

Entrepreneurial Culture Arbitrating Portrayal of Creativity

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Abstract - Entrepreneurial culture has been an area of worth investigation in management research for many years since the growth in technology-based business ventures. In the context of businesses, entrepreneurial culture may be described as attitudes, values, skills, and power of a group or individual working in an organization that is characterized by risk. The prime purpose of this study is to examine the effect of openness to change and self-efficacy on entrepreneurial culture with the mediating role of creativity. We have used innovative culture as a substitute to measure the entrepreneurial culture of an organization due to its prognosticator power. Self administered questionnaires were distributed through physical channel among employees of various firms engaged in the information technology business. Specifically, we collected data from all registered firms in the capital city of the Karnataka, thus making an overall sample size of 300 and useable questionnaires that were returned filled for analysis were 225 (useable response rate 75%) employees of various private firms. For the analysis purpose and to explain the relationships among variables and mediational effects, we have used SPSS and AMOS for SEM.

Keywords: Creativity, Entrepreneurial culture, Innovation, Mediating role, Openness to change, Self-efficacy.

I. INTRODUCTION

Since the last few years, entrepreneurial culture has been appearing as a highly noticeable concept in management literature. Entrepreneurial culture has been defined as the attitude, values, skills, and power of a group or individuals working in an institute or an organization to generate income. One must notice that while considering entrepreneurial culture in an organization, innovation is one of the most important elements for its growth and success, so research on the subject is specifically needed in the entrepreneurial context (Kang, Matusik, Kim, & Phillips, 2016). The basic purpose of this study is to measure the openness to change and self-efficacy effect on the entrepreneurial culture with a mediating role of creativity. Many researchers have studied such type of culture from various perspectives, and in this study, the theoretical construct resembles with the Schein's (1985) prototype of organizational culture. Furthermore, the culture created by the entrepreneur is decisive because such type of culture is characterized

by innovativeness and creativeness (Burnes, 1996; Kao, 1989; Nystrom, 1990; Pohlmann, Gebhardt, & Etzkowitz, 2005). Schein (1985) describes that culture in an organization consists of an arrangement of shared, taken-for-granted expectations which can be held by the participants of the institute and imparted to the new and recent participants. In a given context, self-efficacy or self-confidence is based on perceptions of individuals of their expertise and capabilities so that it shows a personality's secret thoughts on whether they have the capacities to perform different tasks assigned to them or not (Bandura, 1997). Although research work on openness to organizational change is infrequent, Miller, Johnson, and Grau (1994) theorized openness to organizational change in the following ways: (1) willingness to support the change and (2) positively upset about the potential effect of change. According to their findings, openness to changes that is being planned by a firm is an essential primary condition

for successful planned change Information and communication technology-based firms are prone to change because most of the innovation and creativity has been observed in these firms; hence, researchers are curious to know whether creativity mediates the relationship in an entrepreneurial culture measured through innovative culture. So, we selected registered IT firms based on information technology due to following reasons: (1) their primary focus is to assure high-quality reassurance as well as governing standards for software development and its focus on innovation and creativity. (2) Their existence is characterized by the highest level of quality software products and services globally that meet customers and user needs, by maintaining their human resources as their principal asset and being responsive to market expectations. We want to know whether creativity mediates the relationship in an entrepreneurial culture as we are measuring it as an innovative culture. The main purpose of this study is to examine the effect of openness to change and self-efficacy on entrepreneurial culture with the mediating role of creativity where entrepreneurial culture is measured through innovative culture.

II. OBJECTIVES OF THIS RESEARCH

1. To find the impact of openness to change on entrepreneurial culture.
2. To find the impact of self-efficacy on entrepreneurial culture.
3. To find the mediating role of creativity in the relationship between openness to change and self-efficacy with an innovative culture.

III. LITERATURE REVIEW

Entrepreneurial activity is accelerated by higher self-efficacy (Carsrud, Brannback, Elfving and Brandt, 2017), but the effect can be inconclusive, and it may or may not always affect performance positively. The recent studies construe that there is a significant positive relation between growth and self-efficacy (Baum, Locke, & Smith, 2001; Baum & Locke, 2004). The firms which are low in entrepreneurial self-efficacy tend to grow slowly and less profitable as compared to the firms in which higher entrepreneurial self-efficacy is observed (Hmieleski & Baron, 2008).

