

## **STUDYING THE ROLE OF ENTREPRENEURIAL ORIENTATIONS IN IMPROVING THE PERFORMANCE AND INNOVATIVE BEHAVIORS OF EMPLOYEES**

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### **ABSTRACT**

*Innovation is a process in which the capabilities must be renewed and strengthened, and the distribution of resources changed. one of the factors that promote innovative performance is the entrepreneurial orientation for organizations. in addition to causing innovative behaviors, entrepreneurial orientation is very important in improving the job performance of employees and ensuring a source of sustainable growth. Organizations can ensure sustainable competitive advantage by searching for suitable opportunities through innovative activities, with an entrepreneurial orientation to risk-taking, and continue to grow in this era of change. Therefore, there is a growing theoretical and practical interest in entrepreneurial orientation as a main factor to improve organizational performance and pursue growth. The current research is a review and applied research based on the purpose and a library research based on the implementation method. The method of data collection in this research is of the library type, which was collected by reading books and articles from internet sites and reliable domestic and foreign databases. To analyze the issue, the researcher first states the research problem and explains the theoretical issues, and finally sums up the opinions of thinkers regarding entrepreneurial orientation, innovative performance and job performance. The result of the research, which is the result of the study of thinkers, shows the connection between these concepts, and based on this connection, at the end, a framework for research and discussion and conclusions were presented.*

**KEYWORDS:** *Entrepreneurial Orientation, Innovative Behavior, Job Performance.*

## INTRODUCTION

Organizations succeed when they establish a meaningful relationship between scarce resources, human resource management and their entrepreneurial capabilities. Therefore, it can be said that it is important to check the performance and factors affecting it for every organization. One of these factors is entrepreneurship, which has attracted increasing attention in recent decades due to its contribution to the growth of new products, services, employment and economic development. According to this situation, entrepreneurs play an important role in producing innovative services and products and cause organizations to enter new markets or businesses (Razavi, 2016). Innovation plays an important role in social and economic development, which is known as the main source of economic growth and an important factor in helping organizations survive in a changing world (Gursoi, 2016). Therefore, according to Gupta and Batra (Gupta, 2016), the concept of entrepreneurial orientation and its effect on job performance has received special attention in organizational sciences. Recently, performance measurement has become an important and widely used concept in management research. Especially in the research that the researchers have investigated and studied issues related to the organization such as: structure, strategy and planning (Azudu, 2017). This is despite the fact that the government organizations active in the agricultural sector, especially the Agricultural Jihad Organization, are not in a good condition for various reasons, and their performance is lower than the quantitative goals in the development plan. In such a situation, to improve the performance of these organizations, it is necessary to examine the current situation and identify the main factors affecting it (Rezaei, 2015). One of the factors that has a positive and close relationship with organizational performance is the job performance of the employees of that organization (Karmeli, 2007). For this reason, investigating and identifying factors affecting job performance can ultimately help improve the organization's performance.

By knowing the nature, components, methods of measuring and valuing entrepreneurial orientation and its effect on the innovative behavior of employees, it becomes possible to plan and optimize, control and continuously monitor it in government organizations and also Jihad Keshavarzi, which has an important task in the development of the agricultural sector. .

### Theoretical Foundations of Research

**Entrepreneurial orientation:** The concept of entrepreneurial orientation is not equal to "being an entrepreneur" or "being guided by an entrepreneur". Rather, it is an organizational process that is explained as entrepreneurial activities. Entrepreneurial orientation is considered a window towards the exploitation of lasting competitive advantages, innovation and pioneering for organizations (Basirt et al., 2015).

- Entrepreneurial orientation is a general and stable orientation and shows the company's thoughts, tendencies and interests towards entrepreneurship (Hijazi Taqvai and, 2017).

Entrepreneurial orientation refers to the strategic position of a company or organization that reflects innovation, pioneering, and risk-taking (Kevin, 1998). Lampkin and Dess (1996) also refer to the activities, processes, and decision-making practices that guide the firm in exploring and exploiting new market opportunities and enable them to identify lean and innovative opportunities that promise new financial opportunities.

**Job performance:** Organizational performance is a concept that has been measured and evaluated in countless researches and is related to concepts such as efficiency and effectiveness.

Performance measurement is a tool used to quantify the efficiency and effectiveness of an activity. Efficiency describes how the organization uses resources in the production of services or products, and effectiveness expresses the degree of achievement of organizational goals. On the other hand, organizational performance refers to all the success of the organization that is measured through sales, assets, profits, market value and book value. Therefore, organizational performance shows the extent to which the organization achieves market and financial goals (Nahid et al., 2015).

