Analysis of the Impact of Organizational Culture and Social Capital on Organizational Entrepreneurship of the Personnel of Kermanshah's Razi and Iraq's Babel Universities

Nader Naderi*
Assistant Professor, Department of Management and Entrepreneurship, Razi University, Kermanshah, Iran
*corresponding author

Bijan Rezaee
Assistant Professor, Department of Management and Entrepreneurship, Razi University, Kermanshah, Iran

Habib Jafari
Assistant Professor, Department of Statistics, Razi University, Kermanshah, Iran

Thanaa Abdul Kareem
M.A. student, Department of Management and Entrepreneurship, Razi University, Kermanshah, Iran

Abstract

The present paper aims at studying the impact of organizational culture and social capital on organizational entrepreneurship of the personnel of Iraq's Babel and Kermanshah's Razi Universities. The methodology is descriptive-Survey with respect to the purpose of the study. The statistical society of the study contains 509 personnel of Iraq's Babel and Kermanshah's Razi Universities, 219 of which selected as the sample of the study through stratified random sampling. Robins' Organizational Culture, Onagh's Social Capital and Margrit Hill's Organizational Entrepreneurship questionnaires were the data collection tools. Using Chronbach’s Alpha Ratio the consistency of the questionnaires were computed 95%, 91% and 96% respectively for Organizational Culture questionnaire, Social Capital questionnaire and Organizational Entrepreneurship questionnaire. This paper addresses the impact of organizational culture and social capital on organizational entrepreneurship. Lisrel software was used to analyze the gathered data and SPSS21 was used to analyze the hypotheses of the study. The paper comes to the conclusion that in Iraq's Babel University, organizational culture and social capital have meaningful positive impact on organizational entrepreneurship. On the contrary, according to the results, social capital has no impact on organizational entrepreneurship in Kermanshah's Razi University. However, it has positive meaningful impact on organizational entrepreneurship indirectly and through organizational culture. Finally, it should be noted that with regard to t-test results, there is meaningful difference between the mean of social capital, organizational culture and organizational entrepreneurship among the personnel of Iraq's Babel and Kermanshah's Razi Universities.

Keywords: Organizational Culture, Social Capital, Organizational Entrepreneurship, Iraq's Babel University.
Introduction

Considering world's current situation, organizations should strive to improve their productivity in order to survive, meet the needs of their customers and satisfy them. One of the concerns of the managers of the organizations is the methods through which they can develop their organization and increase its functionality. Social capital is one of the most recent capital theories which is more metaphorical than the other ones and less objective. It is a set of valuable reserves and resources naturally existing in social relations among group members in society's social organization. Organizational culture shapes the behavior of the personnel of every organization. Since organizational culture has a great influence on the behavior of the managers and personnel of all levels in an organization, it makes them undoubtedly able to influence the capability of the organization to change its strategic policy. Entrepreneurship is one of the main factors in nowadays world which leads to social and economic growth. Organizational entrepreneurship as well, develops the current structures, approaches, norms, products and services within an organization.

In the beginning of the third millennium, one of the most important notions influencing human lives is entrepreneurship and innovation which are the basis of change and transition. In this regard, individuals, organizations, and societies who cannot keep pace with such change would be stopped and destroyed (Taheri, et al. 2010). Organizational entrepreneurship as a factor influencing the function is the procedure of creating a new element with new value by using time, resources, risk and other factors (Horwitz, Brockhaus, 2009). In fact, entrepreneur firms and individuals keep pace with the changes and try to discover and make benefit of the opportunities created in the course of the changes (Baron, Jeffrey, 2010). Organizational culture can be related to innovative activities and entrepreneurship in an organization. It defines four aspects including hypotheses, values, beliefs and behavioral norms. Such classification of the values, beliefs and norms is directly influenced by how people take part in interactions and carry out their organizational duties (Chenot, 2007). Culture could also be defined as motives, values, beliefs, identities and common interpretations or meanings of important events resulting from the common experiences of the members. Organizational culture defining the identity of each organization is regarded as a set of instructions in order to reach to a successful future (Rao, 2009). The recent studies have shown that social capital plays an important role in entrepreneurship and entrepreneurs should use a particular pattern of social capital in order to succeed. In this respect, the notion of social capital is used to study the network of social relations. Social capital is among the new notions practiced vastly in sociology and economics, and most recently in organizational management and refers to informal norms increasing the cooperation between two individuals or among group members. Social capital can be gained through long time and people with high social capital are rare resources; since they have more capabilities to solve the problems (Aghaz et al., 2011). As a matter of fact, with regard to the important role of the personnel with high social culture and recognizing the factors which increase organizational entrepreneurship and pave the path to achieve organizational goals, making use of individuals with high social capital can be one of the effective factors. Therefore, the present paper aims at figuring out whether organizational culture and social capital have any impact on organizational entrepreneurship in Iraq's Babel and Kermanshah's Razi Universities.