In a given context, self-efficacy or self-confidence can be defined as self-perception of individuals in keeping with their expertise and capabilities. According to this conception, perception indicates an individual's private opinions, either they have the abilities to perceive themselves whether these are important to task routine or not, as well as, the belief that they shall be able to effectively translate those skills into a chosen outcome (Bandura, 1997). A high level of self-efficacy is achieved through repeated performance accomplishments and the overcoming of obstacles through effort and perseverance (Wood & Bandura, 1989). Two major aspects of self-efficacy have been seen that are task- and domain-specific (Bandura, 1997). We can say that a person has high self-efficacy in one area but low self-efficacy in another. Self-efficacy diverges in imperative ways from the concept of "locus of control." Mediating roles of self-efficacy have been analyzed by different studies on performance (Luthans & Ibrayeva, 2006, Limited, 2019). The culture, which the entrepreneurs create, plays a vital role because the culture of an organization is firmly connected to innovativeness and creativeness (Nystrom, 1990; Kao, 1989; Burnes, 1996; Pohlmann et al., 2005). A business-minded person, playing the role of introductors, is dominant in developing and promoting innovation and creativity at work (Shalley & Gibson, 2004).

In their research, Vecchio (2003) reported that business-minded persons are so much confident about their skills and abilities that they overestimate the chance of their success. Thus, the entrepreneurs become deprived of understanding and making effective decisions as the objectivity for the need of change is overcome by the subjectivity of ownership (Conger, 1990). More rottenly, openness to change may reduce in case of a strong relationship with one's business that acts as a barrier for those organizations which are questing for innovative variation. According to Bayraktar (2016), there is a positive relationship between openness to change and entrepreneurial culture. There are many studies that analyzed the relationship of creativity on entrepreneurial culture; for example, Bayraktar (2016) found a positive relation of creativity and entrepreneurial culture. According to Hofstede (2001), culture can be described as a collective indoctrination of the awareness

that has the power to differentiate the members of one group or set of people from another. Observing at the intrinsic features of the entrepreneur, ethnic minority entrepreneurship the whole thing recommends, cultural features of the entrepreneur including education, language, and religion play an important role in developing entrepreneurial abilities and contributing to the survival of the entrepreneur’s business (Altinay, 2008). However, in the reported studies, the researchers did not investigate the combined effect of openness to change and self-efficacy on innovative culture and being creative as a mediator.

IV. REASERCH METHODOLOGY

The population for the study in hand was employees working in different IT firms of Bangalore, which is the major city and capital of Karnataka and the hub of the information technology business. We selected the sample size on the basis of the item to response theory, which includes employees of all registered IT firms in the capital city of Karnataka Province, thus making an overall sample size of 300. Data was collected through questionnaires which were self-administered. Individual employees, managerial and non-managerial, were considered as a unit of analysis. Convenience sampling a kind of non-probability sampling was used, as the exact number of employees was not known. The useable questionnaires out of 300 were 225 which were retained for final analysis, thus making the response rate of 75%. In the final sample out of 225 respondents, 125 were females and 100 were males, 65 of the total respondents were married, and 160 were single whereas the highest response rate is 34.7% from the age group of 20– 24. This profile shows that most of the employees are beginners so enthusiastic at the start of their career. SPSS was used for data entry and basic results while inferential analysis was done using AMOS 22 for structural equation modeling. All the measures used in our study consisted of items with five-point Likert scales ranging from 1 = strongly disagree to 5 = strongly agree.

Control variables

Age and gender were used as control variables

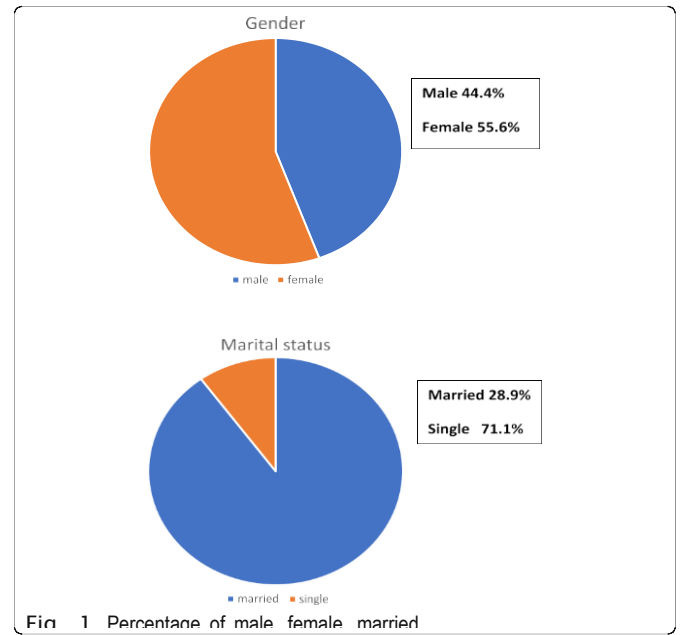


Figure (1) represents the demographic profile of respondents according to their gender and marital status. We can see 55.6% percent are females engaged in IT sector of Pakistan. On the other hand 71.1% respondents are single in IT sector which indicates that most of them are mid career or initiators in their jobs. It has been given in Fig. 1. On the other hand Fig. 2. represents the age of respondents in which we can see that respondents with highest frequency belongs to age group 20-24.

