

Research Article

Relationship of Corporate Entrepreneurship with Different Dimensions of Organizational Intelligence

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Abstract: This study is conducted with the aim to explore the relationship between the organizational intelligence and its dimensions (strategic vision, common fate, desire for change, employees' morale, employees' unity and agreement, knowledge application and performance pressure) with the corporate entrepreneurship of Kerman Motor Company. Analysis of data, obtained from the implementation of questionnaires, was done through the software SPSS in two descriptive (frequency, frequency percentage, mean, standard deviation) and inferential (Pearson correlation coefficient, Friedman rank test and Shapiro-Wilk test) sectors. Research results show that there is a significant relationship between the organizational intelligence and its dimensions with the corporate entrepreneurship. Moreover, the dimensions of organizational intelligence in Kerman Motor Company were ranked by Friedman rank test and it was found that the highest rank was related to the knowledge application.

Keywords: Common fate, corporate entrepreneurship, knowledge application, organizational intelligence, strategic vision

INTRODUCTION

Given the accelerating pace of scientific, technological, social, cultural and... development and changes in the current era, the organizations which can be coordinated with the development of modern society as well as predicting the way of changes in future and are able to lead these changes in order to make the desired changes for building a better future are successful and efficient because according to Tafler's viewpoint "We can be safe from the shock damage in future and achieve a better and more humanely future only by a creative utilization of changes for directing the changes themselves".

In current era, in which the environmental changes and development are major challenges facing the organizations, the appropriate utilization of individuals' talents and abilities plays the vital role in developing the intellectual frameworks and patterns. Nowadays, the organizations cannot overcome their feisty, flexible, innovative, opportunistic and cost-effective competitors by a few numbers of creative individuals and entrepreneurs and only by implementing some entrepreneurial plans. These organizations should create conditions under which all employees utilize this entrepreneurial spirit and easily implement their own entrepreneurial activities in a group or individually. Efficient and successful organizations consider the entrepreneurship as an inseparable component of their own features and attempt in line with strengthening the

corporate entrepreneurship spirit. In today world, the innovation and entrepreneurship thinking and its application are inevitable in organizations. Nowadays, not only the development and promotion of entrepreneurship are requisites for a healthy economy, but they are also important and essential for increasing the development of society and creation of new jobs (Samad, 2002).

Today world is full of complexities which have created numerous problems for organizations in the field of development and encountered the managers as the planners, organizers and leaders of humanity caravan with big challenges. This problem is more obvious in our society due to certain limitations and problems. Our current industry represents the poor abilities of organizations in overcoming the organizational issues and problems. Meanwhile, the role of organizational intelligence and corporate entrepreneurship as two important factors, affecting the efficiency and effectiveness, has been essential and it affects the development of organization, increased quality of products and services, success in competition, increased employees' motivation, job satisfaction, lower costs, resource wastes, variety of products, reduced administrative bureaucracy and desk work and is the incentive of pragmatism and needs a further study (Sabounchi, 2007-2008).

Corporate entrepreneurship is an approach which is raised based on a necessary concept of management (Valkmann *et al.*, 2010). In fact, the corporate

entrepreneurship will lead to the utilization of sustainable competitive advantages and innovation and it is a pioneer for the company (Kuratko *et al.*, 2005). Corporate entrepreneurship facilitates the efforts of organization in applying the competitive advantage and discovering the opportunities (Covin and Miles, 1999). Corporate entrepreneurial includes the developed entrepreneurial behavior in an organization, which is already established and is a process under which the innovative products, services or processes are created in the organization by creating the entrepreneurial culture. According to this kind of entrepreneurship, the company provides an environment in which the members are able to participate in entrepreneurial activities and through which the innovative products, services or processes are emerged by the entrepreneurial culture (Ahmad *et al.*, 2006).

