

AN INVESTIGATION INTO THE IMPACT OF ENTREPRENEURSHIP ASPECTS ON PERFORMANCE CONSIDERING THE MODERATING ROLE OF INFORMATION UTILIZATION IN IMAM REZA MEHR FUND'S

Neda Afiat Talab

Department of Entrepreneurship, Faculty of Entrepreneurship Management, University of Tehran, Tehran, Iran

Abstract

This research aims to investigate and analyze the impact of entrepreneurship aspects on Imam Reza Mehr Fund's performance considering the Moderating Role of Information Utilization. In the present paper regarding the aim of research accounted as applied type of research, non-experimental method with respect to data collection and the correlation method used found as structural equation model. Statistical population consists of the entire managers and employees who work in Imam Reza Mehr Fund within Tehran province and the size equal to 100 individuals selected at the second stage using random sampling method. The result showed that there is a positive significant relationship between Entrepreneurship Aspects and enterprises' performance. Also, there is a positive significant relationship between Entrepreneurship Aspects and information exploitation. Another side there is a positive significant relationship between enterprises' performance and information exploitation.

Keywords: Entrepreneurship, Performance, Operation, Information Utilization, Information

Introduction

Today, organizations and states have perceived that Private and organizational entrepreneurs affect severely increasing competitive power in organizational and national level. Hence, they are called upon as competitive advantage. States have concluded, to gain economic success across national and international arena in supplying goods and producing products within organizations and firms, it is mainly required to entrepreneurship development. Entrepreneurship will be remembered as the engine of economic growth. The reasons for this associates to the role of job creation, innovation and change facilitators, creatively solving problems, and eliminating industrial and economic bottlenecks. Hence, educating Entrepreneurs as well as examining their role is essential. Entrepreneurs are those who can make the modern ideas practicable with at least capital to come to realize the profitability. In other words, they are provided with the ability to create business. Entrepreneurs are classified into two groups, i.e. Private and organizational entrepreneurs. Private entrepreneurs are those who invested in a business and get the most profits with creating jobs. Organizational entrepreneurs who have taken in this study are those who consider creating modern enterprises within an organization, empowered to affect institute's profit and increasing organization's employment capacity. Entrepreneurship Aspects includes the features such as Risk taking, motivation to success, active and progressive and innovative aspects in entrepreneurship. In general, entrepreneurs are recognized with such clear features. A variety of studies have shown Entrepreneurship Aspects can affect organization's performance particularly the small enterprises' performance.

Problem statement

Entrepreneurship Aspects including Risk taking, motivation to success, active and progressive and innovative aspects in entrepreneurship have been taken in this study where their impact on Imam Reza Mehr Fund's performance would be evaluated. Risk taking activities belonged to entrepreneurs include tendency to use index in order to exploit opportunities and/or use of the approaches in enterprise not reported with accurate outcome. Entrepreneurs' activities associate to their tendency to overcome rivals using both progressive and offensive factors. This includes introducing new products or services before other rivals and forecasting customers' receivables and future demands to create change in products and/or change in their surrounding area. The researcher asks to indicate how these features affect positively Imam Reza Mehr Fund's performance. This is in a way that the firms with high levels of

Entrepreneurship Aspects tend to ask in continuous for exploring the operating environment in order to find the opportunities and empower the competitive situations. Exploring environmental activities motivate the institutes to search for information helping them in better understanding the customers' needs and controlling the risk positions to enter into competition with rivals. Further, this paper aims to perceive how Entrepreneurship Aspects affect Imam Reza Mehr Fund's performance and how is the role of applying information in relation between Entrepreneurship Aspects and Imam Reza Mehr Fund's performance and in the last how applying more information conduct us to higher levels of efficiency at small enterprises.

Research theoretical framework

The literature review associated to entrepreneurship, it was specified that Entrepreneurship aspects affect positively the organizational performance. As such, Kevin and Slevin in their research conducted in 1991 came to a conclusion in this way. Further, Kevin and Miles (1999) have perceived that the organizations with high levels of Entrepreneurship aspects explore their immediate environment and supervise them. As part of the exploration and regulatory system, organizations search for information to improve their performance in the contexts such as dealing with clients, risk management, as well as how to compete with rivals. While larger organizations go through these actions through formal systems, but, smaller organizations the individuals' characteristics associate to this property. Hence, Entrepreneurship aspects including risk taking, motivation to success, active and progressive and innovative aspects in entrepreneurship affect the data and information obtained from environment by Organizational entrepreneurs.

