

# The Relationship between Psychological Empowerment of Employees with Corporate Entrepreneurship of Guilan Payamnour University

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## ABSTRACT

The present study had been carried out aiming to study the relationship between psychological empowerment of employees with corporate entrepreneurship 0f Guilan Payamnour University. Given the growing importance of empowerment in organizations, although barriers (structural, behavioral and environmental) has been much in the way of organizations, generally, managers due to lack of a clear concept of empowerment, negative attitudes toward subordinates, fear of losing power and fear being surplus to requirements are avoiding from implementation of empowerment programs in organizations. Human resource development through empowering them in large-scale can be caused entrepreneurship within an organization. The goal of this research is operational and descriptive correlation method is used in this research. The population of this research is 208 experts from the centers of Guilan Payamnour University who 135 one were selected as sample based on Morgan Krejcie table in statiffied-random method. Results showed a significant relationship between psychological empowerment, trust variable has a significant relationship with the corporate entrepreneurship. KEYWORDS: psychological empowerment, corporate entrepreneurship, Guilan Payamnour

University.

## **1. INTRODUCTION**

Features of today's organizations are dynamics and complexity, and ambiguity and tradition aversion and constantly are affected from its surroundings and have been accepted changes as an unavoidable essential. Prediction of changes with relatively reasonable accurate would be difficult. Recognizing this importance that change is an integral and the essence part of the third millennium organizations, compatibility and compliance with the recent developments in various spheres of economic, social will be increase. In order to overcome the uncertain, complex and dynamic condition, the only way managers are facing is enabling the organization and employees through the acquisition of knowledge and skills that quickly becomes outdated and obsolete (Zare et al.2006, 2). Empowerment is one of the most promising concepts in the business world that has been received less attention but now has become the main topic (Abdollahi, 2005, 2). Through empowerment of employees, administrators can really multiply their effectiveness, they and their organizations become more efficient and so they can be other way. However, most managers consider empowerment as skills that should be implemented and experience, but its actual implementation in management today is rarely (Oreyi, 2004, 24). The different social systems today are facing with increasingly complex challenges, changes occur very rapidly. People establish new connections together and different form of compitition is emerging. Entrepreneurship is an ability that can be saved today's' system at this critical point and ensure their survival. Importance of entrepreneurs is because of the value that they are caused by various forms. This value may be the discovery of new knowledge, develop new technology, and improve existing products or services, find different ways to produce goods or services with fewer resources and ... (Pardachtchi and Shafizadeh, 2006, 11). The idea related to corporate entrepreneurship was raised from the mid 1970s (Moghimi, 2005, 19). John Stuart Mill in 1848, equivalent to English (Entrepreneur) adopted for the entrepreneur. He knew entrepreneurship is including direct, supervise, control, and risk taking (Farahani and Flahati, 2007, 70). If the planners, decision makers and employees of universities be entrepreneurship, especially Payamnour University can better understand the opportunities facing the University and able to make more use of existing resources to innovation and resulting in faster growth and are associated with the environment. So in order to accomplish this, organizations should promote entrepreneurial activities and reared entrepreneurial spirit in the decisionmakers and university staff and finally, made entrepreneurial environment in the university.

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Recognizing the importance of psychological empowerment and corporate entrepreneurship in the development of university, researcher while performing this research try to attract University presidents attention to this concepts in Education system in the country. Relying on the opinions of scientists and experts and explain the experiences of other organizations and local and foreign universities, share their ideas and insights into the evolution of management in the Payamnour University staff and enhance the ability of Payamnour University.

## 2. Research problem

Developments in the social environment have also changed the system of knowledge production and consequently the University which is the axis of the system, has changed. Some believe that the origin of these changes is three revolutions in the Internet, digital and entrepreneurship (Fathi, 2010, 120). So to accommodate functions of University with the environment, it seems that University strategy should be changed, consider its original mission to educate entrepreneurs people but to achieve this important because the nature of this goals is naturally change-orientation, University should be at the forefront of dealing with crisis-causing organizational factors, by creative and entrepreneurial exposure to the development of employees (Saedikia, 2003, 119). Corporate entrepreneurship is a process that organization takes up until all of their employees can play a role of entrepreneurs in their duty and continuously, quickly and easily bring to fruition all the individual and collective entrepreneurial activity in the central organization (Samad Aghaee, 1999, 15). Corporate entrepreneurship acts within the organization and extend the structures, attitudes, norms, technologies, services and the current products of the organization or puts on new routes (Hisrich et al. 2003). Given that today organizations to incur unintentionally enormous costs due to lack of staff capacity related to organization (such as costs associated with staff turnover, employee absenteeism and the costs of recruiting and retraining new forces, and...), it seems that psychological empowerment and the increase its rate in organizations, due to provide the appropriate area, lead to benefits for both individuals and organizations and can affect on corporate entrepreneurship of employees, so the researchers followed up to this issue that;