Obviously, in today accelerating and chaotic world, the individuals, who have higher intelligence quotient, are more successful and efficient. Such these people overcome the problems of life by utilizing their God-given intelligence. The status is similar in the organizational world, so that in the current era the more the time passes, the more the organizations and controlling them become difficult according to the development of science and technology and emergence of new needs and challenges. This concept becomes more important if we accept that the intelligent mechanical tool plays the role in the performance process of organizations as well as the intelligent creative and great human sources. Therefore, the organizational intelligence is the outcome of active human and artificial intelligence in today complex organizations. Undoubtedly, the managers in the organizations have no choice for dynamism and enhancing the efficiency of their own organization just by utilizing these two intelligent procedures (Hayati, 2006).

Through encouraging the employees and persuading them to do the corporate entrepreneurship, the companies can innovate in line with the increased profits and then give these individuals the freedom of action in order to implement their own plans without involvement in red tape (bureaucracy) (Stoner *et al.*, 2000). In this regard, it seems that the organizational intelligence can be effective in creating such this potential and tendency towards the corporate entrepreneurship. Albrecht enumerated three factors of intelligent individuals, teams and organization in creating such this potential. Essentially, Albrecht's definition of organizational intelligence is based on this idea that the organizations damage to themselves more than being damaged by the environment and competitors. Lack of executive conversance, administrative conflicts, political campaigns at all levels, absence of leadership and guidance, irrelevant rules and procedures are all the inhibiting issues of an organization and a business in order to utilize the total mental force for what the organization spends money

and is named the collective stupidity by Albrecht. Each individual may be extremely clever and capable of doing the major measures, but their collective mental power is neglected. Albrecht's definition of organizational intelligence is based on this argument that when the clever individuals are gathered in an organization, they will be led to the collective stupidity and low intelligence. Indeed, there are two types of collective stupidity: Learned and designed types. The learned type of collective stupidity acts when people are not allowed to think or there is no believe in their existence as the intellectual capital of organization. Designed collective stupidity acts when the rules, provisions and systems make the creative, productive and independent thinking impossible or difficult for individuals. On this basis, the organizational intelligence is defined as the talent and capacity of an organization in enabling the mental ability of organization and focusing this ability in line with achieving the mission of organization. Albrecht mentioned seven components for developing the idea of organizational intelligence; they have been the bases of action in this research as follows:

Strategic vision: In short, it is the ability to create, evolve and express the objective of an organization.

Common fate: When all or most of the individuals are involved in the organization, they know what the mission of organization is; they feel that they have common objectives and each individual compulsively understands the success of organization.

Desire for change: Some of the organizational cultures are led by their founder executive team. In these cultures, the function, re-thinking and reacting for the environment are matched so that any changes show a kind of disease and even = turmoil.

Employees' morale: When we think about the quality of employees' working life, we consider the employees' feeling about the work and management and think of their optimism about their own job responsibilities and career and advancement opportunities in the organization and a concept as the moral is created in our mind.

Employees' unity and agreement: Without a set of rules for implementation, each group will be faced with a plenty of problems and controversies in future. Individuals and teams should organize themselves for realizing the mission of organization, divide the tasks and jobs and create a series of rules for communicating with each other and dealing with the environment.

Knowledge application: Nowadays, the measures, which lead to the success or failure in an organization, have been mainly based on the effective application of knowledge, data and information more than ever.

Activity of each organization depends seriously on the acquired knowledge and appropriate quick decisions.

Performance pressure: Managers should not only be involved in the performance (implementation). In an intelligent organization, each of the executives should be in his own executive position. Leaders can promote and support the concept of executive leverage, but it has the highest effect if it is an effective set of mutual expectations and operational requirements for success (Albrecht, 2002).

However, the studies have been conducted in associated with this research; some of them are mentioned as follows.

In an article entitled as "The effect of organizational intelligence on the tendency towards the corporate entrepreneurship in industrial companies of eastern Mazandaran", Sattari Ghahfarokhi (2010) indicated that in addition to a positive and significant relationship between the tendency towards the corporate entrepreneurship and the organizational intelligence based on Pearson correlation coefficient and with a correlation coefficient equal to 892, there is a significant and positive relationship between the tendency towards the corporate entrepreneurship and all components of organizational intelligence (strategic vision, common fate, desire for change, employees' morale, employees' unity and agreement, knowledge application and performance pressure). Furthermore, the results of regression analysis also showed that the organization with organizational intelligence is able to predict the corporate entrepreneurship significantly. Therefore, the development of organizational intelligence capacity can be effective in increasing the tendency towards the corporate entrepreneurship.