On the other hand, according to the research by Kevin and Miles (1999), it was specified that application of information (environmental exploration) affects improving organization's performance. It has been stated that the organizations in contemporary era accounted as the age with severe changes can deal better to receive environmental information from environment and apply them in practice. In this regards, application of information, as a competitive advantage, can improve the organizations' and institutes' performance. As theoretical framework aims to investigate Imam Reza Mehr Fund, and the reason for this lied in the fact that application of information undertaken by Formal organizational units across big organizations where individuals dealt less with the application of information, but, individuals' role in small organizations is of importance because specific units do not exist in these units which found without financial ability. Hence, entrepreneurs with special characteristics in success of an institute due to what mentioned above would affect the organization's performance.

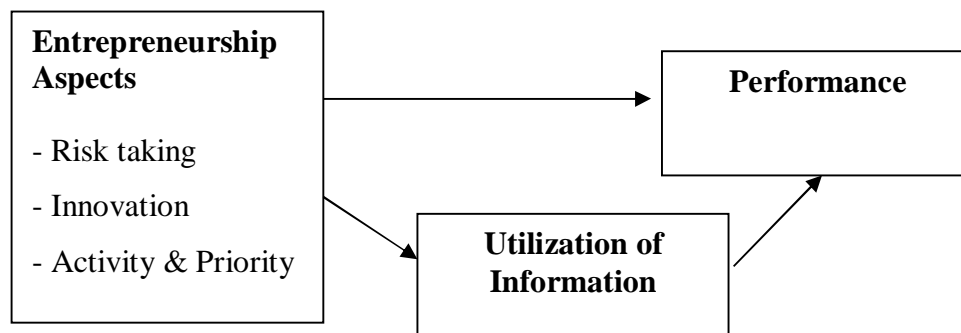
Research analytical model

According to the studied beyond the context of Entrepreneurship, institutes with high levels of Entrepreneurship aspects tend to explore their operating environment to seek opportunities and empower the competitive situations. As part of the activities of searching and browsing environment, the firms tend to receive information to help them recognize the customers' needs and better management of risk situations in order to enter to compete with their rivals. Since, large enterprises are generally provided with resources to conduct great financial markets research to gather such information; it is not clear how much small and medium enterprises use information beyond their ownership where it is asked how many such activities affect institute's performance. According to entrepreneurship research and marketing-related research, it is stated the information belonged to customers and rivals in designing marketing affect institute's performance. To provide service and products with high quality, gathering information on customer needs and competitors' ability equal to producing the best customer-oriented product mentioned valuable. However, the research conducted in the past to evaluate the effects of marketing information is limited due to lacking diverse studies in the context of marketing. Unfortunately, except for some of them, a majority of scholars in the small and medium size enterprises do not take into account applying this information. The researches conducted to data do not show how such marketing information can be used to increase institute's performance.

Furthermore, it is not clear how the Entrepreneurship aspects form the extent to use and exploit the information. These lied to the research gap in the context of entrepreneurship aspects and small and medium size enterprises, taking into account in this research (Ken and others, 2007).

Hence, Research theoretical model is defined as follows:

Figure 1- Research theoretical model



Research objectives

This research aims to investigate and analyze the impact of Entrepreneurship aspects on Imam Reza Mehr Fund's performance. The secondary aims include:

- 1- Develop knowledge about entrepreneurs, small and medium enterprises and the role of entrepreneurship in small and medium organizations.
- 2- Development of entrepreneurship research based on needing to such research.
- 3- An investigation into the relationship between Entrepreneurship aspects and acquisition and utilization of information.
- 4- An investigation into the relationship between utilization of information and improving the small and medium size enterprises' performance.