In every society, universities are considered as the key element of economic, social and cultural growth and their scope of activities is not limited to education, but, individuals’ evolution and growth is of their main duties. Razi University is highly potential in this respect; it employs personal with higher education in specialized majors who are precious resources to improve the values and increase the functionality. Assessing the concept could be of great use to increase...
functionality and effectiveness as well as providing a new perspective on the role of social capital and organizational culture in organizational entrepreneurship.

Literature Review

- Alvani and Abdullahpoor (2008) in their paper “The Role of Social Capital in Organizational Entrepreneurship” address social capital in order to understand entrepreneurship and study the various aspects of social capital. This paper declares that structural capital is one of main aspects of social capital and has an influence on entrepreneurship.
- Ghahremani (2010) carries out a research “The Study of Organizational Culture and Its Relationship with Organizational Entrepreneurship from the Viewpoint of Non-Faculty Personnel in Shahid Beheshti University”. It is concluded that there is a meaningful relationship between organizational culture and organizational entrepreneurship in Shahid Beheshti University.
- Sadeghzade and Vali Nataj (2012) study the impact of social capital on organizational entrepreneurship in industrial companies in Babolsar and conclude that there is a positive meaningful relationship between social capital and its aspects and organizational entrepreneurship. It is also figured out that all aspects of organizational entrepreneurship are influenced by aspects of social capital.
- Talebi (2015) in a research “The Relationship between Emotional Quotient and Organizational Entrepreneurship with Capital as the Intermediary” come to the result that there exist a meaningful relationship between Emotional Quotient and social capital, however there is no meaningful relationship between social capital and organizational entrepreneurship.
- Jaskyt’s paper (2004) “The change in the Leadership, Organizational Culture and Innovation in Non-Profit Organizations” shows that the relationship between the leadership and organizational culture is among the most important factors in order to understand how leadership and organizational entrepreneurship work. Nowadays in order to achieve their goals in the current complicated, dynamic, insecure and competitive environment, organizations are in real need of organizational and technological innovations which can be gained through entrepreneurship strategies (Seifi 2010).
- Abd whaiiba (2004) in a study addressing the organizational culture and creativity atmosphere in Egypt’s educational institutes figure out that there exists a negative supervising culture in educational institutes and lack of an encouraging and innovation-supportive organizational culture deprive such institutes from creativity growth.
- Al- sharpen (2007) in his research titled “Organizational Culture and Its Role in Creativity Management in the University of Saudi Arabia” comes to the conclusion that the dominant culture in the University of Saudi Arabia is a positive strong culture which encourages creativity, cooperation and partnership and enhances the spirit of entrepreneurship (Akasheh, 2008).
- Zhang (2012) in his paper “The Relationship between Organizational Culture, Structure and Strategy and Organizational Effectiveness and Development of Entrepreneurship in Organizations” declares that among factors of organizational cultures, structure and strategy organizational culture is a more important factor to achieve success in knowledge management and improve the innovative function.
- Rashidi, et.al. (2013) in“The Study of the Relationship between Social Capital and Organizational Entrepreneurship; A Case-Study: Kermanshah Azad University” understand that there exists a positive meaningful relationship between social capital and organizational entrepreneurship of the personnel and faculty of Kermanshah’s Azad University.
Muge (2014) in a study addressing the impact of organizational culture on organizational entrepreneurship in an enterprise in Turkey concludes that organizational culture has positive impact first on organizational entrepreneurship and then on innovation. Moreover, there is a relationship between aspects of organizational culture and organizational entrepreneurship. As a matter of fact, organizational culture plays a strategic role.

