetite, this can be an intangible asset which led to that employees with high risk have entrepreneurial performance higher than their own.

As we know, this entrepreneurship has a property spread which can be transmitted from person to person or other people, so organizations can by

identifying individuals with high entrepreneurship and encouraging and providing a good working environment for them, create the conditions for greater cooperation with others, indirectly boost entrepreneurship in organizations.

It is recommended that senior managers, through the formulation of policies and appropriate policies by efficient manner, the organization from paperwork to the flexibility and creativity lead. Managers should be dynamic and competitive organization with the look, do not limit themselves to the requirements and constraints of the job, but should also take the necessary steps to remove the extra role behaviors and as well as the positive atmosphere the organization will be established to encourage employees to such activities.

Employees get that think about the future of the organization that what's needed in the future and their organizations and in order to achieve that planning should be taken. It is suggested in the organization, a group trained as a seeing eye created in the organization which the activities of other similar organizations and competitor monitoring and carefully; they are examined and explored (according the low average of respondents to the leadership in entrepreneurship at the moment).

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