# THE EFFECT OF ENTREPRENEURIAL CORPORATE CULTURE TO CREATE THE ENTREPRENEURIAL PERSONALITY CHARACTERISTICS: COMPARING MALE AND FEMALE EMPLOYEES IN SURABAYA

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#### **ABSTRACT**

This study is to examine the effect of entrepreneurial corporate culture in creating the entrepreneurial personality characteristics and to compare the effect on entrepreneurial personality between male and female employees in Surabaya, Indonesia. Using the multiple regression analysis and independent ttest, the results of the study are simultaneously all the components of entrepreneurial corporate cultures  $(X_1 \text{ to } X_6)$  which are: creative innovation, cooperation, open-communication, organizational risk-taking, tolerance of the creative talents, and acceptance to the criticism, bring the effect to create the entrepreneurial personality characteristics (Y) of the employees. Partially, each of components  $(X_1 \text{ to } X_6)$  influences the entrepreneurial personality characteristics (Y) of the employees, except "cooperation" component brings the negative influence to the entrepreneurial personality characteristics. The "open-communication" brings the highest regression value to Y variable while  $R^2$ value is less than 50% so Y variable might be influenced by other factors not discussed in this paper. The result of independent t-test shows the difference between male and female employees in Surabaya on the effect of entrepreneurial corporate culture to the entrepreneurial personality characteristics with coefficient 0.422.

**Keywords:** Entrepreneurial Corporate Culture, Corporate Culture, Entrepreneurial Personality Characteristics

### INTRODUCTION

There are so many topics about entrepreneurship and most of these propose the term "innovation", "creativity" and "risk-taking", besides the culture either national or company level cultures which could have influences to create and enhance entrepreneurship among the people. Indonesian government has been focusing to support entrepreneurship since 2000 and the growth of entrepreneurship is amazingly proven by huge numbers of new ventures established.

The globalization, however, is bringing more investments to Indonesia, many manufactures, service industries, finance and banking industry, education institutions and retail industries are invested and operated especially in Surabaya as the capital of East Java Province with about 3 million population in it and 1.35 million people are

working in either private or state-owned companies/institutions in Surabaya city. This population is mixed of originates and urbanized people from counties or towns around Surabaya and even from other provinces and islands. This mixture brings more complication to define its basic culture. In addition to this, the global companies investing in Surabaya enrich this city with many cultures introduced to society through its employees.

Companies are not static, yet they are continually changing (Morris & Kuratko, 2002). They must adapt their traditional paradigm and even value to the changing global environment, demand and also values. Thus, the companies have to change to be more innovative and then they need to support their people within with the eagerness and readiness to change and do something different than they used to do. Study by Shihab, et al.(2011) found the significant relationship between organizational culture and entrepreneurial orientation among its employees. Many years ago, basically, male and female characteristics in Indonesia differed by the conditions of its independences, risktaking, ability to perceive failures and other personality characteristics of an entrepreneurship. Yet, the culture in national level is currently changing, indeed. Surabaya, the second largest city in Indonesia, currently indicated to have some changes in cultures and even values and norms. While in the past, the basic culture of Indonesian characteristics are masculinity, high context and collectivist as those in some other Asian countries and Latin America, but the globalization brings a lot of changes not only to the economy, technology, political, but also to social and culture life.

This paper will examine the effect of entrepreneurial corporate culture to create the employees' entrepreneurial characteristics in Surabaya and then try to see whether the effect is different to male and female employees.

## LITERATURE REVIEW

### **Corporate Culture**

Organizational culture is a system of common definitions which are preserved by the members of an organization and it creates distinction between organizations (Pardakhtchi, 2006). Robbins (1990) identified ten key characteristics composing organizational culture. They include individual initiative, risk tolerance, direction, integration, management support, control, identity, reward system, conflict tolerance and communication patterns. (Sepehri and Khayati, 2013).

Defining the term "corporate culture" needs an introduction of culture in its existence within an organization or corporate (later, it will be mentioned as "corporate"). Schein (2010), stated that the concepts about culture are: Structural stability: implies that it is not only shared but also stable because it defines the group; depth: culture is the deepest, often unconscious part of a group and is therefore less tangible and less visible; breadth: after characteristic of culture is that after it has developed, it covers all of a group's functioning. Thus, culture is pervasive and influences all aspects of how an organization deals with its primary task, its various environments, and its internal operations and the last concept is; patterning or integration which is implied by the concept of culture and that further lends stability is patterning or integration that ties together the various elements and resides at a deeper level. Culture, based on Schein (2002), then implies that rituals, climate, values and behaviors tie together into a coherent whole and this pattern or integration is the essence of what we mean by culture. Disorder or

senselessness makes anxiety and hard work to reduce that anxiety by developing a more consistent and predictable view of how things are and how they should be.