Badsar et.al. (2015) in their research “The Study of the Impact of Social Capital on Organizational Entrepreneurship in Kerman Province’s Consulting Enterprise” come to the conclusion that the structural aspect of social capital has an indirect impact on organizational entrepreneurship through cognitive aspects and cognitive aspect has an indirect impact on organizational entrepreneurship through communication aspect.

**Theoretical Framework and Conceptual Model**

The theoretical framework of the present study is the conceptual pattern based on theoretical relationships between the factor and variables influencing the subject of the study. The variables include organizational culture and social capital as the independent variables and the organizational entrepreneurship as the dependent variable. Model of the research is designed and carried out with respect to the variables under study. None of the undergone researches so far has studied all the three variables simultaneously. The conceptual model presented in this study is a combination of Robins’ Model (1996) of organizational culture, World Bank’s structural relation model (2008) of social capital and Margrit Hill’s Model (2003) of organizational entrepreneurship.

![Conceptual Model](image-url)
Purpose of the Study

- Studying the impact of organizational culture and social capital on organizational entrepreneurship of the personnel of Iraq’s Babel and Kermanshah’s Razi Universities.

Research Hypotheses

1. Organizational culture and social capital have impact on organizational entrepreneurship of the personnel of Iraq’s Babel University.
2. Organizational culture and social capital have impact on organizational entrepreneurship of the personnel of Kermanshah’s Razi University.
3. There is a difference between the mean of organizational culture of the personnel of the Iraq’s Babel and Kermanshah’s Razi Universities.
4. There is a difference between the mean of organizational entrepreneurship of the personnel of the Iraq’s Babel and Kermanshah’s Razi Universities.
5. There is a difference between the mean of social capital of the personnel of the Iraq’s Babel and Kermanshah’s Razi Universities.

Methodology

With regard to the purpose, the present study is considered applied and the approach is quantitative. In order to assess the quantitative indicators of the study which mostly address the existing attitudes in an organization, the survey Approach is employed and in order to gather information “Document Analysis” approach is employed.

Reviewing the previous foreign and local publications related to the present paper, elements of the research were defined and the conceptual model was provided. Data gathering was carried out via questionnaires. In this step, the statistical society consists of 509 personnel of Iraq’s Babel University. Since the statistical society is finite, ample size determination and Morgan chart were used. Using Morgan chart, the number of samples reduced to 219 participants and sampling method was stratified random sampling. In accordance to the purpose of the study and in order to test the hypotheses 3 questionnaires of Robins; (1996) organizational culture including 56 questions, Onagh’s (2005) social capital including 27 questions and Margrit Hill’s (2003) organizational entrepreneurship including 48 questions were employed. For the final assessment of the questionnaires, Cronbach’s Alpha Ratio were calculated 95% for organizational culture questionnaire, 91% for social capital questionnaire and 96% for questionnaire. Regarding the results, the mentioned questionnaires’ consistency is acceptable. Data was analyzed by SPPS21. The present paper used descriptive statistics and inferential statistics including Normality Test and Lisrel software was used to overall analysis of the data.

Findings

- Demographic Features
With regard to the gender, 61.2% of the participants were Females and 38.85 of them were males; mostly (47.9%) 36-45 years old. 55.3% of the participants had Bachelor's degree and 46.1% of them had more than 15 years of experience.

