STUDY OF THE EFFECT OF CORPORATE ENTREPRENEURSHIP ON THE DEVELOPMENT OF SMALL AND MEDIUM BUSINESSES (CASE STUDY: MANUFACTURERS OF PLASTIC PRODUCTS IN PLASTIC INDUSTRIES ASSOCIATION)

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ABSTRACT

Today, companies and institutions are trying to be entrepreneurial themselves to be flexible to changes and do not lose the opportunities in the market. They are trying to boost entrepreneurship within the organization as much as possible to increase productivity, prevent exclusion of elites and increasing international competition. But studies in the field of small and medium sized enterprises shows that these companies face major problems so that the current performance makes them away of level expected. In such circumstances, a model can be effective for the development of the organization. For this reason, this study examines the impact of corporate entrepreneurship on the development of small and medium businesses. The population consists of manufacturers of plastic products membered at Plastic Industries Association of Iran. The sample stratified according to population size based on Cochran formula 278 samples were selected, and questionnaires were distributed using random sampling method. Data were analyzed using SPSS software. The results show that there is a significant positive relationship between the sub-hypothesis of the study about innovation, renewal, leadership and the risk of new violence and development of small businesses. The main research hypothesis is that the effect of corporate entrepreneurship was confirmed on the development of small and medium businesses.

Keywords: corporate entrepreneurship, small and medium businesses, leadership, self-renewal, innovation, risk of new actions
STATEMENT OF THE PROBLEM
Entrepreneurship is a very important issue for many developed and developing countries. In the meantime, one of the main branches of entrepreneurship is the entrepreneurship in the organization that is undoubtedly a significant contribution to the success and excellence of the organization (Ahmadpour, 2004: 132). Corporate entrepreneurship is a collection of activities that exploit the competitive advantages possible innovation in an organization and approach in institutionalizing innovation in organizations. In fact, corporate entrepreneurship is defined as a window into the operation of sustainable competitive advantage, innovation and leadership in organizations (Kuratko et al., 2005, p. 699).

Entrepreneurship will be remembered as a different company with the entrepreneurial and take risks within a company. This concept refers to the set of activities in order to achieve goals such as profit companies, promote innovation, information and knowledge and earn money and create the right environment for the emergence of entrepreneurial initiatives (Talaei, 2011). However, a company in the process of corporate entrepreneurship is to encourage entrepreneurship and individual and a continuous entrepreneurial activity to be done fast and easily in the company. In this process, each employee serves as an entrepreneur.

Today, companies and institutions are trying to be entrepreneurial themselves to be flexible to changes and do not lose their opportunities in the market. They are trying to boost entrepreneurship within the organization as much as possible to increase productivity, prevent exclusion of elites and increasing international competition. Today's organizations are committed to new products, new processes and new organizational systems and thus create new developments in the field of facilitation, accelerate and expand the entrepreneurial process within the organization. In these institutions, the original capital is the employee talent and ideas. But studies in the field of small and medium sized enterprises shows that these companies face major problems so that the current performance makes them away of the expected level. In such circumstances, a model can be effective for the development of the organization. So, the entrepreneurship can be named as an engine of economic development. (Donyaei et al., 2010).
Today, many companies have realized the need for an entrepreneurial company. The need has emerged in response to a number of problems, including the following: rapid growth of new competitors and complex sense of distrust of the traditional methods of management of the company, withdrawal of some of the best and brightest employees to become small entrepreneurs, international competition, shrinking corporate and general desire to increase efficiency and productivity (Donald, 2001)

Given that corporate entrepreneurship can help to promote the entrepreneurship in small and medium enterprises but this is not considered in the study and, for this purpose, the study aims to the effect of entrepreneurship on SMBs.

**Definitions of entrepreneurship:**

Entrepreneurship is a concept that has always been accompanied human, and as a new phenomenon has a significant impact on the development and economic development, so that it has a key role in a competitive economy based on the market today, and entrepreneurship is the guarantee of life and survival of nations. Entrepreneurs are included as the origin enormous human capital and source of vital effects in the progress of society and the development of the country. Entrepreneurship has a practical concept that coincides with the beginning of human life on earth and trying to earn money (Saidi Mehrabad, Mohtadi, 2008).