Thus, in a corporate, culture will affect the way how the strategy is determined, goals are established and organization operates. Finally, Schein (2010) defined formally that an organization culture (this paper refers to it) is "A pattern of shared basic assumptions that a group has learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems."

The cultures somehow, affecting the corporate ways come from macro level (laws and economic institutions) and micro level (the organization is influenced through a number of cultural elements relating to employer-employee relationships and behaviour among employees).

# **Entrepreneurial Corporate Culture**

The understanding of basic culture concepts within a corporate will support the better idea to the entrepreneurial corporate culture. Kotter (1996) in Morris & Kuratko (2002) noted that " culture changes only after you have successfully altered people's actions, after the new behavior produces some group benefit for a period of time, and after people see the connection between the new actions and the performance improvement". This statement then brings us the paradigm that management even does not change the culture so that entrepreneurship begins, but a corporate must create an entrepreneurial culture through a transformation process including innovation, reinforcement, result, and extensive internal communication (Morris & Kuratko, 2002). Definition of entrepreneurial corporate culture is not clearly described, but its core meaning refers to corporate which is consistent with entrepreneurship and most conducive to entrepreneurship (Morris & Kuratko, 2002) and seems to have the following elements:

- People and empowerment focused;
- Value creation through innovation and change;
- Attention to the basics;
- Hands-on management;
- Doing the right things;
- Freedom to grow and to fail;
- Commitment and personal responsibility;
- Emphasis on the future and a sense of urgency

The basic thing of entrepreneurial corporate culture is about the people within it. They must champion a concept, persevere in the face of resistance and rejection, make adaptations, and keep the idea alive, but still need teams. A motivated, coordinated team is critical for moving an entrepreneurial event through what can be a lengthy process filled with obstacles (Morris & Kuratko, 2002).

The other important thing in entrepreneurial corporate is about the people view about failure. Failure is then perceived in the entrepreneurial corporate because the executives recognize that failure goes hand in hand with innovating. Failure is considered a trial toward an innovation and sometimes it brings extra cost to try. Then avoiding failure in no way ensures success but experiencing failures can enhance the possibility of success

if learning is taking place. So, the real problem with failure point of view is how a corporate conceptualizes failure. (Morris & Kuratko, 2002). However, the study by Sepehri & Khayati (2013) indicates that there is a significant relationship between the components of organizational culture and corporate entrepreneurship.

Stevenson (1983) in Gathungu, et al. (2014) conceptualized entrepreneurship as a management approach that has at its heart an all-consuming passion for the pursuit and exploitation of opportunity without regard to resources currently controlled and contrasted entrepreneurial behavior with administrative behavior.

Razavi et al. (2012) in their study used McGuire components of entrepreneurial organization culture those will be also used in this paper. The six components used to describe the entrepreneurial corporate culture are: creative innovation, cooperation, open communication, organizational risk-taking, tolerance of the creative talents, and criticism acceptance.

Creative innovation has many definitions and indicators but basically it is characterized by dynamic environment with its new product or procedure or a new management strategy to an enterprise (Razavi et al., 2012). The product development is one of the duties of research and development in the institution, organization or corporate. Cooperation tends to be defined as the teamwork dynamic and collaboration among employees within organization. Open communication is clearly seen as the easy access to information and sharing ideas at all levels and sections in organization/corporate.

Organizational risk-taking is defined as the ability of the organization members to believe reasonable risk-taking and learning from mistakes and even failures (Razavi et al., 2012). Open-minded and informal culture perhaps is easier to adjust with mistakes. The other component is tolerance of creative talents which refers to supports that given to the creativity of the employees in doing their tasks. The last component proposed by Mc Guire as cited in Razavi et al (2012) is criticism acceptance which needs the openminded leaders in organization or corporate because it refers to acceptance to the comment from dissatisfied employees and the cooperation between management and employee to resolve their dissatisfaction. This paper uses those term based on Razavi's with some adaptation to the proper situation.

Mars (2008) in his study shows four distinct environment about corporate cultures; piazzas, modules, pyramids and keeps. To each "corporate culture" he equated an appropriate form of enterprise: piazza to entrepreneurialism, modules to projects, pyramids to institutional hierarchies and keeps to specialist pursuits. For those entrepreneurial, networking and innovating individualist, there is no division between internal and external space (time) and for them it is about competitive arena. So, in the entrepreneurial corporate culture, competition and innovation must be encouraged among the employees.