- Kolmogorove-Smirkov Test
With reference to Table 1, since the level of significance of Kolmogorove-Smirnov Test for organizational entrepreneurship dependent variable is 0.834 which is clearly more than 0.05, it could be concluded that organizational entrepreneurship variable has normal distribution. Thus, parametric statistical methods could be used to study the hypotheses of the present paper.

Table 1. Normality Test of Dependent Variable (Kolmogorov-Smirnov)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Z Kolmogorov-Smirnov</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Entrepreneurship</td>
<td>219</td>
<td>3.2413</td>
<td>0.63728</td>
<td>0.622</td>
<td>0.834</td>
</tr>
</tbody>
</table>

In the present paper, the research hypotheses are being studied via path analysis.

**Hypothesis 1:** Organizational culture and social capital have impact on organizational entrepreneurship of the personnel of Iraq's Babel University.

Elements related to organizational culture were introduced to Lisrel respectively as: pharhang1, pharhang2, ..., parhang9. Elements related to social capital were introduced to Lisrel respectively as: sarmaye1, sarmaye2, ..., sarmaye7. Elements related to organizational entrepreneurship were introduced to Lisrel respectively as: karafarini1, karafarini2, ..., karafarini6. In addition, elements of organizational culture, social capital and organizational entrepreneurship were introduced to Lisrel respectively as: F1, F2 and F3 as hidden variables. First, the suitable structure was fitted to Babel University's data and the concluded results were analyzed. Figure 2 shows the fitted model. In Lisrel there exist indexes used to assess the propriety of the fitted model. In Table 2 some of these indexes are reviewed.

![Figure 2. Babel University Structure & Estimated Parameters](http://www.ijhcs.com/index.php/ijhcs/index)

Table 2. Model's Fitting Index
With regard to the quantity of Model's efficiency index in Table 2. Fitted Model of Figure 2. has efficiency of 0.05% which is significant. Thus, a reference is needed to show why the Model is appropriate according to Table 2. Considering Figure 2 three measuring model and one structural model were fitted to the data. Estimation of effective parameters is shown in Figure 2.

In the mentioned structural model, there is correlation between the variances of elements error which is shown in Figure 2 with a two-headed arrow. Results show that there could be three possible values: first, the value which is the calculation of the correlation between elements. Second, the value within the parenthesis which shows the estimated standard deviation. And the third one which is the statistic of t-student with hypothesis for no-correlation between elements. With regard to the statistic, all the correlations shown in Figure 1 are meaningful. As it could easily be noticed, the highest correlation is between elements of Risk Acceptance and Noticing Details. Then, between Trust and Networks and then between Networks and cooperation. Calculation of the parameters of the structural model is shown in Table 3 which clarifies the impact of organizational culture and social capital on organizational entrepreneurship. Table 3 explains that organizational culture has greater impact on organizational entrepreneurship than social capital.

<table>
<thead>
<tr>
<th>Calculation of the Parameters</th>
<th>Standard Deviation of the Parameter</th>
<th>Statistic of Null Path Test</th>
<th>Coefficient of Determination</th>
<th>Variance of Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>0.67</td>
<td>0.078</td>
<td>8.63</td>
<td>0.47</td>
</tr>
<tr>
<td>Social Capital</td>
<td>0.15</td>
<td>0.065</td>
<td>2.33</td>
<td></td>
</tr>
</tbody>
</table>

**Hypothesis 2:** Organizational culture and social capital have impact on organizational entrepreneurship of the personnel of Razi University.

Like the first hypothesis the structural model related to Razi University was fitted to the data to be analyzed. However, unlike Babel University’s structure, it was not meaningful. That was why other structures were analyzed and it finally was figured out that social capital has no direct impact on organizational entrepreneurship, but influences it indirectly and through organizational culture. Accordingly, with 1 unit increase in organizational culture, organizational entrepreneurship
increases 0.71% and with 1 unit increase in social capital, organizational entrepreneurship increases 0.48%. Results are shown in Tables 4, 5 and 6 in details. Figures 3 and 4 clarify model’s efficiency in details and consequently efficiency of the model is confirmed.