Whether psychological empowerment is a good platform to strengthen the corporate entrepreneurship? In other words, we want to know whether psychological empowerment is a significant relationship with the staff corporate entrepreneurship or not? "

#### 3. Research background

Abdollahi (2005) in a comprehensive study on the psychological empowerment of employees based on structural equation model come to conclude that structure of psychological empowerment of employees consists of five separate dimension, that is competence, autonomy, influence, significance and confidence and cultural differences are associated with psychological empowerment dimensions.

Fathi (2009) to study the relationship between psychological empowerment dimensions with interorganizational entrepreneurship studied the effect of psychological empowerment dimensions on interorganizational entrepreneurship in Tehran information Fanavaran association. The results showed that among the five dimensions of psychological empowerment, a sense of competence had the most influence on entrepreneurial within the organization. Zahedi and others (2009) in analyzing the relationship between psychological empowerment and organizational commitment come to conclude that there is a significant relationship between psychological empowerment and organizational commitment, but the dimensions of competence was significant, and selection was lack of significant relationship between psychological empowerment and organizational commitment and the relationship with organizational commitment was confirmed to be effective. Pardachtchi and Haidari (2006) in reviewing the effectiveness of management in the field for emerging and treating entrepreneurship come to conclude that central Oil Company management in making appropriate bed for indicators of risk, accountability, decision-making power and participation was successful and in creativity and innovation has been unsuccessful. Daivid Seven & Wiklund (2001) in 1986 studied the relationship between freedom action and encouragement from structural factors and organizational procedures and for foster entrepreneurial individuals in the organization believes that if the organization has the following features, will be promoted from low entrepreneurial activities to high entrepreneurial activity: This unit is completely independent and classical, the risk groups is independent from the companies, organizational bureaucracy minimized, and to increase organizational flexibility. Anthiny J vella (2005) studied the effects of environment and atmosphere in the University on the entrepreneurial behavior. He showed a positive attitude to academic entrepreneurship has a positive effect on college campuses. He considers the role of the entrepreneurial environment is very crucial in this area and considers the characteristics of university suitable atmosphere for entrepreneurial as follows:

Management support, honesty, risk, and risk tolerance, reward systems, resources and supportive organizational structure. He believes that University faculty members will play the role of middle managers and are the interface between senior managers and students and understanding and their perception of entrepreneurial atmosphere will have a dramatic effect on faculty entrepreneurial activities.

Skinner John and et al.(2003) in a study entitled " study the relationship between the managers (supervisors) empowerment behavior with a sense of capable subordinates to LMX factor as potential modulators" studied that do empowered behavior of the leaders predicted the subordinates powerful feel. The results showed that empowered behavior of the leaders predicted the subordinates' powerful feel. Lynn-Holdsworth. Susan Cartwrigh (2003) from Management University of Manchester examined the relationship between psychological factors of empowerment with mental and physical health and job satisfaction in a communications center, which in this research achieved this results that Psychological factors of empowerment have a direct effect of on job satisfaction but do not a significant relationship with physical and mental health of workers. Liu and Antia Chia (2007) studied that does the perception of workplace empowerment, is the background for organizational commitment? Results showed that when perception of workplace empowerment increases, organizational commitment has also been developed.

## 4. Research hypothesis

**4.1 The main hypothesis**: There is a relationship between the factors of psychological empowerment and corporation entrepreneurship.

## 4.2 Sub hypothesis:

1 - There is a relationship between feelings of competence and corporate entrepreneurship.

2 - There is a relationship between trust and corporate entrepreneurship.

- 3 There is a relationship between a sense of effectiveness and corporate entrepreneurship.
- 4 There is a relationship between a sense of meaningfulness and corporate entrepreneurship.
- 5 There is a relationship between a sense of autonomy and corporate entrepreneurship.

## **5. METHODOLOGY**

The present research is descriptive which is done in correlation method and its aim is application. The population of this research is 208 experts from the centers of Guilan Payamnour University who 135 one were selected as sample based on Morgan Krejcie table. Also in this study, in order to data collected using standard questionnaires of psychological empowerment factors of Vatan and Kameron and corporate entrepreneurship of Karlan and Ston is used.