The word entrepreneurship is widely used in daily conversation and as a technical, management and economic terms. The word was introduced at the beginning of the 17th century in France at that time an entrepreneur was an individual who has been the order of business projects (Wickham, 2000). In recent years, entrepreneurship in public interest is considered as a solution that the attention is paid to it, in order to improve the economic and social situation. However, all organizations to survive, need new ideas and new and fresh ideas because thoughts and new ideas are blown to the body of company to save it from destruction and ruin. To survive and thrive in the modern era and even maintaining the status quo should continue to give the modernistic enthusiasm and innovation in organizations to stagnation and ruin (Alvani, 2006). Entrepreneurship is a
process that individual entrepreneurs with new and creative ideas and identify new opportunities and to mobilize resources, attempts to create businesses and jobs and new companies, new and innovative, and growing the organization. This process involves risk, to offer a new product or service to the community (Moqimi, 2002: 7) and causes the activation of resource utilization and productivity and ensuring national interests and possible Institutions that are efficient and creative growth and development (Hashemi, 2001: 126).

It can also be said that entrepreneurship is the process of creating something new and valuable by devoting time and effort and taking financial risks, psychosocial and eventually achieve personal satisfaction and financial independence (Faiz bakhsh &Taqi yari, 2004). Entrepreneurs are those with risk-taking to seize opportunities and counting relying on their experience, ideas and new ways to profit (Jahangiri, 2001: 63). William Greve's Bay (1994) also believes that an entrepreneur who finds an opportunity and launches a corporate to pursue those opportunities. The entrepreneurial process relates to all the tasks, activities, and operations in the covers to understand the opportunities and the creation of an organization to pursue opportunities (Shah-Hosseini, 2004, 3).

**Corporate entrepreneurship**

Many people is willing to learn the entrepreneurship within the enterprise or entrepreneurship in the context of a large company. Since the early 1980s, the company stressed the importance of entrepreneurship and innovation to survive and compete with entrepreneurs who were appearing more and more in the market, providing guidance to the entrepreneurial activities within their companies. With penetration of administrative procedures and bureaucracy in corporate culture, in the 1960s and 1970s, entrepreneurship is increasingly concerned in large organizations by senior management of companies, so they were also able to process up to the invention and commercialization of their new products and services. Beginning in the 1980s and the sudden development of industry in global competition, the importance of thinking and entrepreneurial processes in large enterprises, is emphasized more than ever and researchers focus on how
to instill entrepreneurship in the corporate administrative structure. (Dollinger, 2003). Corporate entrepreneurship is the stimulation and modernization of organizations that are familiar with the entrepreneurial spirit and to be competitive in their business needs to expand entrepreneurial activities within their organization. So far this has been a lot of studies that have examined various aspects. For example Antonic and Hisrich described entrepreneurship as corporate innovation, venture capital success in business, renewal and leadership in the business (Antonic and Zoren, 2005: 5). Ford and Biden Fuller stop (Ford and Biden Fuller, 1994: 251) knew corporate entrepreneurship as three types: corporate venture investment, modernization and innovation activities (Zahra, 1991: 259).

In a study risk-dimensions of investment, innovation and self-renewal will be considered to measure the development of corporate entrepreneurship. Leo and his colleagues applied a measure of corporate entrepreneurship that included three dimensions of leadership, risk-taking and innovation (Leo et al., 2005: 277).

Wang and Lee (Wang and Leehao, 2006: 423) have used the combined methods to measure corporate entrepreneurship. They differentiated the corporate entrepreneurship in four areas of risky investment, innovation, leadership and self-renewal and in this regard, they designed a questionnaire consisting of 21 components and endorsed its validity and reliability.