Figure 3. The Calculation of the Parameters of Structural Equations of Razi University
Figure 4. P-Value Statistic

Table 4. The Calculation of the Parameters in Structural Model of Organizational Culture and Social Capital

<table>
<thead>
<tr>
<th>Parameter’s Calculation of Path</th>
<th>Parameter’s Standard Deviation</th>
<th>Statistic Value of Null Path Test</th>
<th>Variance of Error</th>
<th>Coefficient of Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2</td>
<td>.67</td>
<td>.14</td>
<td>4.96</td>
<td>.55</td>
</tr>
</tbody>
</table>

Table 5. The Calculation of the Parameters in Structural Model of Organizational Culture and Organizational Entrepreneurship

<table>
<thead>
<tr>
<th>Parameter’s Calculation of Path</th>
<th>Parameter’s Standard Deviation</th>
<th>Statistic Value of Null Path Test</th>
<th>Variance of Error</th>
<th>Coefficient of Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>.71</td>
<td>.15</td>
<td>4.75</td>
<td>.49</td>
</tr>
</tbody>
</table>
In fact, Table 3 shows the overall impact of social capital on organizational entrepreneurship calculated by multiplying 0.67% and 0.71%.

**Hypothesis 3:** There exist meaningful difference between the mean of the organizational culture of the personnel of Iraq’s Babel University and Kermanshah’s Razi University.

Before using t-student test in order to compare the mean of the two independent samples, the hypothesis of equality or homogeneity of the variances of the two societies is studied. Table 7 shows that considering the p-value, the hypothesis of equality or homogeneity of the variances of the two societies is confirmed at error level of 0.05.

### Table 7. Variance Homogeneity Test

<table>
<thead>
<tr>
<th>F Statistics Value</th>
<th>Nominator’s Degree of Freedom</th>
<th>Denominator’s Degree of Freedom</th>
<th>p-value for 2 Societies’ Variance Ratio =1 Test</th>
<th>Confidence Interval 0.95% for 2 Societies’ Variance Ratio</th>
<th>Calculation of 2 Societies’ Variance Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1246</td>
<td>165</td>
<td>52</td>
<td>.633</td>
<td>(.702,1.71)</td>
<td>1.124</td>
</tr>
</tbody>
</table>

Supposing that the two societies’ variances are equal and the distribution is normal, the test of equality of the mean of the two societies can be carried out.

With respect to the hypothesis of equality of the variances, Table 8 shows that there exists a meaningful difference between the means of the organizational culture of the two universities at error level of 0.05, as; the mean of organizational culture of the personnel of the Iraq’s Babel University is higher than that of the personnel of Kermanshah’s Razi University.

### Table 8. 2 Societies’ Means Equality Test

<table>
<thead>
<tr>
<th>T Statistics Value</th>
<th>Degree of Freedom</th>
<th>p-value for 2 Societies’ Means</th>
<th>Confidence Interval 0.95% for 2 Societies’ Mean</th>
<th>Babel University’s Mean</th>
<th>Razi University’s Mean</th>
</tr>
</thead>
</table>
Hypothesis 4: There is a meaningful difference between the mean of organizational entrepreneurship of the personnel of the Iraq’s Babel and Kermanshah’s Razi Universities.

Table 9 shows that the hypothesis of equality of the variances of the two societies is confirmed with error level of 0.05.

Table 9. Variance Homogeneity Test

<table>
<thead>
<tr>
<th>F Statistics Value</th>
<th>Nominator’s Degree of Freedom</th>
<th>Denominator’s Degree of Freedom</th>
<th>p-value for 2 Societies’ Variance Ratio =1 Test</th>
<th>Confidence Interval 0.95% for 2 Societies’ Variance Ratio</th>
<th>Calculation of 2 Societies’ Variance Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.344</td>
<td>165</td>
<td>52</td>
<td>.215</td>
<td>(.839,2.043)</td>
<td>1.344</td>
</tr>
</tbody>
</table>

Supposing that the two societies’ variances are equal and the distribution is normal, Table 10 shows that there exists a meaningful difference between the means of the organizational entrepreneurship of the two universities at error level of 0.05, as, the mean of organizational entrepreneurship of the personnel of the Iraq’s Babel University is higher than that of the personnel of Kermanshah’s Razi University.