In an article, entitled as "Investigating the relationship between the emotional intelligence and corporate entrepreneurship (Case Study: employees in Shiraz executive agencies)", Amiri (2010) indicated that there is a relationship between the emotional quotient and its dimensions (Problem Solving, Happiness, Independence, Stress Tolerance, Self-Actualization, Emotional Self-awareness, Reality Teshiny, Interpersonal Relationship, Optimism, Self Regard, Impulse Control, Flexibility, Responsibility, Empathy and Assertiveness) with the corporate entrepreneurship.

In an article entitled as "Evaluating the effect of organizational intelligence on the employees' corporate entrepreneurship in Moghan Agro-industrial and Livestock Co.", Rahimi *et al.* (2010) indicated that there is a significant relationship between the organizational intelligence and its dimensions with the corporate entrepreneurship in Moghan Agro-industrial and Livestock Co. In this study, dimensions of organizational intelligence including the strategic vision, common fate, desire for change, employees' morale, employees' unity and agreement, knowledge application and performance pressure are considered as well as dimensions of corporate entrepreneurship

including the reward philosophy, commitment to resources, management structure, control of resources, commitment to opportunity and strategic orientation.

Therefore, since the appropriate backgrounds are needed for the tendency towards the entrepreneurship in the organizations, the main issue in this research is whether there is a significant relationship between the organizational intelligence and corporate entrepreneurship in Kerman Motor Company? And in line with investigating the main question, the subsidiary questions of this survey are as follows:

First question: Is there a relationship between the strategic vision and the corporate entrepreneurship in Kerman Motor Company?

Second question: Is there a relationship between the common fate and the corporate entrepreneurship in Kerman Motor Company?

Third question: Is there a relationship between the desire for change and the corporate entrepreneurship in Kerman Motor Company?

Fourth question: Is there a relationship between the employees' morale and the corporate entrepreneurship in Kerman Motor Company?

Fifth question: Is there a relationship between the employees' unity and agreement and the corporate entrepreneurship in Kerman Motor Company?

Sixth question: Is there a relationship between the knowledge application and the corporate entrepreneurship in Kerman Motor Company?

Seventh question: Is there a relationship between the performance pressure and the corporate entrepreneurship in Kerman Motor Company?

Eighth question: Is there a significant difference among the dimensions of organizational intelligence in Kerman Motor Company?

Objective of This study is survey Relationship of corporate entrepreneurship with different dimensions of organizational intelligence.

Conceptual model of research: Conceptual model of research is shown in Fig. (1).

RESEARCH METHODOLOGY

Statistical population of Research contains 260 Kerman Motor Company employees; and a sample size equal to 260 individuals was calculated through Jessi-Morgan table and random sampling for a 150-individual population. The method of this study is applied based on objective and is descriptive-correlated in terms of data collection.



Fig. 1: Conceptual model of research (researcher-made)

Studied variables in this study are as follows: Organizational Intelligence and Corporate entrepreneurship. In this study, dimensions of organizational intelligence including the strategic vision, common fate, desire for change, employees' morale, employees' unity and agreement, knowledge application and performance pressure are investigated. Karl Albrecht's standard questionnaire of organizational intelligence was used in order to collect the information of organizational intelligence. This questionnaire contained 49 questions and it was formed based on seven skills introduced by Karl Albrecht: strategic vision (questions 1 to 7), common fate (questions 7 to 17), desire for change (questions 15 to 21), morale (question 22 to 28), unity and agreement (questions 29 to 35), knowledge application (questions 36 to 42) and performance pressure (questions 43 to 49) (Albrecht, 2003). Five-point Likert scale is the response range used in it (including very high, high, medium, low and very low).

Among the dimensions of corporate entrepreneurship, we investigate the innovation, risk-taking, pioneering works and the aggressive competition derived from Aktan and Bulut model (2008). A 24-item researcher-made questionnaire with five-point Likert scale was used in order to collect the information of corporate entrepreneurship (including very high, high, moderate, low, very low).