#### 6. Findings

Test results of the correlation coefficient between the variables of psychological empowerment and corporate entrepreneurship are given in Table 1.

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Predictor Variable	The criterion Variable	correlation coefficient
Psychological empowerment	corporate entrepreneurship	0/377**
Feelings of competence		0/033
Trust		0/474**
Felt to be effective		0/053
Sense of meaningfulness		0/081
Sense of autonomy		0/068
$D_{*} < 0 / 05$ $D_{*} < 0 / 01$		

P\*<0/05 P\*\*< 0/01

The results of the correlation coefficient indicate that feeling of confidence and psychological empowerment variables, has significant relationship with more than with corporate entrepreneurship.

Table 2. One way ANOVA						
Model	odel Sum of squares Freedom degree Mean square F significance lev					
Regression	2/795	1	2/795	22/087	0/000	
Error	16/831	133	0/127			
Total	19/627	134				

Table 3. Regression coefficients						
Model	Non-standardized coefficients		Standard coefficient			
	В	Standard error of estimate	Beta	Т	significance level	
Constant number	1/138	0/277		4/107	0/000	
psychological empowerment	0/401	0/085	0/377	4/700	0/000	

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	NEBLESSIOH	coefficients
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The coefficients table shows that psychological empowerment variable is able to predict with more than 99 percent confidence entrepreneurship.

Table 4. Summarizes the regression model of predictor variable between psychological empowerment and organizational entrepreneurship

Middel	Multiple correlation	Explanation Coefficient	Allocated Explanation Coefficient	Standard error of estimate
1	0/377	0/142	0/136	0/35

As can be seen in Table, empowerment variable can explain about 14% of variance of corporate entrepreneurship variable.

Table 5. ANOVA table					
Model Sum of squares Degrees of freedom Mean square F significance level					
Regression	4/350	1	4/350	37/992	0/000
Remaining	14/998	131	0/114		
Total	19/348	132			

One-way analysis of variance shows regression analysis. In the next stage, the relationship between predictive variables of psychological empowerment (Sense of competence, self-Organizing feelings, significant feeling, feeling effective, feeling confident) with corporate entrepreneurship are examined.

(F(1,131)=37/99, P<0/01)

Table 6. Predictive variables between psychological empowerment dimension with corporate entrepreneurship variable

Model	Non-standardized coefficients		Standard coefficient		
	В	Standard error of estimate	Beta	Т	significance level
Constant number	1/389	0/171		8/125	0/000
trust	0/347	0/056	0/474	6/164	0/000

Coefficients table only shows significant variables in the regression. The coefficients table shows only confidence variable able to predict entrepreneurship confidence percent with more than 99 percent confidence and other predictive variables, including (Self-efficacy, self-organize, significant, effectiveness) cannot predict significantly entrepreneurship.

Table 7. The output variables					
Model	Beta	Т	Significance level		
Self-efficacy	-0/030	-0/374	0/709		
self-organize	0/070	0/774	0/440		
significant	0/081	0/930	0/354		
effectiveness	0/053	0/606	0/545		

As can be seen in Table, predictive variables of Self-efficacy, self-organize, significant, effectiveness have failed to predict significantly the criterion variable of entrepreneurship.

Table 8. Model summary	I
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Model				
	Multiple correlation	Explanation Coefficient	Allocated Explanation Coefficient	Standard error of estimate
1	0/474	0/225	0/219	0/33

As can be seen in Table, trust variable can predict 0/225 of entrepreneurship. Conformance explained coefficient (0/219) shows that 0/219 entrepreneurship is predicted by confidence variable which is generalized to population.

## The main regression equation

 $y = a + b_{1x1+b2X2+....}$ 

Corporate entrepreneurship=1/138+0/401(psychological empowerment), Corporate entrepreneurship=1/389+0/347(trust)

## Hypothesis testing

## The main hypothesis

There is a relationship between the factors of psychological empowerment and corporation entrepreneurship.

Results showed that with more than 99 percent confidence, there is a relationship between the factors of psychological empowerment and corporation entrepreneurship.

(Beta=0/337 , p<0/01 , t=4/107)

**H1:** There is a relationship between trust and corporate entrepreneurship. Results showed that with more than 99 percent confidence, there is a relationship between trust and corporate entrepreneurship.

