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CASE STUDY

Effect of employee job satisfaction on organizational entrepreneurship

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ABSTRACT

An entrepreneurial organization is always ready and able to adapt too many essential changes in the external environment, and plan their programs for changing environmental needs. This research has been done to identify the effect of job satisfaction on organizational entrepreneurship in the municipality. The methodology of the research in terms of the main strategy is a quantitative method. From the point of view of applied purpose, it is a descriptive and correlational method for executive, field, and library methods. The statistical population of this study is all 325 staff members in March 2018. The sampling method is a simple random method. The sample size was 175 people based on the Morgan table. Measurement tool in this research was a standard five-point Likert scale questionnaire and for analyzing data the Partial least squares regression (Smart PLS software) was used. Findings showed that job satisfaction (General Working Conditions, Contact with Colleagues, Salary and Benefits and Staff Loyalty) has a positive and significant effect on organizational entrepreneurship. Considering that the Cronbach's alpha value in this research is more than 0.7, it indicates the appropriate reliability of the research. The results showed that general conditions of work with severity (4.701), relationship with colleagues with severity (5.385), Salaries and benefits with severity (3.906) and loyalty of staff with severity (5.97) have a positive and significant effect on organizational entrepreneurship.

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INTRODUCTION

In recent decades, the intense competition of organizations and changes in industrial spheres has forced organizations and institutions to continually innovate and entrepreneurial to maintain their competitive ability (De Loo, 2002). Organizational Entrepreneurship involves the behaviors and attitudes of different individuals within the organization to the development or launch of new activities or new areas of work (Antonic and Hisrich, 2001). An entrepreneurial organization is

always ready and able to adapt too many essential changes in the external environment, and plan their programs for changing environmental needs (Tajpour *et al.*, 2015). Organizations do not live in vacuum, but operate in an environment that shapes their behavior and structures (Tajpour *et al.*, 2018). Increasing creativity and innovation in organizations can lead to quantitative and qualitative services, reduce costs, prevent waste of resources, reduce bureaucracy, increase competitiveness, increase efficiency and exploitation, and create motivation and job satisfaction among employees. Today, institutions and organizations, especially large organizations, especially those working on issues

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such as service provision, are investing heavily to educate their employees on how to free the mind so that the origins of ideas Big (Black and Strahan, 2002). Organizational tendency toward entrepreneurship is influenced by the practical expectations of the emergence of fundamental innovations of knowledge (Ziyae and Tajpour, 2016). Many scholars believe that human resources are the only competitive advantage that organizations must turn this potential into real forces with proper and correct actions and direct them to the organization. Lack of human resources can never achieve their goals. In other words, human resources play a key role in maintaining a competitive market (Schiestel, 2007). Therefore, in this research, we seek to investigate the effect of job satisfaction on organizational entrepreneurship.

Staff satisfaction

Job Satisfaction has a behavioral and emotional nature (Crossman and Abou-Zaki, 2003). According to Tutuncu and Kozak (2007), employees appreciate the characteristics of their work and expectations, and feel satisfied with the level they are fitting (Tutuncu and Kozak, 2007). Hay state that situational theories recognize job satisfaction as the interaction of organizational features and individual characteristics (Hay, 2002). According to Tomazevič *et al.* (2014), job satisfaction can be seen in a wider context influenced by factors such as personal experience and quality of staff feedback (Tomazevič *et al.*, 2014). Therefore, according to Smith *et al.*, (2011), employee job satisfaction can help managers with many employee behaviors, such as early retirement of employees and their abandonment (Smith *et al.*, 2011). Challenging work is also an exercise to create satisfaction. The definition of new businesses, jobs with multiple tasks, risky responsibilities (risk-taking profits), the chances of starting a new business, all of which put employees in a challenging position that they can develop their skills Under such conditions, they develop and grow (Hay, 2002). In order to improve the job performance of employees, organizations must be aware of their efficiency, so that they can improve their human resources and thereby increase their volume of production and provide their services and create positive developments in their progress (Khahandeh Karnama *et al.*, 2017).

Employee satisfaction has traditionally been emphasized as one of the important elements of management, behavior and organizational development (Najeeb *et al.*, 2018). There are several elements related to job satisfaction. The key elements that affect the employee's satisfaction and are used in this research are:

- Overall satisfaction of work, including working conditions, time of work and reputation of the organization (Pierce and New Storm, 1980; Christensen and Staines, 1990).
- Employee relations, including employee relations, as well as personal interviews with employees each year (Welsby, 2003).
- Wages, benefits and organizational culture, these elements include salaries, wages in the form of benefits and rewards, promotion, training, occupational continuity and organizational culture and atmosphere (New, 2008).
- Employee loyalty (Varona, 2002).