In order to measure the reliability, a prototype including 40 questionnaires was prepared from each of the corporate entrepreneurship and organizational intelligence questionnaires of pre-test and then the reliability was calculated by using the data obtained from those questionnaires through Cronbach's alpha method and by the help of statistical software SPSS and the value equal to 0.92 was obtained for Albrecht organizational intelligence questionnaire and 0.88 for corporate entrepreneurship and these values indicate that the applied questionnaires have necessary

reliabilities. The content validity (face validity) was used in order to measure the validity of questions in the questionnaires and the questionnaires were reviewed and confirmed by the relevant experts in this regard.

RESULTS ANALYSIS

Findings obtained from demographic features: Findings, obtained from the frequency distribution table, show that 86.4% of selected sample are male employees and 13.6% are female employees; 65% of them are single, while only 35% are married. The largest group of sample contains the employees with associate degree (i.e., 58.3%), while only 26% have bachelor degree. This number is 15.7% for employees with diploma and below diploma. The subjects are aged from 24 and 47 years and the highest frequency is related to those with the age 34 years. Individuals' age distribution has the mean equal to 36.16 years and the standard deviation equal to 4.17. Moreover, 62.7% of employees have the work experience between 10 to 20 years.

Evaluating the normality of variables: Shapiro-Wilk test was used in order to investigate the normality of research variables. As noted in the above table, the significant level of test in all distributions is greater than 0.05; in the other words, the individuals' scores follows a normal distribution in all variables.

Table 1: Summary of Shapiro-Wilk test (n = 150)

Variables	Test statistics	Significance level
Strategic vision	0.979	0.41
Common fate	0.971	0.34
Desire for change	0.974	0.27
Employees' morale	0.965	0.24
Employees' unity and agreement	0.986	0.25
Knowledge application	0.982	0.33
Performance pressure	0.985	0.21
Corporate entrepreneurship	0.973	0.18

Table 2: Testing the correlation between the organizational intelligence and its dimensions with the corporate entrepreneurship

Variable name	Correlation coefficient	Significant number	Significant relationship
Organizational intelligence	0.575	0.006	There is
Strategic vision	0.553	0.003	There is
Common fate	0.547	0.005	There is
Desire for change	0.581	0.006	There is
Employees' morale	0.582	0.002	There is
Employees' unity and agreement	0.547	0.004	There is
Knowledge application	0.579	0.005	There is
Performance pressure	0.558	0.006	There is

Table 3: Average rank of organizational intelligence dimensions

Dimensions of organizational intelligence	Average ranks
Knowledge application	5.6
Strategic vision	5.4
Employees' unity and agreement	5.3
Employees' morale	5.1
Common fate	4.8
Desire for change	4.3
Performance pressure	4.0

Hypotheses test:

First to eighth hypotheses: As shown in Table 2, the first to eighth hypotheses examine the relationship between the organizational intelligence and its dimensions (strategic vision, shared destiny, desire for change, employees' morale, employees' unity and agreement, knowledge application and performance pressure) with the corporate entrepreneurship and it is indicated that there is a relationship between the organizational intelligence and its dimensions with the entrepreneurship relationship at the significance level 99%; this correlation can be seen in the Table 2.

Ninth hypothesis: Table 3 examines the ninth hypothesis entitled as "There is a significant difference among the dimensions of organizational intelligence in Kerman Motor Company".

The results of Friedman test indicate that there is a significant difference among the dimensions of emotional intelligence. As seen in Table 3, the knowledge application has the highest rank and the performance pressure has the lowest rank.

DISCUSSION AND CONCLUSION

Entrepreneurship is considered as the basis of work, progress and attempt in the modern era. Without adequate attention to the issue of "Development of Entrepreneurship Culture", we cannot achieve the growth and development indicators which are obtained through changes in the production process, productivity and technical and industrial empowerment in the economy. Passing the traditional to industrial stage, we should pay more attention to the entrepreneurs' personal abilities and capabilities in utilizing the natural resources and using modern technology because on the one hand they are preparing themselves for optimal use of tools and access to the high quality of goods and services through applying the new methods in the market; and on the other hand, the entrepreneurship has the social and economic impact such as created

employment, improved quality of life, appropriate income distribution, resource utilization and enabling them for efficiency.