In 2019, Yuzersky and Broom discussed their employee performance theory based on the dimensions of providing a leadership framework for implementing a strategic plan in the organization. Their theories were based on 3 dimensions. These dimensions include the formation of strategic development, development implementation process and development evaluation. Their argument was that the performance of employees can help the process of implementing strategic development and evaluating it in the organization.

**Innovative Behavior:** Social exchange theory is one of the most effective conceptual models in behavioral studies and is one of the oldest theories in the field of social behavior. This theory is based on the assumption that people look at their relationships with an economic perspective, estimate their costs and compare them with the benefits and rewards that result from them (Safarinia, 2016). Social exchange style is a social psychology point of view that describes social relations as an exchange process between two partners that is based on the concepts of rewards and explanations and resources (Sharifian et al., 2017).

### **An overview of the dimensions of entrepreneurial orientation**

In the research conducted, four dimensions have been proposed to measure the entrepreneurial orientation of people:

#### **innovativeness**

Innovation, as the first dimension of entrepreneurial orientation, refers to the reflection of a company's tendency to engage with new ideas, experiments, and creative processes that may result in new products, services, or processes. Hairshon et al. (2010) state that In order to maintain the company's survival, special attention should be paid to innovation (Basiret et al., 2014).

#### **Risk Taking**

It reflects a company's willingness to engage in risky projects by "heavy borrowing", investing in untested technologies, or introducing new products to new markets. Similarly, the level of accepted risk can change along a wide continuum. Being risk-taking is attributed to companies that can accept important projects with very high costs and not be afraid of failing in them, this certainly requires a lot of investment to apply new technologies. , selling new products and providing new services should be used in the markets, and of course, another point is that such companies should take steps as a leader or pioneer in the market, as founders of new markets. Risk-taking means that companies can be patient and resistant to the return of their money and investments, have and use the very high resources of other companies, and introduce new products in new markets. and spend their capital on unknown technologies and create new opportunities (Mubaraki et al., 2013).

#### **Proactiveness**

The third dimension of entrepreneurial orientation is pioneering and refers to how the company advances strategic plans by anticipating and pursuing new opportunities. In other words, pioneering refers to a company's efforts to outdo others by using new technologies, selling new products and services in markets. Finally, the characteristics of entrepreneurial orientation are often used together to improve the entrepreneurial performance of an organization (Basiret et al., 2014).

### Competitive Aggressiveness

It is a reflection of the company's tendency to strongly and directly challenge competitors to enter the market or improve its position, which means doing better than market competitors in the industry, which is characterized by the degree of responsiveness to competitive threats. Lumpkin and Dess showed that aggressive competition is more important for a company in the late stages of its life cycle than in its early stages. In addition to these companies, with the tendency of aggressive competition, they should have the ability to revise the rules of competition, redefine the boundaries of the industry, achieve the entry advantage and improve the market position. There is an important difference between pioneering and aggressive competition, the former refers to how a firm relates to market opportunities in the process of new entry, while the latter refers to how firms relate to competitors, which is It is about how companies respond to the trends and demands that currently exist in the market (Mubaraki et al., 2013).

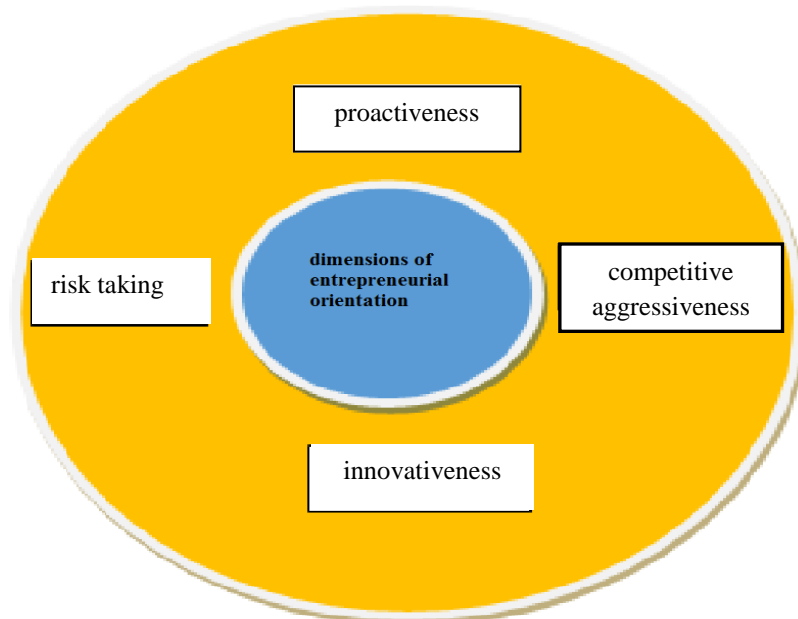


Figure 1. Dimensions of entrepreneurial orientation

### An overview of the dimensions of the company's performance

The performance of the company includes a wide range of results and activities of the company, but if we want to summarize briefly, we can put them in seven categories, which include the following