These elements are important for anyone directly or indirectly associated with the organization's activities. Employees value their organization according to their needs and interests. If the organization works internally according to their needs, they are satisfied with their needs. How employees deal with the company determines whether they have a competitive advantage. Over the past two decades, initial research focused on organizational entrepreneurship on new risky businesses, including the formation of new risky businesses through existing organizations and individuals within an organization. This focus has been expanded to extend the entrepreneurial characteristics at the organization level. Organizational entrepreneurship research covers three main areas. The first area is focusing on Organizational entrepreneurs; whose main emphasis is on the individual characteristics of Organizational entrepreneurs. Identifying and supporting entrepreneurs in the organization is also part of this core area. The second area involves focusing on the formation of organizational risky businesses. The third area focuses on the entrepreneurial organization, which emphasizes the characteristics of these organizations (Antonic and Hisrich, 2003). Covin and Slevin (1991) describe three of the high-performing, innovation, and risk-taking characteristics of entrepreneurial

characteristics in the organization; in fact, Organizational entrepreneurs seek to pursue risk-taking, productivity and innovation opportunities. Risk-taking means a combination of uncertain risks that are measured with probability; in fact, risk means assuring unanticipated results and it is considered one of the most important features of entrepreneurs. Entrepreneurs in the organization should tend to accept risk, failure, and mistake. Innovation is another feature of entrepreneurship that comes with creativity, innovation involves finding a new way to do things, and innovating in the production and service of the development process. The results of the 2005 survey showed a positive relationship between innovation and entrepreneurship and the growth of the organization that entrepreneurship and innovation have a synergistic role in the organization (Berm, 2008). For this study, one can categorize past perspectives on organizational entrepreneurship into four dimensions that incorporate the following entrepreneurial activities in organizations:

- Setting up a new business - then launching a new business with existing products or markets and creating new ones regardless of the level of autonomy or size (Zahra, 1991; Stopford and Baden-Fuller, 1994)
- Product / Service Innovation - The product / service innovation point in the field of product

and service (Covin and Slevin, 1991; Knight, 1997).

- Process / process innovation process / technology innovation refers to innovation in product processes, methods and techniques, as well as in technologies (Covin and Slevin, 1991; Knight, 1997).
- Self-renewal - the self-renewal reflects the transformation of organizations through the renewal of the key ideas on which they are based (Zahra, 1991; Stopford and Baden-Fuller, 1994).

In terms of nature, employee satisfaction elements are important organizational elements that can greatly influence the development of entrepreneurial activities and organizational orientations. They are in particular linked with organizational and managerial support and organizational values. Given the literature available, the conceptual model of research is shown in Fig. 1.

According to the conceptual model, the research hypotheses are as below:

The main hypothesis: Job satisfaction has a significant effect on organizational entrepreneurship. Sub-hypothesis 1: General terms of work have a significant effect on organizational entrepreneurship. Sub-hypothesis 2: Affiliation with colleagues has a significant effect on organizational entrepreneurship. Sub-hypothesis 3: Salaries and benefits have a

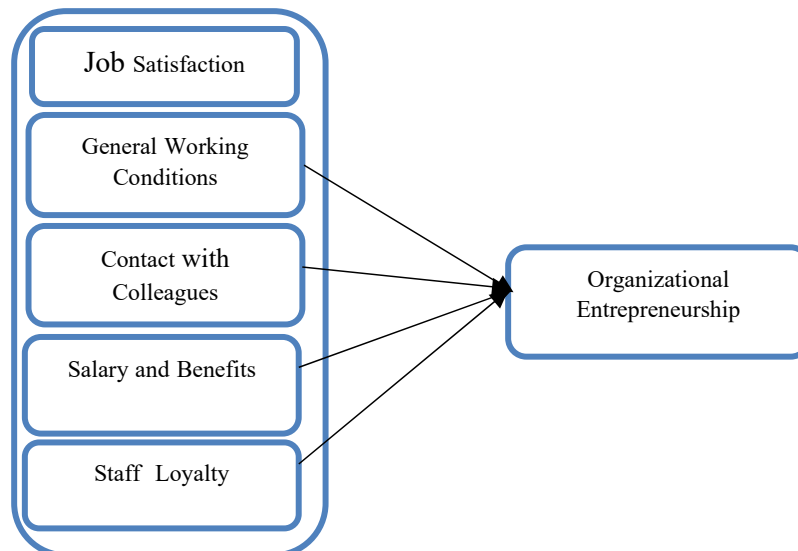


Fig. 1. Conceptual model of research

significant effect on organizational entrepreneurship. Sub-hypothesis 4: Employee loyalty has a significant effect on organizational entrepreneurship.