Research importance

In this study, several aspects can be important. This first conveyed as developing entrepreneurship while entrepreneurs defined within the organization so that the necessity to hire entrepreneurs have been perceived resulting in their dignity. Hence, it is hoped to increase the speed in developing economic growth. Without refer to literature review beyond this context, justifying the directors to hire Entrepreneurs would be dealt with difficulty.

This paper aims to indicate how Entrepreneurship aspects affect Imam Reza Mehr Fund's performance. According to what mentioned above, risk taking, motivation to success, active and progressive and innovative aspects in entrepreneurship all affect enterprises' performance. This paper seeks to indicate how this affection showed in order to indicate it in a documentary. Furthermore, due to the fact that the country placed in the stages entering to the economic growth and development, needed to individuals and directors specialized in the field of Entrepreneurship to accelerate the economic growth and development, thus, this paper can show us new horizons to expand the topics beyond the Entrepreneurship in a way that all the authorities provided with those information. Furthermore, the role of Small and Medium enterprises in economic development is of importance, critical to result in profitability even with less capital. According to the fact that entrepreneurs create Small and Medium enterprises, thus, to conduct such research by defining the role of entrepreneurs within these organizations can be better resulted in developing such organizations.

Research hypotheses

- 1- There is a significant relationship between Entrepreneurship aspects and institutes' performance.
- 2- There is a significant relationship between Entrepreneurship aspects and utilization of information.
- 3- There is a significant relationship between utilization of information and institutes' performance.

Research Background

According to the literature review in the context of Entrepreneurship, it was specified Entrepreneurship aspects including risk taking, motivation to success, active and progressive and innovative aspects in entrepreneurship affect organization's performance directly. For instance, Kevin and Slevin in their

studies came to an end in this way reported the relationship between risk taking, motivation to success, active and progressive and innovative aspects in entrepreneurship and organization's performance. Furthermore, Kevin and Miles (1999) have perceived that the organizations with high levels of Entrepreneurship aspects explore their immediate environment and supervise them.

As part of the exploration and regulatory system, the organizations seek information helping them to improve their performance in the contexts, that is, deal with customers, risk management and how to compete with rivals. While, what discussed above in large enterprises come to realize through formal systems, but, the individuals' characteristics within small enterprises associate to get the optimum outcomes. Hence, Entrepreneurship aspects including risk taking, motivation to success, active and progressive and innovative aspects in entrepreneurship affect acquiring information from immediate environment by entrepreneurs, so that acquiring and utilizing information as a competitive advantage can improve the enterprises' performance. Formal organizational units within large enterprises undertake to utilize information at which just minor individuals dealt with it, but, everyone's role in small enterprises accounted important because there does not exist specific units to acquire and utilize information, not found with financial competence to go through this process as well. Hence, entrepreneurs with their specific characteristics in the light of what mentioned above would affect success of institute.

Furthermore, Lumpkin & Dess (1996) with respect to a multifaceted perspective to performance of an institute have defined; it is likely entrepreneurship aspects affect at least one aspect of enterprise's performance. For instance, this can be occurred or come to realize by means of developing a new product. Anyhow, most of the documents about the positive effects on the relationship between entrepreneurship aspects and enterprise's performance have been confirmed (Kevin and Slevin, 1991, Smart and Kennan, 1994, Michelangelo, 1999). In this regards, Smart and Kennan, 1994 have declared the proper entrepreneurship aspects together with diversity in marketing competitions can lead us towards better performance.

Homan and Erabi (2003) addressed importance of management in Entrepreneurship and job creation where Kordnaeich (2004) found practicable services for Entrepreneurship.

Ali Jahangiri (2003) in a study entitled design and define the Patterns of Entrepreneurship in governmental agencies and Iran Customs administration, proposed a proper structural model for Entrepreneurship within governmental agencies with a set of communications among variables and how they affect each other. Where theoretically mentioned effective in development of scientific and theoretical paradigms of Entrepreneurship within governmental agencies, and scientifically provided a set of tools for managers in governmental sector to target evaluate and select appropriate strategy. Brown & Peterson (1993) in a study examined the job satisfaction among sellers, indicated a significant relationship between the independence at work and job satisfaction. Amabile and et al.(2005) in a study entitled impact of creativity at workplace, examined the relationship between creativity at work and job satisfaction. The results from findings showed that the creativity at work influences job satisfaction where this relationship mentioned as a simple linear type of relationship. This study addressed proposing a primary account on finding about the relationship between creativity and job satisfaction.