1. Ability: Refers to the followers' knowledge and skills (of course, the ability to successfully complete a task). The key components of ability are task-related knowledge, task-related analysis, and task-related capabilities;
2. Clarity (understanding or imagining the role): It refers to the understanding and acceptance of the way of work and the place and how to do the work, so that the followers have a complete understanding of the problem, the main objectives and goals, how to achieve these objectives and goals (what When goals are most important for them to be completely clear;
3. Help (Organizational Support): Organizational help is said to be the support that the follower needs to complete the work effectively. Some of the organizational support factors include budget, tools and facilities that are required to complete the task, necessary support from other departments, availability of the product and its quality, and sufficient reserve of human resources;
4. incentive; It refers to the task-related motivation of followers with the motivation to complete the specific task under analysis in a successful way;
5. Evaluation (training and performance feedback): refers to daily performance feedback and occasional rounds. A proper feedback process allows followers to be constantly informed of how much and how much work is being done. If people are not aware of their performance problems, expecting to improve performance is an unrealistic expectation;
6. Validity feedback refers to the appropriateness and legality of the manager's decisions regarding human resources. Managers must make sure that the decisions made about people are appropriate in terms of legal, court and company policies;
7. Environment (Environmental Suitability): It is said that those external factors can affect the performance even with the ability, clarity, support and motivation factors necessary for the job (Rezaei et al., 2017).

**TABLE 1. PERFORMANCE DIMENSIONS OF COMPANIES**

Performance dimensions of companies						
Ability of employe	Understanding or imagining the role	Organizational support	Employee incentives	Evaluation (training and	Credit feedback regarding human	Environmental suitability

### **An overview of the components of organizational innovation**

Today, organizations are successful and can survive in the competitive world if they have the ability to deal with and adapt to the changes and constantly implement new ideas in the organization.

According to Daft, organizational innovation means accepting an idea or behavior that is new for the industry, market or general environment of the organization (Shah Hosseini and Kavousi, 2010).

It can be said that the components of organizational innovation include administrative, production and process innovation. In the following, we will describe each of them.

Productive innovation: Productive innovation provides tools for production that refers to the development and provision of new and improved products and services. In fact, it can be said that the meaning of production innovation is to what extent the organization is the leader in providing new services, allocating financial resources to research and development and such things (Mir Kamali, 2015). The key indicators of measuring this dimension are:

- Being a leader in providing new services (products).
- Trying to develop new services (products) in the form of training people and teams in the organization
- Development of goods (services) for new groups of customers

Process innovation: Process innovation provides a tool in order to maintain and improve quality and save costs and includes adopting new and improved methods of production, distribution or service delivery, in fact, the meaning of process innovation is this To what extent the organization uses new technologies and tests new ways of doing work.

### **A framework for research**

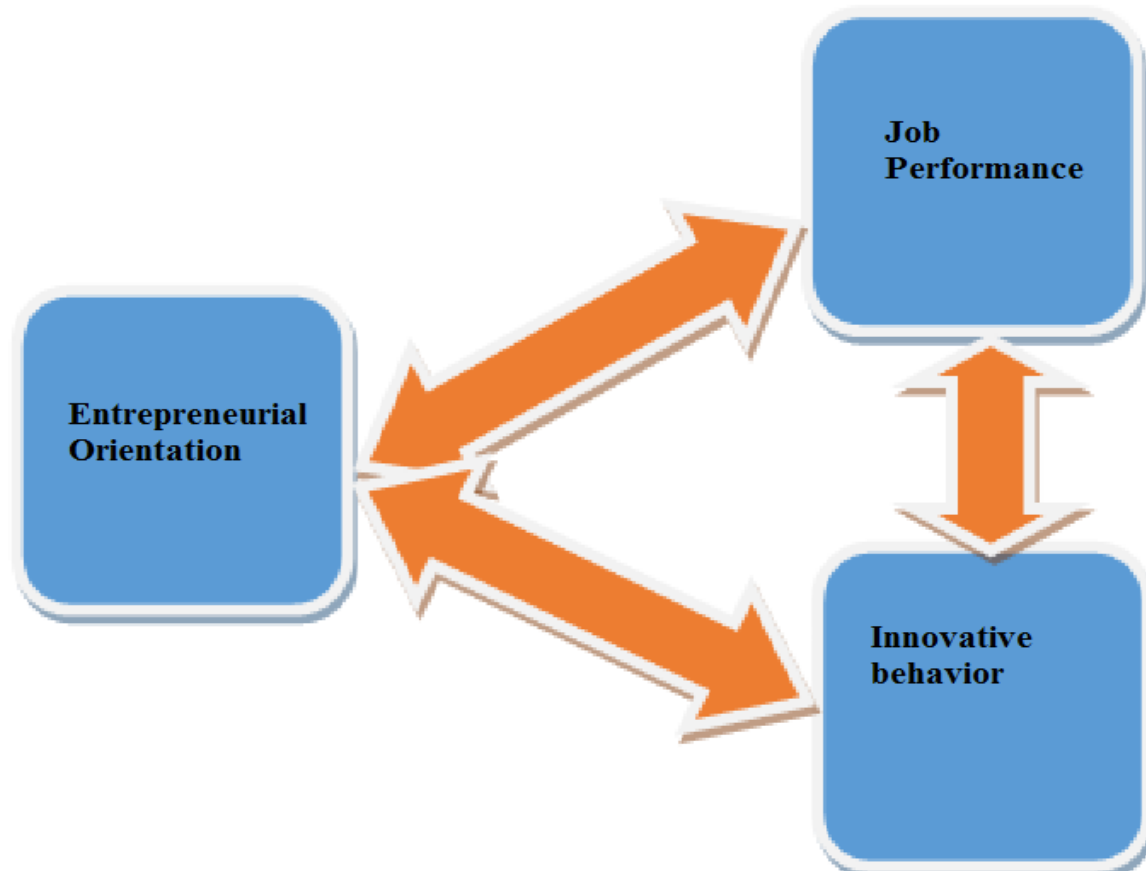
A research was conducted by Dota and Sobel (2018) under the title of entrepreneurship and human capital: the role of financial development. The purpose of this study was to investigate the effect of entrepreneurship and its orientation on the function of human resources in business organizations in the United States. The findings of this study showed that by improving entrepreneurship in organizations, its orientation can be directed according to human resource strategies.