MATERIALS AND METHODS

This research is descriptive-correlational. Documentation method (books and articles) was used for gathering information. For implementation, the Antoncic Questionnaire (2011) was used in two parts (Antoncic and Antoncic and Antomic, 2011). The first part is related to organizational entrepreneurship measurement and the second part is related to job satisfaction. The use of the Likert spectrum was measured. The validity of the construct was calculated to assess validity and to determine the reliability of Cronbach’s alpha. The statistical population of the study consisted of all official employees of the municipality of Bushehr, of whom 325 were reported. Sampling method is a random method. The sample size was calculated using the Krejcie and Morgan (1970) table of 175

people. The subject matter of the research is “the effect of job satisfaction on organizational entrepreneurship” and the local area of Bushehr Municipality and the realm of time, is 2018. For analysis of data, software for PLS structural equations has been used.

RESULTS AND DISCUSSION

The main purpose of this study was to investigate the effect of job satisfaction on organizational entrepreneurship in the municipality of Bushehr. In this study, job satisfaction has been considered as an independent variable and organizational entrepreneurship as dependent variable. Regarding the normal distribution of data and the possibility of using parametric tests, structural equation modeling was used to test the research hypotheses using the PLS software. One of the important indicators that has been calculated for the good fit test is GFI fit. This index is closer to number 1, indicating a better fit of the model,

Table 1. Validity and reliability index

Research variable	Cronbach's alpha	Hybrid alpha	*AVG
General working conditions	0.811	0.781	0.787
Contact with colleagues	0.860	0.852	0.829
Salary and benefits	0.872	0.861	0.852
Staff loyalty	0.831	0.853	0.827

*AVG: Average

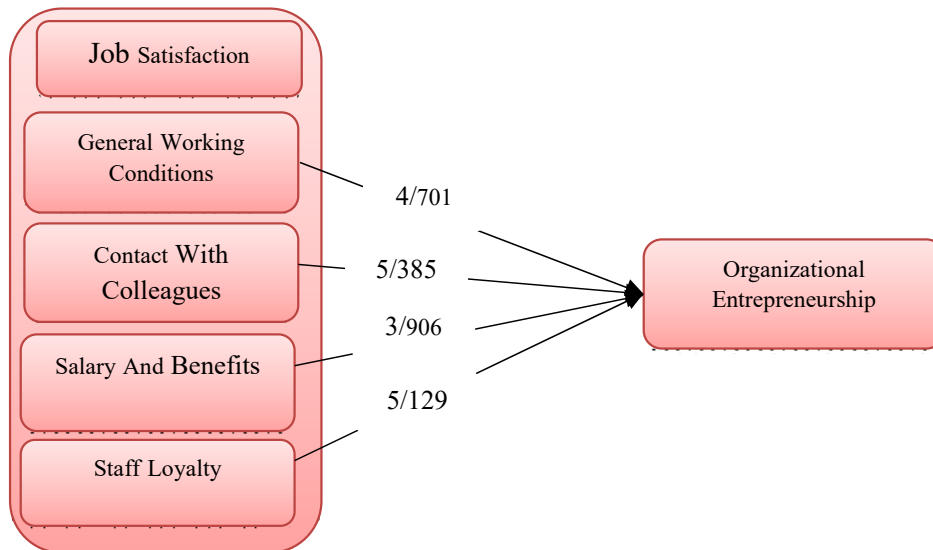


Fig. 2. Model in meaningful state (Author)

Table 2. Divergent validity measurement matrix

	General working conditions	Human	Operational	Knowledge management
General working conditions	1.000			
Contact with colleagues	0.882	1.000		
Salary and benefits	0.871	0.783	1.000	
Staff loyalty	0.826	0.853	0.746	1.000

Table 3. Test results hypotheses

Row	Direction	Impact factor	T Statistics	Result of the hypothesis
1	General working conditions - oorganizational entrepreneurship	0.697	4.701	Theory approval
2	Contact with colleagues-organizational Entrepreneurship	0.547	5.385	Theory approval
3	Salary and benefits-organizational Entrepreneurship,	0.741	3.906	Theory approval
4	Staff loyalty-organizational Entrepreneurship	0.415	5.129	Theory approval

which is 0.95 in this model. So we can say that the model has a fair fit. Validation criteria for the measurement model were summarized in Table 1. This table shows the validity and reliability indices for all research variables. In this study, construct validity has been used. With the help of the mean extraction variance index (AVG), it was found that all the studied structures had an average extracted variance higher than 0.5. In fact, the composite compatibility index, the ratio of total factor loads of the variables to the total factor load plus error variance. Its values range from 0 to 1, and is a replacement for Cronbach's alpha. The value of this index should not be less than 0.7.

