

THE IMPACT OF BUSINESS ENTREPRENEURSHIP ON ORGANIZATIONAL PERFORMANCE: AN EMPIRICAL STUDY AT JORDANIAN TELECOMMUNICATION COMPANIES

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ABSTRACT

This study aims to determine the impact of business entrepreneurship dimensions (management support, organization culture, motivation to innovation and risk taking) on the organizational performance dimensions (ability to expand, relationship and reputation with stakeholders, ability to meet obligations and profitability) in Jordanian Telecommunication companies. The methodology of the study is a descriptive analysis. Questionnaire was designed by the researcher and distributed to (350) employee in Jordanian Telecommunication companies. Statistical Package for Social Sciences (SPSS) software used to analyze the collected data from three telecommunication companies are working in Jordan.

The main result of the study showed that there is a positive statistical impact of business entrepreneurship dimensions (management Support, organizational culture, motivation for innovation, and risk taking) on organizational performance (ability to expand, reputation and relationship with stakeholders, ability to meet obligations and profitability) in Jordanian Telecommunications Companies. The study recommended that Jordanian Telecommunication Companies should give more focusing on business entrepreneurship dimensions and their effects on the organizational performance dimensions and should use the business entrepreneurship as a strategic tool to improve the performance.

Keyword: Business Entrepreneurship, Organizational Performance, Telecommunication Companies.

INTRODUCTION

Today there are many concepts that help the organization to have an environment that could deal with the rapid developments of the economy, technology and management fields which affect the organizational performance (Al-Dajani et al., 2014). One of these concepts is business entrepreneurship which has been taken plenty of interests all over the world for its impact on the development of business and improvement of organizational performance. Business entrepreneurship is about acting to generate new ideas and concepts that create value (Fisher et al., 2020; McMullen & Shepherd, 2006). Business entrepreneurship research is dynamic, and receives growing attention because of its impact on organization performance and for its contribution on economic growth and competitiveness (Soluk et al., 2021).

Business entrepreneurship progression plays a vital role in the strategic growth and sustenance of any business and/or corporate entity (Rifai and Yousif, 2016). Many countries had been actively working to infuse entrepreneurial environment in society to enhance business level outcomes (Abu-Baker, 2014), (Kimmitt et al., 2020). As the twenty-first century unfolds, business entrepreneurship is viewed as a critical pathway to competitive advantage and improved performance in organizations of all types, sizes, and ages (Covin et al., 2000). Evidence has suggested that organizations learned how to facilitate business entrepreneurship in their various forms and performed better than those that do not give attention to the role of business entrepreneurship. Developing and improving business entrepreneurship has become a very critical need and objective (Yousif et al., 2017). Every organization should have a clear and appropriate business entrepreneurship approach. But it depends on the way they are planning to work on it in order to develop and improve its organizational performance (Manzari et al., 2012). Therefore, the problem of the study is stated as (how to measure the impact of business entrepreneurship dimensions on organizational performance dimensions in Jordanian telecommunication companies).

LITERATURE REVIEW

Entrepreneurship Concept

The concept of entrepreneurship first appeared in the economics writings for the economic Irish writer Richard Cantillon from the (1680–1734), he described entrepreneurship as a personality that is ready to begin a new project or establish an organization and taking the whole risk of not being successful (Al-Mubairy, 2014). Many researchers define it as a set of activities for starting-up, developing, planning, organizing, risk management and innovation to balance the growth and continuity, (Fua et al., 2019) (Al-Bala'awi, 2015), (Nasser & Al-Omari, 2011). Business entrepreneurship is a new modern and continues growing concept, but it is expanding rapidly in general. Business entrepreneurship is not a one-man job, it is an organization based on a solid entrepreneurship environment, a strong organized team effort that is motivated through a business entrepreneurship methodology or a plan of work (Abu-Baker, 2014), (Elia et al., 2020). The main requirements for entrepreneurship implementation by any business organization are, (Management support, Organizational culture, Motivation for innovation and Risk taking).

Management Support

Al-Omouh 2020 discussed in his study, which contributes to the central role of supporting top management in today's very dynamic environment and offers new insights into the influence of organizational skills on establishing a sound organizational climate and therefore the establishment of corporate entrepreneurship.

Entrepreneurial management and optimal use of resources in organizations are to direct the way of thinking of employees toward product innovation, services, organizational development and improved processes to fulfill and reach higher performance. Generally, the management plays an important role when they carry their entrepreneurial activities, clearly (Moghaddam et al., 2015; Filion, 2011). Ultimately business entrepreneurship is interlinked directly with management in order to achieve better performance and organizational development. However, business entrepreneurship competence is the more difficult issue, it is

often acquired through experience rather than formal education, and it is revealed mainly by performance on the job (Casson, 2005).