V. RESULTS AND ANALYSIS

Demographics

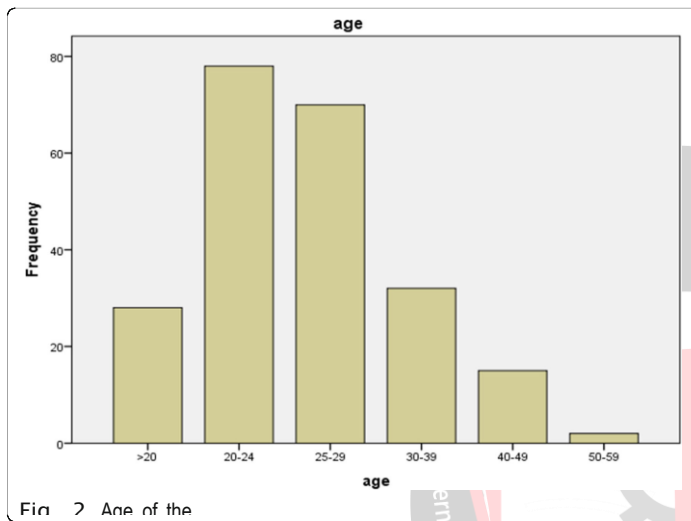
Correlation matrix

Table 1 Correlation matrix

	1	2	3	4
Openness to change	1	0.754**		
Creativity		1		
Innovative culture	0.619**	0.747**	1	
Self-efficacy	0.560**	0.614**	0.653**	1

Table 1 shows a correlation among variables. Openness to change is significantly related to creativity at $r = 0.754$, so there is a highly significant linkage between openness to change and creativity. Openness to change is significantly related to the innovative culture at $r = 0.619$, so there is a highly significant linkage between openness to change

and innovative culture. Openness to change is significantly related to self-efficacy at $r = 0.560$, so there is a highly significant linkage between openness to change and self-efficacy. Creativity is significantly related to the innovative culture at $r = 0.747$, so there is a highly significant linkage between creativity and innovative culture. Creativity is significantly related to self-efficacy at $r = 0.614$, so there is a highly significant linkage between creativity and self-efficacy. An innovative culture is significantly related to self-efficacy at $r = 0.653$, so there is a highly significant linkage between innovative culture and self-efficacy.



Measurement and structural model

We have developed and validated our measurement model that explores the relationship between the latent variables and their items of measure to test if our model is a good fit, and then, we ran our data on the structural equation model to see the relationship between latent variables. In order to perform structural equation modeling, there are two stages: first, we develop and validate the model in measurement modeling, and then, we ran the data on structural equation modeling. There were 34 questions in our model which were related to self-efficacy, innovative culture, creativity, and openness to change. In order to fit our model, we have removed some questions which have less value than 0.300 in standard regression weights

VI. DISCUSSION

There are many studies that analyzed the relationship of creativity on entrepreneurial

culture, e.g., Bayraktar (2016) find a positive relation of creativity and entrepreneurial culture. Our result is similar to the previous study. More rottenly, openness to change may reduce in case of a strong relationship with one's business that acts as a barrier for those organizations which are questing for innovative variation.

Bayraktar (2016) has found that there is a positive relationship between openness to change in an entrepreneurial culture. Our result is similar to previous studies and is significant. Entrepreneurial activity is motivated by higher self-efficacy (Carsrud, Brannback, Elfving and Brandt, 2017), but the effect can be different, and it may or may not always affect performance positively. Its results are very much alike with recent studies that there is a significant positive relation between growth and self-efficacy

VII. CONCLUSION

The purpose of our study was to discuss the factors that affect entrepreneurial culture, so we have used openness to change and self-efficacy as factors that affect entrepreneurial culture and we have used a mediator which is creativity as to see whether it mediates the relationship. The findings clearly report that there is a significant direct relation among variables as openness to change and self-efficacy have impact on entrepreneurial culture without a mediator. There is a significant indirect relation as with the presence of mediator creativity. Our paper is not without any limitations as we have collected data from one company. We have used the questionnaire as the primary data collection technique; further research can use qualitative techniques also. We have measured entrepreneurial culture with a variable called innovative culture, but further research can use some other factors or variables measuring entrepreneurial culture. The items used in this study were less. We have used SPSS AMOS; further research can use some other software to discuss results. Researchers may also study the longitudinal effects of firms, as we have targeted the registered IT firms, so future research can be done on other industries like tourism and hotel management and automotive industry.

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