(Beta=0/474 , p<0/01, t=8/125)

H2: There is a relationship between self-efficiency and corporate entrepreneurship. Results showed that there is a relationship between self-efficiency and corporate entrepreneurship. (Beta=0-/03, p>0/01, t=-0/374)

**H3:** There is a relationship between self-organizing and corporate entrepreneurship. Results showed that there is a relationship between self-organizing and corporate entrepreneurship.

$$(Beta=0/070, p<0/01, t=0/774)$$

**H4:** There is a relationship between significance and corporate entrepreneurship.

Results showed that there is a relationship between significance and corporate entrepreneurship.

## (Beta=0/081 , p<0/01 , t=0/930)

**H5:** There is a relationship between effectiveness and corporate entrepreneurship.

(Beta=0/053 , p<0/01, t=0/606)

## 7. Conclusion

With regard to the main hypothesis, the results show that there is a significance relationship between the factors of psychological empowerment and corporation entrepreneurship of Guilan Pavamnour staff, that is, whatever the Payamnour University employee enjoy higher grades in psychological empowerment factor, in the field of corporate entrepreneurship are also effective which is conform with Hosseinpour and other (1390). As it became clear, making desirable of organizational factors leading to staff empowerment. Hence it should reward systems, organizational structure, staff access to resources and having clear goals as organizational conditions are so designed that provide the conditions for staff empowerment. Reward system should be based on performance and conditional. Management must by set clear goals and a way to achieve it, will direct staff behavior and conduct them. Challenging goals are motivating in the employees, particularly when the employee has a key role in setting goals. So that organizational goals must properly stated, the final goal of organization must be clear and operated so that the goals be reached, coordinated and achievable. Managers should provide the surface and the condition to do organizational tasks with the strategies and measures such as providing information, empowerment, participative management, team formation and independence to employees, so that to what they want doing with intrinsic motivation. Managers need to control and reduce restrictions and instead of pushing strategies, they use to attract strategies. Managers by employ strategies to attract form organizational environment so that lead inner desire of staff to perform the duties. Since empowerment is a private and internal affair, that is, until people not want anyone can make them capable, managers must have played the role of facilitators and using techniques and management strategies, to provide the conditions to enable staff.

With regard to the first hypothesis, the results show that there is a relationship between feelings of competence and corporate entrepreneurship of Guilan Payamnour University. Psychological

empowerment requires that person may feel the process is working effectively and what happens in his career is from his ideas. High official in the organization is to prevent the formation of such emotion. Focusing on the decision making and referred all questions to the high levels of organizational hierarchy reduced psychological empowerment in individuals which is completely confirm with the structure of Payamnour University. Competence which is from self-efficacy theory (Bandora, 2000) is consisted of personal belief in their ability to fully work. Those individuals who have this sense believe that they have the capabilities necessary to perform their tasks successfully.

With regard to the second hypothesis, the results show that there is a significance relationship between trust and corporate entrepreneurship of Guilan Payamnour University. All options of trust dimension were approved by the research population. Payamnour University staff ensure that they are dealt with fairly, have a sense of personal security, are interested their partners and do not know partners as a threat to each other, so it was expected that this hypothesis is confirmed.

With regard to the third hypothesis, the results show that there is a relationship between a sense of effectiveness and corporate entrepreneurship of Guilan Payamnour University. This findings is conformed to the research of Ashforth (1989) based on positive relationship between the impact and effectiveness of staff and lacking to withdraw from difficult situations and high performance is inconsistent. In the population of the mentioned hypothesis due to the belief that employees can not adequately do their job, and external obstacles is prevent them to work, there was expected to reject this hypothesis. Psychological empowerment requires that person may feel the process is working effectively and what happens in his career is from his ideas. High official in the organization is to prevent the formation of such emotion. Focusing on the decision making and referred all questions to the high levels of organizational hierarchy in the Payamnour University it was expected that this hypothesis was not confirmed.

With regard to the fourth hypothesis, the results show that there is a relationship between a sense of meaningfulness and corporate entrepreneurship of Guilan Payamnour University. Despite what was thought in the research population because employees have a sense of internal control and also they have control over the work, this hypothesis is confirmed but because the staff believes that does not ability to create change and influence the results, and also do not determining how to do things quickly, the hypothesis was not confirmed.

With regard to the fifth hypothesis, the results show that there is no a relationship between a sense of self-organizing and corporate entrepreneurship of Guilan Payamnour University. In the population of this research, among the self-organizing dimension just responsibility was confirm by employees and because the employee believes that have no choice in the work, and have not freedom to organize activities and can not voluntarily be involved in tasks and also because of the centralized and formalized structure in light of the structure of Payamnour University and expected that not confirm this hypothesis.

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