**Literature review**

Qasemyeh and Abdullahi (2012) investigated the relationship between corporate entrepreneurial activities and performance and concluded that there is a positive and significant relationship between the size of the company's entrepreneurial leadership, innovation and re-organization.

Zare Ahmadabadi and Shakeri (2011) examining the impact of organizational culture on entrepreneurial company ensure that the leaders need to take the risk of their subordinates to bring in entrepreneurial activities. It aims to encourage and support the establishment of necessary administrative procedures. If people desire to expand the existing competitive elements. Support includes providing freedom without strict limits and monitoring for the company staff.
The results of this study state that in the intervening variables such as management support, division of labor, the system encourages and discipline and organizational constraints, including organizational culture are factors that affect corporate entrepreneurship.

In Pinchot's research (1985), it was clear that one of the factors influencing the corporate entrepreneurship development is the individual entrepreneurship, and individual factors. Gantsho (2006) viewed the aspects or features of entrepreneurs as: risk, risk-taking in new business, initiative, innovation, self-renewal, risk-taking.

**Hypotheses**

**Main hypothesis**
- It looks like that there is a significant relationship between the corporate entrepreneurship and development of small businesses.

**Sub-hypotheses**
- It seems that there is a significant relationship between innovation and the development of small businesses.
- It seems that there is a significant relationship between the self-renewal and development of small businesses.
- It seems that there is a significant relationship between the leadership and development of small businesses.
- It seems that there is a significant relationship between the new risky actions and development of small businesses.

**METHODOLOGY**

The overall objective of this study was to evaluate the effect of corporate entrepreneurship and development of small businesses and the descriptive-correlation method is used in the context of the objectives.

Data collection tool in this study is questionnaire that according to literature is used to confirm the validity of professors and experts and to evaluate the reliability of a sample of 30 pieces of questionnaires distributed among the population and is measured using SPSS software and Cronbach's alpha.

Entrepreneur assessment questionnaire in this study consists of 17 components that lead in the four structures, innovation, self-renewal, new risky measures used to measure the risk. The population consists of manufacturers of plastic products membered at Plastic Industries Association of Iran.

Due to the sample size of 1,015 persons, were selected according to the Cochran formula 278 and were distributed and
classified by means of random sampling questionnaires. Cronbach’s alpha test results showed that the questionnaire is reliable enough. The alpha value of innovation is equal to 0.93, self-renewal alpha equals to 0.89, leadership alpha equals to 0.91, the risk of new measures alpha was equal to 0.88. Data were analyzed using SPSS software.

**Inferential Test of Hypotheses**

**First hypothesis**: it seems that there is a significant relationship between the innovation and development of small and medium-sized businesses.

**H1**: Innovation has a positive effect on the development of small and medium businesses.

**H0**: Innovation does not affect the development of small and medium businesses.

Table 1: Study of the relationship between innovation and the development of small and medium businesses

<table>
<thead>
<tr>
<th>Innovation and development of small and medium businesses</th>
<th>Innovation</th>
<th>Development of small and medium businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>1</td>
<td>.797**</td>
</tr>
<tr>
<td>Significance level</td>
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<td>Number</td>
<td>278</td>
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<td>Significance level</td>
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<td>Number</td>
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</tbody>
</table>

Pearson test was used to examine the relationship between innovation on the development of small and medium businesses. Since the test was significantly less than 1% and is equal to 0, thus there is a significant relationship between these two variables with probability of 99%. Because of the positive correlation (0.797) represents a direct relationship between the two variables, this means that by increasing innovation in small and medium businesses as well as increased prosperity. As a result, first hypothesis is confirmed and the null hypothesis is rejected.

**Second hypothesis**: it seems that there is a significant relationship between the self-renewal and development of small and medium-sized businesses.