Cakar & Erturk (2010) concluded in their study that innovative culture is a way of thinking and behaving that creates, develops and establishes values and attitudes within a firm that may require rising, accepting, and supporting new ideas involving an improvement in the functioning and management of the firm. They considered that empowerment is an antecedent of innovation capability and a consequence of organizational culture. Their findings are meaningful that the more employees tend to avoid uncertainty, the more they participate in the decisions affecting their tasks. They

usually ask feedback from their supervisors and motivated by the praise from the supervisors.

Small firms have their managers more concerned with and involved in the professional as well as personal lives of their subordinates and this setting makes employees become more positive to the managers' decisions on innovations and increase their participation in the innovation process (Cakar & Erturk, 2010).

### **Entrepreneurial Orientation**

Although in this paper, entrepreneurial orientation specifically is not discussed, but this term seems to be the other effect of entrepreneurial corporate culture. Some empirical studies suggest that EO is a multi-dimensional construct and can be evaluated from different perspectives. Miller's (1983) work, which views the EO construct as innovation, risk-taking, and proactiveness, is the basis for several studies. Later, a number of studies have established innovation, risk-taking, and proactiveness as EO dimensions. Lumpkin and Dess (1996) in Shihab et al., (2011), defined each EO construct as follows:

- 1. Autonomy is one of the most important stimuli for the entrepreneurs in running ventures and described as an independency of an individual or a team to develop business vision and carry it through
- 2. Completion here is defined as the strong autonomy whenever the entrepreneurs supported with cultures that endorse them to be independently and opportunities seekers.
- 3. Innovativeness refers to willingness to support new ideas, creativity, novelty, technological leadership, experimentation, and R&D in the development of new processes. It also gives large contribution to the presence of entrepreneurship. If there is supporting culture which supports the creation of new ideas, experimentation, original solutions to problem, and creative process then innovativeness will give the positive results.
- 4. Risk taking is defined as willingness to accept uncertainty, seizing opportunity in the marketplace by making large resource commitment with expectation to achieve high returns. Risk-taking behavior and commitment to resource will bring an entrepreneur to harvest the benefits.
- 5. Competitive aggressiveness is about firm's tendency to compete with its rivals/competitors directly and intensely. It also refers to entrepreneurs who live in culture of achievement oriented. This dimension is becoming an important component of EO because without competitive aggressiveness, firm would not be able to survive and success in starting up a new venture. Since proactiveness dimension is identical to competitive aggressiveness and therefore is excluded in this present paper.

An organization's culture represents the coherent pattern of values and beliefs that have evolved as successful solutions to past challenges (Schein, 1990). Culture represents an important contextual factor that can foster discretionary knowledge-sharing behaviors (Burgelman, 1983; Morris et al., 1993; Zahra et al., 2004). A significant aspect of organizational culture is the way in which the organization relates to employees and employees to one another (e.g., Baron, Hannan & Burton, 1999; Schein, 1990). The values regarding relationships with employees that underlie organizational culture can exert a significant influence upon the types of HRM practices selected (Baron et al., 1999). The dominant values of an organization are expected to exert a direct and indirect influence on knowledge processes. (Hayton & Macchitella, 2013).

# **Entrepreneurial Personality Characteristics**

There are a lot of versions to describe characteristics associated with entrepreneurs. John Kao (Kuratko & Hodgetts, 2007) proposed eleven common characteristics to identify the entrepreneurial characteristics, such as: total commitment, determination and perseverance; drive o achieve and grow; opportunity and goal orientation; taking initiative and personal responsibility; persistent problem solving; realism and a sense of humor; seeking and using feedback; internal locus of control; calculated risk taking and risk seeking; low need for statuts and power; integrity and reliability. Hornaday (1982) in his "Research about Living Entrepreneurs" (Kuratko & Hodgetts, 2007) found 42 characteristics often attributed to entrepreneurs, some of them are: confidence, creativity, initiative, intelligence, flexibility, efficacy, commitment, and ability to take calculated risks, etc.

Based on the article of Soo Ji Min in 1999 (Kuratko & Hodgetts, 2007), there are the top ten of twenty-first century characteristics of entrepreneurs such as: recognize and take advantage of opportunities; resourceful; creative; visionary; independent thinker; hard worker; optimistic; innovator; risk taker; leader.