Research by Palmer et al. (2019). It was carried out under the title of the interaction of entrepreneurial orientation and psychological characteristics in explaining the performance of the company. The purpose of this study was to examine the relationship between the personality of company managers and company orientations in a small case in Germany. The findings of the research showed that the integrated view in performance supports the company, because the mastery and self-efficacy of executive managers, in addition to strategic decisions towards entrepreneurial orientation, also act as essential individual factors.

A research titled investigating the effect of entrepreneurial orientation on business performance with the mediating role of innovation capacity (case study: Saipa Company, Mazandaran Province) was conducted by Rahmani and Rezaei (2014), which shows the tendencies toward entrepreneurship and innovative behavior, the hypotheses showed that the tendency to entrepreneurship has a significant and moderate effect on the company's performance and also the innovation capacity can play a strong role as a moderating variable in the relationship between the tendency to entrepreneurship and the company's performance.

Also, a research was conducted by Piraish et al. (2019) under the title of examining the effect of organizational entrepreneurship and entrepreneurial orientation on organizational performance with the mediating role of strategic entrepreneurship in industrial companies of Zanjan province. The results of this research also showed that the variables of organizational entrepreneurship and orientation Entrepreneurship variables were effective on strategic entrepreneurship and strategic entrepreneurship variable had a positive effect on organizational performance. On the other hand, the indirect effect of organizational entrepreneurship and entrepreneurial orientation on organizational performance was also confirmed.

Therefore, according to the relationship between research variables, the research framework can be drawn as follows. In fact, by studying the background, one can understand the triple relationship between the concepts of entrepreneurship, performance and innovation.



**Figure 2, the conceptual framework of the research extracted from the researches of the researchers**

### Summary and Conclusion

According to the research framework, the more an organization has a higher entrepreneurial orientation and the more entrepreneurial tendencies and motivations there are in that organization that make the organization act more entrepreneurially, that organization will have a higher performance and also the more the employees under study have a higher entrepreneurial spirit. Their job performance will also increase. Also, in order to promote flexible behavior, it can be said that organizations can achieve high performance through various strategies and efforts through entrepreneurial orientation and innovative behavior of employees, which leads to continuous growth in times of change. In particular, entrepreneurial orientation and innovative behavior are important for organizations to overcome changes because they are more sensitively affected by environmental changes. . Innovation through entrepreneurial orientation plays a very important role in ensuring competitive advantage in a rapidly changing market environment. In addition, innovation through entrepreneurial orientation can help companies achieve high organizational performance. This shows that organizations with an entrepreneurial orientation

can improve their performance (both financial and non-financial) by inducing innovative behavior in their members. In this context, it is suggested that the managers of the organization should support the organization with a special thematic plan to improve the quality of education in this organization and attract different opinions and suggestions that lead to the emergence of new and sometimes practical ideas in order to improve job performance and by defining and identifying the strengths of the employees. According to the process of changes and educational needs, the organization should try to be a pioneer of this organization.

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