Donici (2003) in a study examined the consequences stemmed from organizational Entrepreneurship, flexibility and tendency to market and job satisfaction. The results from findings showed the significant relationship between trust and organizational Entrepreneurship among the employees. High levels of trust through information exchange have a positive impact on innovation among members of organization. Along this, trust expands in a organization while information channels are open-used, found with common terminology share.

Lao et al. (2003) in a study entitled tendency to customer, organizational Entrepreneurship, tendency to learning within organizations, indicated a negative significant relationship between age of individuals and organizational Entrepreneurship.

This finding indicates that young people to research in the market needs are more likely to develop entrepreneurial effectiveness.

Brizek (2003) in a study examined the relationship between organizational Entrepreneurship and Performance Management. The sample of this study includes 120 individuals among managers, middle managers and Upper management teams within restaurants.

This study indicated a significant relationship between organizational Entrepreneurship and Performance Management. This means to what extent the personnel participation increases, the organization to precede organizational Entrepreneurship would advance.

Eyal & Kark (2004) in a study examined the relationship between different leadership styles and Entrepreneurship strategies within Public school systems. This study conducted on a sample including 1395 individuals of the teachers working under supervision of managers within 140 schools. They built a conceptual framework to understand a variety of strategies on organizational Entrepreneurship. According to the results of their study, transformational leadership can motivate an entrepreneurial strategy, this helps for a fundamental change. While, control leadership can expand the limited changes by means of an entrepreneurial Strategy evaluated. Passive leadership styles limit organizational Entrepreneurship mainly by means of conservative strategy beyond the requirements existing. The ultimate result lies in the fact that, however, transformational leadership style provides the highest managerial conditions for organizational Entrepreneurship, this relationship is somehow complicated.

Research methodology

The present paper regarding the aim of research accounted as applied type of research, non-experimental method with respect to data collection and the correlation method used found as structural equation model.

Statistical population

Statistical population consists of the entire managers and employees who work in Imam Reza Mehr Fund within Tehran province. Imam Reza Mehr Fund includes four branches throughout Tehran with 350 managers and employees.

Sample and determine sample size

As the structural equation model accounted in the facets totally associated to multivariate regression, 15 cases per each variable found irrational in structural equation model. Hence, the following would be resulted:

$N = \text{the number of variables} \times 15 = 3 \times 15 = 45 (\text{sample size})$

Hence, two branches at first stage selected as sample using systematic sampling method where a sample with the size equal to 100 individuals selected at the second stage using random sampling method.

The reason to choose 100 individuals turns back to observing lack of error data or the data missed in research sample, because modeling structural equation helps the entire respondents respond to the all questions where as this might not come to realize, 55 sample more the first sample size selected.

Tools used to collect data

Tools used to collect data mentioned as the questionnaire used as the most common tool to collect data in field studies.

Entrepreneurial Aptitude Questionnaire (EAQ): 10 questions extracted based on Kevin and Slevin declarations (1989) and Miller and Friesen (1982) can be used to evaluate this variable. The questionnaire includes three dimensions of innovation, being progressive and taking risk.

The Questionnaire of information exploitation: To evaluate this variable, 12 questions extracted based on the declarations by Deshpande and Zaltman (1982), Mormon (1995) have been used. This questionnaire includes four dimensions: 1- decisions on marketing mix-product (3 questions), 2- decisions on marketing mix-distribution and position (3 questions), 3- decisions on marketing mix-advancement (3 questions), 4- decisions on marketing mix-pricing (3 questions).

Performance questionnaire: To evaluate this variables, 7 questions extracted based on declarations by Murphy, Trailer and Heil (1996), Wiklund (1999), Butler and Chavmam (2000), Gupta and Govindarajan (1984). This questionnaire includes two dimensions: 1- Financial aspects of the company (4 questions), 2- non-Financial aspects of the company (3 questions).