**H1**: Self-renewal has a positive effect on the development of small and medium businesses.

**H0**: Self-renewal does not affect the development of small and medium businesses.

Table 2: Study of the relationship between self-renewal and development of small and medium businesses

<table>
<thead>
<tr>
<th>Self-renewal and development of small and medium businesses</th>
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<th>Development of small and medium businesses</th>
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</thead>
<tbody>
<tr>
<td>Self-renewal</td>
<td>1</td>
<td>.623**</td>
</tr>
<tr>
<td>Pearson correlation</td>
<td>.000</td>
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<tr>
<td>Significance level</td>
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</tbody>
</table>
The correlation table above shows the relationship between the two variables of the self-renewal and development of small businesses. As can be seen from the above table, significant level is equal to (0.000), and is less than 0.05. As a result, the relationship between the two variables is significant, the first hypothesis is confirmed and the null hypothesis is rejected based on that there is no relationship between the two variables and the self-renewal and development of small businesses.

<table>
<thead>
<tr>
<th>Development of small and medium businesses</th>
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<tbody>
<tr>
<td><strong>Pearson correlation</strong></td>
<td>.623**</td>
<td>1</td>
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<tr>
<td><strong>Significance level</strong></td>
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</table>

**Third hypothesis:** It seems that there is a significant relationship between the leadership and development of small and medium-sized businesses.

**H1:** Leadership has a positive impact on the development of small and medium-sized businesses.

**H0:** Leadership does not affect the development of small and medium-sized businesses.

### Table 3: Study of the relationship between leadership and development of small and medium businesses

<table>
<thead>
<tr>
<th>Leadership and development of small and medium businesses</th>
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<th>Development of small and medium businesses</th>
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<tbody>
<tr>
<td><strong>Leadership</strong></td>
<td></td>
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<tr>
<td>Pearson correlation</td>
<td>1</td>
<td>.654**</td>
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<tr>
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<tr>
<td>Pearson correlation</td>
<td>.654**</td>
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<td>Significance level</td>
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</table>

Pearson test was used to investigate the relationship between the leadership and development of small and medium businesses. Since the test was significantly less than 1% and is equal to 0, thus there is a significant relationship between these two variables with probability of 99%. Because of the correlation equals to (0.654) and is positive, represents a direct relationship between these variables so that the increase in leadership, the development of small and medium-sized businesses will be improved.

As a result, first hypothesis is confirmed, and the null hypothesis is rejected.

**Fourth hypothesis:** it seems that there is a significant relationship between the new risky measures and development of small and medium-sized businesses.
**H1**: new risky measures have a positive effect on the development of small and medium businesses.

**H0**: new risk measures do not affect the development of small and medium businesses.

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<th>Table 4: Study of the relationship between risk actions and the development of successful new small and medium businesses</th>
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<td><strong>Risk of new discriminatory actions and the development of small and medium businesses</strong></td>
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<tr>
<td>New risk actions</td>
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</table>

Pearson test was used to examine the relationship between two variables, new risky measures and development of small and medium businesses. Since the test was significantly less than 1% and is equal to 0, and thus there is a significant relationship between these two variables with probability of 99%. Because the correlation equals to (0.725) and is positive, indicates a positive and direct relationship between these two variables, then increasing new risky measures, the development of small and medium businesses also increased. As a result, first hypothesis is confirmed and the null hypothesis is rejected.

**CONCLUSION**

The results confirms that sub-hypotheses of the study are based on a significant and positive relationship between innovation, self-renewal, leadership and new risky measures, the development of small businesses, and so the main research hypothesis is confirmed based on the effect of corporate entrepreneurship on the development of small and medium businesses. According to the results of research, it is recommended, based on the impact of corporate entrepreneurship on the development of small and medium businesses, managers to seek to provide appropriate work space in the company for directors and staff members to interact and follow-up of projects and innovations by the staff members. The entrepreneurship training courses, workshops and in-service training courses and orientation courses at the beginning of employment for employees can improve the ability of their job oriented to innovation and entrepreneurship.
REFERENCES
2. Talaei, Gh., (2011). According to the indicators of measuring corporate entrepreneurship within the organization and its effect on entrepreneurship (Case Study: Yazd textile industry enterprises). Development of entrepreneurship, 3 (12), 203-185