Table 10. 2 Societies’ Means Equality Test

<table>
<thead>
<tr>
<th>T Statistics Value</th>
<th>Degree of Freedom</th>
<th>p-value for 2 Societies’ Means Equality</th>
<th>Confidence Interval 0.95% for 2 Societies’ Means</th>
<th>Babel University’s Mean Calculation</th>
<th>Razi University’s Mean Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.240</td>
<td>217</td>
<td>.00138</td>
<td>(.124,.512)</td>
<td>3.318</td>
<td>2.999</td>
</tr>
</tbody>
</table>

Hypothesis 5: There is a meaningful difference between the mean of social capital of the personnel of the Iraq’s Babel and Kermanshah’s Razi Universities.

Like the analysis of hypotheses 3 and 4 and with respect to Tables 11 and 12 the two societies’ variances were equal with error level of 0.05. At the same level of error, there is meaningful
difference between their means of social capital, as; the mean of social capital of the personnel of the Iraq’s Babel University is higher than that of the personnel of Kermanshah’s Razi University.

Table 11. Variance Homogeneity Test

<table>
<thead>
<tr>
<th>F Statistics Value</th>
<th>Nominator’s Degree of Freedom</th>
<th>Denominator’s Degree of Freedom</th>
<th>p-value for 2 Societies’ Variance Ratio = 1 Test</th>
<th>Confidence Interval 0.95% for 2 Societies’ Variance Ratio</th>
<th>Calculation of 2 Societies’ Variance Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.251</td>
<td>165</td>
<td>52</td>
<td>.348</td>
<td>(.781, 1.902)</td>
<td>1.251</td>
</tr>
</tbody>
</table>

Table 12. 2 Societies’ Means Equality Test

<table>
<thead>
<tr>
<th>T Statistics Value</th>
<th>Degree of Freedom</th>
<th>p-value for 2 Societies’ Means Equality</th>
<th>Confidence Interval 0.95% for 2 Societies’ Means</th>
<th>Babel University’s Mean Calculation</th>
<th>Razi University’s Mean Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.244</td>
<td>217</td>
<td>.025</td>
<td>(.033, .508)</td>
<td>3.248</td>
<td>2.98</td>
</tr>
</tbody>
</table>

Conclusion

Studying the structural model of Babel University, it can be concluded that organizational culture and social capital has significant impact on organizational entrepreneurship. According to Table 3, organizational culture has greater impact on organizational entrepreneurship of the personnel of Babel University. In other words, if the impact of social capital remains unchanged, 1 unite of change in organizational culture leads to 67% change in organizational entrepreneurship. However, if the organizational culture remains unchanged, 1 unit of change in social capital leads to 15% change in organizational entrepreneurship. Moreover, with regard to the statistic related to null path hypothesis, the meaningfulness of the path and consequently meaningfulness of the structural model for Iraq’s Babel University can be confirmed. Thus, the first hypothesis of the research is proven. The result is in accordance and confirms the researches of Sadeghzadeh et.al. (2012), Alvani and Abdulahpour (2008), Rashidi et.al. (2013) and Muge (2014).

Studying the structural model of Razi University and the results of Tables 4, 5 and 6, with regard to the statistic of null path test, the meaningfulness of the path is confirmed. In Razi University’s structural model, the impact of social capital on organizational culture and the impact of organizational culture on organizational entrepreneurship could be studied, as well. Social capital has no direct impact on organizational entrepreneurship but influences it indirectly and through organizational culture.
Accordingly, with 1 unit increase in organizational culture, organizational entrepreneurship would experience 0.71% increase and with 1 unit increase in social capital, organizational entrepreneurship would experience 0.48% increase. In Figures 3 and 4, model efficiency index is shown and efficiency of the provided model is confirmed, as well. The result is in accordance and confirms the researches of Ghahremani (2010), Muge (2014), Abd whaiba (2004). It is also in accordance and confirms the researches of Talebi (2015) and Badsar et.al. (2015).