According to Fornell and Larcker (1981), in the study of divergent narrative structures, the crust mean value of the extracted variance for each construct is compared with the coefficients of correlation between structures (Chin, 2010). As shown in Table 2, the high numbers in the table's main diameter are the mean square root of the extracted variance. Investigating each of these values for each structure in comparison with the correlation between the aforementioned structure and other structures shows that the Average Extracted Variance (AEV) for all structures is higher than the correlation between the corresponding structures with other structures. Therefore, all structures have an appropriate validation for divergent validity.

The results of the software output in Tables 2, indicate that the PLS model has appropriate validity (convergent and divergent) and reliability (combination reliability coefficient and Cronbach's alpha coefficient). The fitting of a structural model using coefficients of T is such that these coefficients should be greater than 1.96 to be confirmed at 95% confidence level (Fig. 2).

Four sub-hypotheses were used to evaluate the main hypothesis. To measure the causal relationships between the variables, two indicators of T statistic and coefficient of influence have been used. Based on the significance level of 0.05, the T value should be greater than 1.96. Less than this, the relevant parameter is not counted in the important template. As a result of the software, all T statistics are more than 96/1 and 4 hypotheses are confirmed. The causal paths along with the coefficients of influence and the values of T are given in Table 3. According to the results, salaries and benefits have the greatest impact on organizational entrepreneurship.

CONCLUSION

In line with the results of the research, previous studies show that job satisfaction has a positive relationship with organizational entrepreneurship (Hornsby et al., 1993; Antonic and Hisrich, 2001). Organizational features such as

openness of communication, control mechanisms, environmental intensity, organizational and managerial support, and organizational values can be considered as important predictors of Organizational entrepreneurship, organizational and managerial support, organizational values, especially strong relationships with Organizational entrepreneurship (Antonic and Hisrich, 2001). Attitudes of employees are related to behaviors that are sensitive to the organization. In general, employees have a set of stable and cognitive attitudes toward their work environment (Yaghoubi *et al.*, 2018). Kuratko *et al.*, (2005) showed that there is a positive relationship between managerial support, employee loyalty, rewards, promotion, sufficient time and organizational constraints, and job satisfaction as well as organizational entrepreneurship (Kuratko *et al.*, 2005). The way senior management works with employees is critical to achieving employee satisfaction and employee engagement in entrepreneurial activities and can play an important role in innovative performance (Bridge and O'Neill, 2012). Granting authority, rewards, enough time, training, trust, internal organizational constraints, flexibility and management support, commitment and engagement can be considered vital organizational support elements that lead to organizational entrepreneurship (Hornsby *et al.*, 1990). Investing in employees can be incentivized by their initiative (Lee *et al.*, 2011), which is important for Organizational entrepreneurship. Managers and employees working in the organization change team must be able to implement new business processes (Burns, 2016). Support for senior management may be encouraging employees to innovate (Li *et al.*, 2009). Emotional intelligence has a positive and significant effect on organizational entrepreneurship, which indicates the motivation of organizational entrepreneurship among employees (Tajpour *et al.*, 2018). Employee satisfaction is based on incentives related to organizational entrepreneurial values, such as in-person attitudes, individualized Organizational entrepreneurship, and competitive organizational values (Zahra, 1991). According to the results, it is suggested that appropriate managerial encounters, empowerment and greater freedom for employees will increase the incidence of creativity in the

staff. As a result, it is suggested that more flexible structure and participatory leadership methods be used. Investing in order to improve working conditions and supporting innovative projects, although raising organizational costs in the short term, seems to lead to longer organizational growth and higher profitability and profitability in the long run. Therefore, more organizational support for these schemes is proposed. Usually, in this organization, the tasks are designed in such a way that the time and opportunity for creative behavior and improvement of work processes for personnel remain. This could hurt organizational entrepreneurship and job satisfaction. It is suggested that the staffing workflow is more flexible. Increasing job satisfaction will improve the quality of the organization, which in turn will contribute to the country's economic development.

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CONFLICT OF INTEREST

The author declares that there is no conflict of interests regarding the publication of this manuscript. In addition, the ethical issues, including plagiarism, informed consent, misconduct, data fabrication and/or falsification, double publication and/or submission, and redundancy have been completely observed by the authors.

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