In this paper, the characteristics to define entrepreneurial personality are based on the components studied by Razavi et al. (2012) whose definitions adapted to this research topic and use other reference too. Those eight characteristics are:

- 1. Risk-Taking, in this paper considered as calculated risk taking, as the extent to which a person takes the solving complex issues and offering a variety of ways to reasonable risks and has the power to face great risks and problems. The 'risk' term here is considered calculated and carefully thought-out manner (Kuratko & Hodgetts, 2007).
- 2. Internal Locus of Control, as Kuratko & Hodgetts (2007), is the belief that either success or failure of their business is not governed by fate, luck or similar forces. It is about their accomplishments in controlling and influencing their business' outcomes after their actions.
- 3. Success-Seeking, as Razavi et al (2012) proposed it as an individual's motivation to succeed and try to achieve goals.
- 4. Expressiveness of thought: It is the amount of a person's ability to convey complex concepts. It is more clearly to be defined in term of communication skill, used in sharing ideas or policy.
- 5. Pragmatism, Razavi et al (2012) stated this term as the extent to which an individual cares about doing work and achieving results. Kuratko & Hodgetts (2007) stated in other term with similar definition to it as "drive to achieve" that appears to others to be internally driven by a strong desire to compete, excel against self-imposed standards, pursue and attain challenging goals.
- 6. Tolerance of Ambiguity is defined as the extent to which a person entrepreneurs' personality characteristics to accept instability and change and works in conditions of uncertainty and ambiguity (Razavi et al., 2012).

- 7. Dreaming is also characteristics attached to entrepreneur because it refers to the amount of a person's imagination of organization belief in working with others to achieve the different issues and the power of mental imagery. (Razavi et al., 2012). Later on, this term is more known as vision, to develop over time as the individual begins to realize what the firm is and what it can become (Kuratko & Hodgetts, 2007).
- 8. Challenge-seeking is defined as the amount of interest in taking challenges and the ability to deal with difficult and complicated issues (Razavi et al., 2012). It is similar to the opportunity orientation as they are goal oriented in their pursuit of opportunities (Kuratko & Hodgetts, 2007). This situation will challenge them to accomplish their dream, goal and desired-result.

However, to be an entrepreneur does not need any extraordinary talent. It needs some skills such as initiative, imagination, a clear vision and confidence. Most entrepreneurs want to make the world a more pleasant place to live. (Kume, et al., 2013)

# Gender Issues in Entrepreneurial Characteristics

There are also some other important differences which distinguish women from men in this profession. The following are the most dominant (Radović-Marković, 2009):

- 1. Women start businesses to accomplish flexibility, independence and to free themselves from corporative boundaries. Besides that, many women look for personal satisfaction through running a business independently, to create space for advancing in a career, to create a safe future and the possibility of a choice of life style and work style.
- 2. Women are often motivated to start their own business because of the dissatisfaction with their status in their jobs.
- 3. More than half of women owners (53%) are guided by intuition when they start and run a business, while men (71%) are guided only by logic.
- 4. Two thirds of women (60%) compared to male business owners, examine all possibilities before they make a decision and start some action, gather information from their consultants and entrepreneurial associations more than men do, successfully weigh up every possibility and balance different tasks and priorities as well. (Radović-Marković, 2013):

The paper of Radović-Marković (2009) elaborated some main issues in the literature of female entrepreneurship. Future studies should follow the changes in the roles and tasks of women as entrepreneurs as the main conductors of these activities, influenced by new flows of economic operation in the age of globalization. That is, the recognition of the capacity of women entrepreneurs in our global community is no longer a matter of debate. (Radović-Marković, 2013).

Gender differences, for Spain case, in entrepreneurial intentions and agentic traits frequently linked to entrepreneurship (locus of control, entrepreneurial self-efficacy, risk-taking propensity, and proactiveness) were examined and the result showed gender differences in entrepreneurial intention and entrepreneurial self-efficacy, in the sense that men felt themselves more efficient and oriented to create a new venture than women. Nevertheless, major area and age explained differences in the variables studied better than gender. (Jose & Licciardello, 2012).

# Relationship between Corporate Culture and Entrepreneurial Personal Characteristics

In other words, there is no significant difference between employees' viewpoints on corporate entrepreneurship and organizational culture, in terms of gender. (Sepehri & Khayati, 2013). Hian Chi Koo (1996) in Razavi et al. (2012) found that success-seeking, internal locus of control, risk-taking, ambiguity tolerance, self-reliance and innovation as factors to lead people get tendency to entrepreneurial activities.

Razavi et al (2012) in their study found the negative correlation between creative innovation, cooperation and tolerance of creative talents the personality characteristics, open communications and organizational risk-taking. The result also showed that the criticism acceptance has no meaningful correlation to the personality characteristics. But the other part of the result shows that organizational risk-taking and open communication have positive correlation between organizational risk-taking and open communication with the personality characteristics of the respondents, so they recommended the institution to improve the communications and performance by workshop to educate the skill of risk-taking tolerance, creating thought and so on.