In Table 7, the hypothesis of homogeneity of the variance of both societies is confirmed. In Table 8, with regard to P-Value of the test, the hypothesis of equality of the mean of the two societies is meaningfully rejected with 5%. Therefore, it can be undoubtedly understood that the mean of organizational culture in Babel University is more than that of Razi University. In Table 9, the hypothesis of homogeneity of the variance of the two societies is accepted. Considering Table 10, the hypothesis of equality of the mean of the two societies is rejected. It can also be concluded that the mean of organizational entrepreneurship in Babel University is more than that of Razi University. Considering Table 11, hypothesis of the equality of the variances is confirmed, and with respect to Table 12, hypothesis of the equality of the mean of the two societies is rejected. It should also be noted that Babel University’s mean of social capital is more than that of Razi University.

Scrubbing the hypotheses and conclusions, it could be noted that organizational culture and social capital have positive meaningful impact on organizational entrepreneurship of the personnel of Babel University. Organizational culture has direct positive impact on organizational entrepreneurship of the personnel of Razi University. In addition, social capital has indirect impact on organizational entrepreneurship of the personnel of Razi University. Using Compare Means Test, it could be figured out that there is meaningful difference among three factors of social capital, organizational culture and organizational entrepreneurship in Iraq’s Babel University and Kermanshah’s Razi University. The means of all three factors are higher for Babel University and the hypotheses of the research are confirmed.

The culture which supports purposeful change, risk, innovation and new ideas at all levels of an organization, increases the organizational entrepreneurship. Accordingly, an organization with the culture of risk acceptance and supporting risky efforts in order to progress can produce new innovative ideas and thoughts through which organization will grow and develop.

In general, organizations who possess the culture of supporting innovative thoughts and ideas can improve organizational entrepreneurship. Managers of organizations including universities should proceed to create supportive organizational culture and let their personnel express their innovative thoughts freely. Such condition makes the personnel capable and lets them use their sense of innovation in doing their job. Creating a suitable organizational culture, managers prepare a cultural environment which enhances organizational entrepreneurship which helps overcome the obstacles to a great extent. An organization with high social capital can extract the new ideas of its personnel through its influence on information and knowledge transfer. Such new ideas lead to creativity and such creativity leads to innovation and entrepreneurship in organization. Therefore an organization with proper level of social capital can potentially be an entrepreneur. On the contrary, in an organization with no social capital or low level of it, trust and learning as the elements of social capital would be low. In such situation, if an entrepreneur fails, he would be punished and the growing strategy of hiding and rejecting the mistakes lessens organizational entrepreneurship. In
general, any improve in social capital and its related factors improve organizational entrepreneurship. Hence, in organization like a university it is necessary to pay attention to the social capital.

Suggestions

With regard to the fast changes and complications of the current situation, organizations need to create a culture which encourages creativity and innovation and paves the path for entrepreneurship. They should also increase their personnel’s social capital.

With regard to the aforementioned results, in order to institutionalize the organizational culture and increase capital in Razi and Babel universities:

- Universities’ authorities should avoid direct control and inflexible rules and regulations.
- Universities’ authorities should employ creative innovative individuals and try to keep such personnel by all means.
- There should be group-decision-making and joint-management.
- Culture of rational risk acceptance should be spread among the personnel via giving bonus, making use of opportunities, attracting suitable resources, in order to increase organizational entrepreneurship and social capital. Hence, the culture of conservativeness which stops entrepreneurship would be prohibited.
- Universities’ authorities should induce a sense of social responsibility to the personnel, so they feel responsible and therefore have a positive understanding of the organization. The trust and confidence will lead to increase in social capital and organizational entrepreneurship grows.
- Universities’ authorities should create an environment in which the personnel can express themselves. It improves their relationship with others and leads to increase in social capital and finally organizational entrepreneurship develops.
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