Organizations cannot be an entrepreneurship organization simply by adopting entrepreneurship, to achieve organizational entrepreneurship and ultimately transforming into an entrepreneurial organization, business entrepreneurship management should be adopted thoroughly with all its dimensions, such as a clear strategy for business entrepreneurship and clear support for innovation (Moghaddam et al., 2015). Rifai & Yousif 2016 discussed in their studies the effect of management policy and process on adopting entrepreneurship aspects.

Organizational Culture

Business entrepreneurship should not be limited as a way of opportunity recognition, but rather as a way of cultural perceptions of opportunity (Filion, 2011). In the face of the need to work in and through, business entrepreneurship the organization culture has become a critical dimension, of business entrepreneurship (Stevenson, 2007). Organization culture related to business entrepreneurship is characterized by flexibility, entrepreneurship, innovation, risk-taking, forethought, teamwork, trustworthiness, mutual-trust, competitiveness and customer-oriented support, cooperation, creativity, independence, and responsibility (Moghaddam et al., 2015).

Motivation for Innovation

Entrepreneurial opportunities differ from the larger set of all opportunities for profit, particularly opportunities to enhance the efficiency of existing goods, services, raw materials, and organizing methods, because it requires the discovery of new means-ends relationships (Shane & Venkataraman, 2000). Innovation is a key to business entrepreneurship in an organization and the most important element of success in competition (Moghaddam et al., 2015; Kuratko, 2007). The management should have the motivation to innovate or introduce something new to minimizing the risk of business entrepreneurship. Business organizations believe that innovation is a strong tool to acquire a new finished product (Filion, 2011; Casson, 2005). Innovation is a tool for organizations to grow. Innovation can be viewed as a purposeful and focused effort to achieve a change in the organization (Drucker et al., 2015; Kraus et al., 2019).

The motivation for innovation can happen at all level in an organization, from management teams to departments and even to the level of the individual. More attention should give organizational motivation for innovation because it provides a definite competitive advantage and is critical for organizational survival (Monge et al, 1992; Hage, 1999; Fichman, 2001; Martins & Terblanche, 2003). Many research identified various managerial factors affect the motivation for innovation, one of them is that the innovation process must commence with a strategic intent to provide for a sense of direction for employees (Bate, 2010; Covey, 1993; Martins & Terblanche, 2003; Wong & Chin, 2007). Effective innovation must involve all areas of an organization with the potential to affect every discipline and process, (Bessant et al., 2009).

Risk Taking

Risk taking behavior involves the chance of a beneficial outcome as well as possible negative or harmful consequences (Reniers et al., 2016). Risk taking is a distinct dimension of

business entrepreneurship in organizations and that it is positively associated with reactivity and innovation (Naldi et al., 2007). The willingness of risk taking is believed to be a distinguishing factor for business entrepreneurship (Yurtkorua et al., 2014).

Organizational Performance

The importance of measuring organizational performance arises because it is considered a dependent variable in empirical studies which reflects the effectiveness of the organization, also represents the evaluation step of the organizations purpose for their existence (Talbot, 2010). Whether an organization is a profit or non-profit one, measuring the organization performance is always on their first priority, and for achieving the best performance there had to be a detected process for knowing the variables that affect the organizational performance (Venkatraman, 1986). The performance of an organization is affected by how things are done in the organization (Carew et al., 2010). All organization confronts distinctive difficulties to achieve the best organizational performance.

Ability to Expand

Ability to expand is the relation between output (products) and the input (resources) ratios, however, its definition become more comprehensive and complicated because it seems to rely on the researcher's point of view and the context in which it is used (Pekuri et al., 2011). There is the verbal definition of ability to expand which aims to explain what the concept of ability to expand means since they can work as a norm of what an organization trying to achieve. Also, there is a mathematical definition which used as a performance indicator to improve the ability to expand (Tangen, 2005). This variation in definition made the term ability to expand the most debated issues that are related to performance improvement and activities.

Reputation and Relationship with Stakeholders

As the success of service, organizations are predicated on the ability to develop relationships and build a reputation with key stakeholders, theories of the capital provide a relevant conceptual framework for exploring the use of non-financial capital in building such relationships (Shaw et al, 2008).

Ability to Meet Obligations

Obligations are used to define what each party owes to the other under the terms of the contract, obligations act in accordance with good faith and fair dealing and the obligations to cooperate under a common heading: the general obligations of the parties (Hamzawi, 2013).