Furthermore, the organizational intelligence has been defined as the talent and capacity of an organization in motivating the mental ability of organization and focus of this ability in line with achieving the mission of organization; and has seven components of strategic vision, common fate, desire for change, morale, unity and agreement, knowledge application and performance pressure. Moreover, the corporate entrepreneurship contains the developed entrepreneurial behavior in an organization, which is already established and is a process by which the innovative products, services or processes are made in an organization through creating an entrepreneurial culture. Organizational intelligence is one of the major issues which can play the important role in corporate entrepreneurship and be as a factor for development of organization.

Results of this study indicate that there is a direct and significant relationship between the organizational intelligence as one of the most important organizational features and the corporate entrepreneurship; in other words, the more an organization has organizational intelligence, the more desire they will have for participating in corporate entrepreneurship. Research results suggest that there is a direct relationship between 7 dimensions of organizational intelligence (Strategic vision, common fate, desire for change, employees' morale, employees' unity and agreement, knowledge application and performance pressure) with the corporate entrepreneurship.

This study sought to investigate the relationship between the organizational intelligence and its dimensions with the corporate entrepreneurship in Kerman Motor Company. Therefore, the data, obtained from implementing the questionnaires, was analyzed in order to examine the relationship between these factors. According to the first hypothesis, we found that there is a positive, direct and significant relationship between the organizational intelligence and the corporate entrepreneurship with the value equal to 0.575. Moreover, the second to eighth hypotheses, which stated that there was a relationship between the dimensions of organizational intelligence including the strategic vision, common fate, desire for change, employees' morale, employees' unity and agreement, knowledge application and performance pressure with

the corporate entrepreneurship, all were confirmed and the highest correlation rate was related to the employees' morale with the corporate entrepreneurship with the correlation coefficient equal to 0.582. Furthermore, the results of Friedman test in the ninth hypothesis showed that there is a significant difference among the dimensions of organizational intelligence. As seen in Table 3, knowledge application has the highest rank and the second rank is dedicated to the strategic vision and then the prioritization includes the employees' unity and agreement, employees' morale, common fate, desire for change and performance pressure, respectively. However, the results of this study are consistent with the findings by Amiri (2010), Rahimi *et al.* (2010) and Sattari (2010).

Hypotheses test: The following suggestions are provided in Kerman Motor Company according to the results obtained in this study:

- The overall objectives and strategies of organization should be explained clearly to employees.
- Since the desire for change is the basis of creation, the background of change acceptance should be prepared in employees.
- The facilities in the field of employees' life and work should be provided in order to enhance the employees' morale.
- The groups and teams should be coordinated with each other in order to achieve the organizational goals; therefore, some of the organizational units, which have common works, can be integrated with each other.
- Knowledge management system should be implemented in the organization and the innovative and practical projects should be used in the field of knowledge management, such as storytelling in organizations.
- Superior management commitment to the entrepreneurship: Superior managers in Pars Rubber Company should be sensitive to the concept entrepreneurship in general and the corporate entrepreneurship in particular and consider it as one of the major factors for the survival and development of organization.
- Encouraging the employee in innovation and creativity: Innovation is the main core of entrepreneurship and an up-down process in the organization. Corporate entrepreneurship can only occur when the low level employees in the - organization have innovation. However, the innovation and entrepreneurship are only occurred when the employees are empowered and encouraged.
- Giving the employees the possibility to participate in decisions about themselves and have access to

the organizational knowledge as much as possible. Instead of traditional emphasis on controlling the individuals and their behavior, the manager should consider the organization as a human set which is able to provide the various meanings from the information outputs, generated by the technology-based systems, through defining the objectives and methods (emphasis on the corporate entrepreneurship).

- Employees need to focus more on foreign competitors instead of domestic ones because the unity and cooperation in this regard are performed through the establishment of cross-functional groups (emphasis on creating a new business).
- It is suggested preventing the followed traditional job viewpoints and procedures; and these methods procedures should be constantly evaluated by several individuals in order to be consistent with the external environment which is dynamically changing (emphasis on the innovation in product and process).

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