Data analysis method

The data obtained in this study analyzed using descriptive-inferential statistical methods, thus, Frequency distribution tables, indices of central tendency, dispersion, and charts using statistical SPSS software used in descriptive analysis and the statistical technique of structural equation modeling (path analysis and confirmatory) and confirmatory factor analysis using LISREL 8/50 software used in inferential analysis. This means, according to data collection, the research model using LISREL software built and then Covariance matrices, measurement equations, indicators of fitness and etc have been calculated using this

software.

Data analysis

Data necessary to conduct this paper collected using questionnaire. The questionnaire representing the entire questions in form of five-option Likert spectrum has been used to collect data. The data collected analyzed using LISREL software and the analyses proposed to reject or confirm the research hypotheses.

Structural equation modeling

Structural equation modeling is very general and powerful multivariate analysis technique from family of multiple regressions, or, in precise, it is general linear model generalized let the researcher to test a set of regression equations simultaneously.

Structural equation modeling is a general statistical approach to test hypotheses on the relationships among the variables observed where the Structural analysis of covariance conveyed as casual modeling and/or LISREL modeling (Houman, 2005).

The model to measure the present paper's variables

Figure 2- Values of research model coefficients

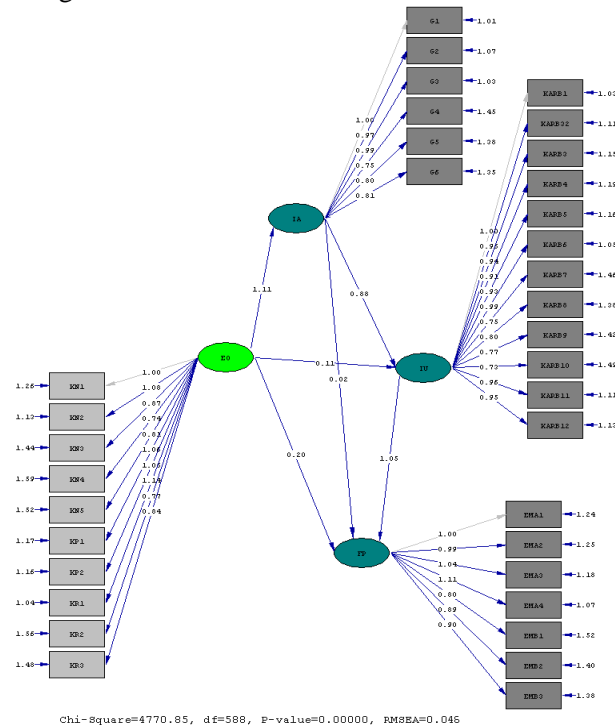
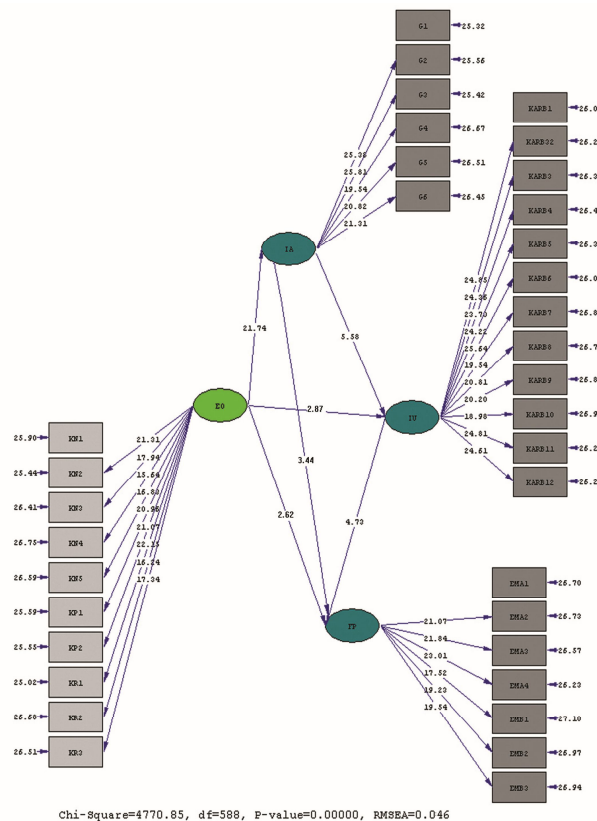


Figure 3- The values of research model's t-statistics



Hypotheses test

First hypothesis: there is a positive significant relationship between Entrepreneurship Aspects and enterprises' performance.