Profitability

Firms' ability to earn a profit is necessary for the firm's growth and survival in the marketplace, as profit crucial indicator that reveals the internal and external funds that are allocated and represent the organization performance (Bottazzi et al, 2007), thus it is the main

goal for the company success. Profitability is generally defined as a ratio between revenue and cost and it is a financial relationship influenced by price-factors (Tangen, 2005). Bernolak (1997) defines profitability as output volume times output unit price, over input volume times input unit costs. Profitability is the number one organizational performance dimension used as the dependent variable in 70% of 138 articles. Despite that, profitability is affected by the prices of inputs and outputs, which means it has a productivity component (Tangen, 2005).

METHODOLOGY

The main objective of the study is to measure the impact of business entrepreneurship dimensions (management support, organizational culture, motivation for innovation, and risk taking) on the organizational performance dimensions (ability to expand, reputation and relationship with stakeholders, ability to meet obligations, and profitability) in Jordanian Telecommunication Companies.

The model of the study can be viewed as in Figure 1

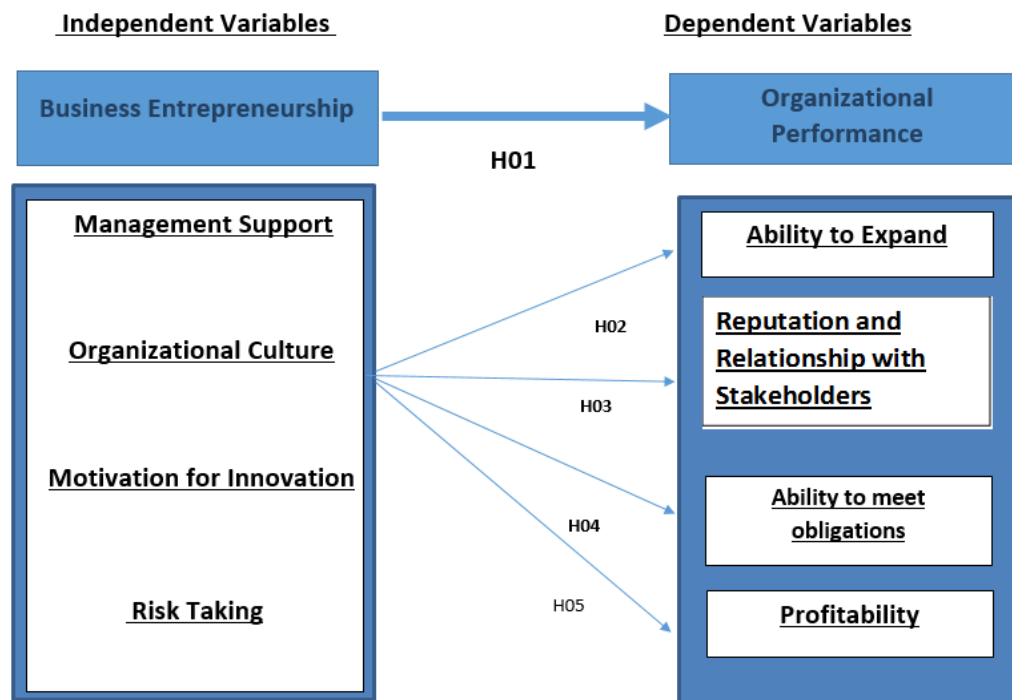


FIGURE 1
THE MODEL OF THE STUDY

Study Hypotheses

The study formulated five main hypotheses as follows:

H₁: *There is no statistical impact of business entrepreneurship dimensions (management support, organizational culture, motivation for innovation, and risk taking) on the organizational performance dimensions*

(ability to expand, reputation and relationship with stakeholders, ability to meet obligations, and profitability) in Jordanian telecommunication companies

H₂: *There is no statistical impact of business entrepreneurship (management support, organizational culture, motivation for innovation, and risk taking) on ability to expand in Jordanian Telecommunications companies*

H₃: *There is no statistical impact of business entrepreneurship dimensions (management support, organizational culture, motivation for innovation, and risk taking) on reputation and relationship with stakeholders in Jordanian Telecommunications companies*

H₄: *There is no statistical impact of business entrepreneurship (management support, Organizational culture, motivation for innovation, and risk taking) on ability to meet obligations in Jordanian Telecommunications companies*

H₅: *There is no statistical impact of business entrepreneurship (management support, organizational culture, motivation for innovation, and risk taking) on profitability in Jordanian Telecommunications companies*

Data Collection

To collect the required data, a three parts questionnaire was designed, its statements were formulated, and then it was evaluated, refereed, modified, tested, finalized, and distributed to the sample individuals. The first part was assigned to the participant's demographic information. The second part was concerned with measuring the business entrepreneurship dimensions, while the third part of the questionnaire was related to the organizational performance dimensions. The Likert five scales measurement was used to quantify the participant's response to the questionnaire's statements. The population of the study is covered all permanent employees in three main telecommunication companies in Jordan, (Orange, Zain, and Umniah). (350) questionnaires were directly handed to the participants, which represent (12%) of (3000) total employees in three companies. (296) questionnaires returned which represent (85%) of distributed questionnaires. Table (1) illustrates the distribution of the questionnaire and return by the company. To classify the importance of the study variables (entrepreneurship dimensions and organizational performance dimensions) according to the respondent's opinions, the averages and the standards deviations for these variables were calculated. Correlation coefficient analysis and multiple regression tests were executed to.