According to the results from the data analysis on the relationship between Entrepreneurship Aspects and enterprises' performance regarding the value of δ and t equal to 0.20 and 2.62, it can state that there is a positive significant relationship between Entrepreneurship Aspects and enterprises' performance at 0.01 level.

Second hypothesis: there is a positive significant relationship between Entrepreneurship Aspects and information exploitation.

According to the results from the data analysis on the relationship between Entrepreneurship Aspects and information exploitation regarding the value of δ and t equal to 0.11 and 2.87, it can state that there is a positive significant relationship between Entrepreneurship Aspects and information exploitation at 0.01 level.

Third hypothesis: there is a positive significant relationship between enterprises' performance and information exploitation.

According to the results from the data analysis on the relationship between enterprises' performance and information exploitation regarding the value of β and t equal to 1.05 and 4.73, it can state that there is a positive significant relationship between enterprises' performance and information exploitation at 0.01 level.

Structural Equation fitness

To fit model, the fitness indices have been used. In general, among the various fitness features, the fitness indices including χ^2/df , CFI, NFI, RMSEA, GFI and AGFI have been proposed in this study.

Table 1- Structural model Fitness (confirmatory path analysis)

Index	Estimation
χ^2/df	(P= 0 .00)123342 /71
Confirmatory Fit Index (CFI)	0/98
Normed Fit Index (statistics)	0/97
RMSEA (root mean square error of approximation)	0/046
Goodness-of-Fit statistic (GFI)	0/85
adjusted goodness-of-fit statistic (AGFI)	0/83

According to structural model proposed in present paper, the values of CFI, NFI, RMSEA, GFI and AGFI reported equal to 0.98, 0.97, 0.046, 0.85 and 0.83 reported, indicating the least error level in measuring regarding the index of RMSEA and structural fitting regarding indices of CFI, NFI, GFI and AFGI

Research findings

First hypothesis: there is a positive significant relationship between Entrepreneurship Aspects and enterprises' performance.

The first research hypothesis is confirmed at 99% confidence level, i.e. there is a positive significant relationship between Entrepreneurship Aspects and enterprises' performance.

Second hypothesis: there is a positive significant relationship between Entrepreneurship Aspects and information exploitation.

The Second research hypothesis is confirmed at 99% confidence level, i.e. there is a positive significant relationship between Entrepreneurship Aspects and information exploitation.

Third hypothesis: there is a positive significant relationship between enterprises' performance and information exploitation.

The third research hypothesis is confirmed at 99% confidence level, i.e. there is a positive significant relationship between enterprises' performance and information exploitation.

Conclusion

The result in present paper showed that there is a positive significant relationship between Entrepreneurship Aspects and enterprises' performance where this finding is totally relevant with the results of studies by Kevin and Slevin (1991), Kevin and Mills (1999), Smart and Knant (1994), and others (2007), Miller and Frazer (1982), Lumpkin and Dess (1996), Zaltman et al.(1986) where the value of relationship existing between these two variables reported equal to 0.58, conveyed totally in accordance with the results of this study.

In present paper, there is a positive significant relationship between Entrepreneurship Aspects and information exploitation where the results of this study are relevant with the results of studies by Kevin and Mills (1999), Beckman and Morgan (2003), Lumpkin and Dess (1996), where the value of relationship existing between these two variables reported equal to 0.17, conveyed totally in accordance with the results of this study.

In present paper, there is a positive significant relationship between enterprises' performance and information exploitation where the results of this study are relevant with the results of studies by Kevin and Mills (1991), Beckman and Morgan (2003), Smart and Knannt (1994), where the value of relationship existing between these two variables reported equal to 0.10, conveyed totally in accordance with the results of this study.

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