Table 1							
QUESTIONNAIRES DISTRIBUTION							
Intended Company	Number of Employee	Distributed	Distributed %	Received	Received %	Valid	Valid%
Orange	1500	150	10%	122	81%	117	78%
Zain	1000	115	11.5%	98	85%	80	70%
Umniah	500	85	17%	76	89%	72	85%
Total	3000	350	12%	296	85%	269	79%

RESULTS DISCUSSION & CONCLUSIONS

Results Discussion

To classify the study variables (business entrepreneurship dimensions, the organizational performance dimensions)), the averages and the degree of practice for these variables. Table (2) portrays the results of this analysis, which indicate that the independent variable got high score (3.87), while the dependent variable got moderate score (3.49). Correlation coefficient analysis and simple regression tests were executed to test the hypotheses of the research. The results of the test are as in Table 3.

Table 2 SUMMARY OF THE DESCRIPTIVE ANALYSIS FOR INDEPENDENT AND DEPENDENT VARIABLES		
Dimension	Score	Degree of Practice
Independent Variable: Crisis Management Practices		
Management support	4.19	High
Organizational culture	4.12	High
Motivation for innovation,	3.68	High
Risk taking	3.51	Moderate
Total Score	3.87	High
Dependent Variable: Performance of JHS		
Ability to expand	3.67	High
Reputation and relationship with stakeholders	3.60	Moderate
Ability to meet obligations	3.37	Moderate
Profitability	3.33	High
Total Score	3.49	Moderate

Table 3 RESULTS OF HYPOTHESES TEST									
Ho no.	Independent Variable	Dependent variable	R	R²	B	t	Indexed t	Sig	Null results H
Ho1	Business Entrepreneurship	Organizational Performance	0.666	0.441	0.666	14.5	1.96	0.00	Reject
Ho2	Business Entrepreneurship	Ability to Expand	0.530	0.278	0.530	10.2	1.96	0.00	Reject
Ho3	Business Entrepreneurship	Reputation and Relationship with Stakeholders	0.710	0.502	0.710	16.4	1.96	0.00	Reject
Ho4	Business Entrepreneurship	Ability to Meet Obligations	0.632	0.398	0.632	13.3	1.96	0.00	Reject
Ho5	Business	Profitability	0.582	0.337	0.582	11.7	1.96	0.00	

	Entrepreneurship								Reject
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To test the hypotheses, the researcher determined the relationship between the independent variables (four business entrepreneurship dimensions) and the four dependent variables (organizational performance dimensions) to calculate the correlation coefficient (R) and coefficient of determination (R²). To determine the impact of the independent variables on each dependent variable, the regression coefficient was calculated/parameter value in regression, coefficient/slope parameter: β and T-value. The decision of acceptance and rejection of hypothesis based on the Calculated-T value, compared with the indexed T-value (1.96, 0.05) with the sample size of 269, and a 0.05 level of significance. If the calculated T-value is greater than the indexed T-value the null hypothesis is rejected and the alternative hypothesis accepted (Field, 2011). Table 3 shows a positive relationship between the independent variable (business entrepreneurship) and the dependent variable (organization performance) as illustrated by values (R and R²).

CONCLUSIONS

Relying upon the discussion of the statistical analysis results, it would be reasonable to mention that business entrepreneurship is still a critical pathway to improve organizational performance and achieve competitiveness. The study identified four dimensions of business entrepreneurship which are: (management support, organizational culture, motivation for innovation, and risk taking). These four dimensions can be utilized as the foundation of business entrepreneurship in a way to improve four dimensions of organizational performance (ability to expand, organization's reputation and relationship with stakeholders, ability to meet obligations and profitability). In addition, the results have shown that there is a statistically significant impact of business entrepreneurship dimensions, (management support, organizational culture, motivation for innovation, and risk taking) on organizational performance dimensions (ability to expand, organization's reputation and relationship with stakeholders, ability to meet obligations and profitability). This result means that the change in business entrepreneurship dimensions leads to a proportional change in organizational performance dimensions. The results should encourage the Jordanian Telecommunication companies to deal with business entrepreneurship as a strategic tool for improving organizational performance.

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