Based on the paper background and literature review along with the previous research linked to the similar topics, then the hypothesis generated in this paper are:

- There is simultaneous effect of Entrepreneurial Corporate Culture to the Entrepreneurial Personality Culture among the employees
- II. There is partially effect of Entrepreneurial Corporate Culture to the Entrepreneurial Personality Culture among the employees
- III. There is a difference in the effect of Entrepreneurial Corporate Culture to the Entrepreneurial Personality Characteristic between male and female employees

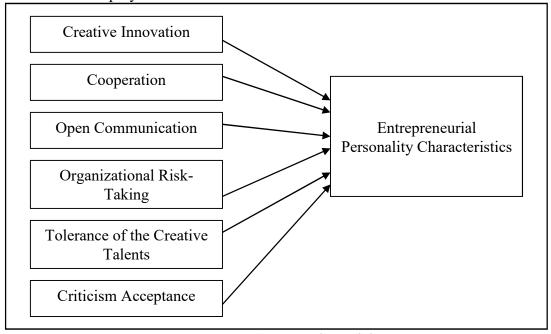


Figure 1. Research Model

### RESEARCH METHODOLOGY

This quantitative research is conducted by purposive non random sampling method using questionnaires and measured in Likert Scale (1-5). The sample size is 100 respondents collected from 15 June-21 June 2014. The analysis techniques are multiple linear regressions to examine the effects of components in Entrepreneurial Corporate Culture to the Entrepreneurial Personality Characteristics and also independent t-test for comparing the gender (male and female).

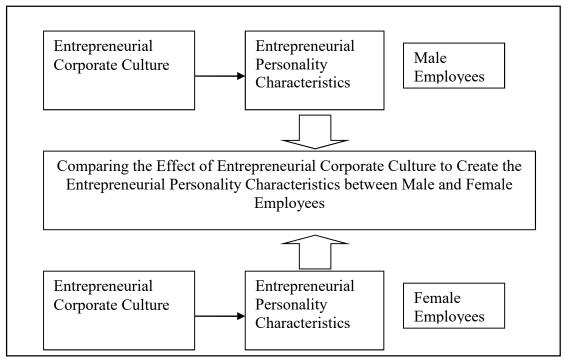


Figure 2. Research Framework

The measurement tools used in this research is questionnaires given to the respondents. The items in the questionnaire are based on Razavi et al.(2012) with some adaptation and translated into Indonesian. The operational variables used along with their indicators are as shown in Table 1.

Table 1. Operational Variable Definition

Research Variable			Measurement
Creative Innovation (X1)			Likert Scale:  1= strongly disagree
Cooperation (x2)	Based on Razavi et al. (2012)	<ul> <li>The corporate encourages team-work among the employees</li> <li>The corporate motivates employees to work in team</li> <li>Collaborative environment through team-work is created within the corporate</li> </ul>	2 = disagree 3 = neutral 4 = agree 5 = strongly agree
Open communication (X3)	Based on Razavi et al. (2012)	<ul> <li>The freedom for every employee to share his/her ideas openly</li> <li>Management communicates openly and transparently to its employees</li> <li>There is two-ways communication within the corporate</li> </ul>	
Organizational risk- taking (X4)	Based on Razavi et al. (2012)	<ul><li>The corporate dares to take risks</li><li>The corporate gives opportunity to try new ideas.</li><li>The corporate appreciates every new idea</li></ul>	
Tolerance of the creative talents (X5)	Based on Razavi et al. (2012)	<ul> <li>The corporate motivates its employees' creation in doing their tasks.</li> <li>The corporate motivates its employees to solve the task problems in different ways</li> </ul>	
Acceptance to Critics (X6)	Based on Razavi et al. (2012)	<ul> <li>the corporate (management) accepts the critics from employees positively</li> <li>The disputes between corporate and employees is solved by themselves</li> </ul>	
Entrepreneurial Characteristics (Y)	Based on Razavi et al. (2012)	<ul> <li>Risk-taking</li> <li>Internal locus of control</li> <li>Success – seeking</li> <li>Expressiveness of thought</li> <li>pragmatism</li> <li>Tolerance of ambiguity</li> <li>Dreaming</li> <li>Challenge-seeking</li> </ul>	

#### **FINDINGS**

The respondents description in this study shows that from 100 respondents purposively taken are 41% male and 59% female employees in many institutions/companies in Surabaya. Most of them (54%) is 22-28 years old, 31% is 15-21 years old, 12% is 29-35 years old and only 2% aged 36-42 years old while only 1% above 42 years old. Among the respondents only 12% is married and the rest 88% is single (not widowed/divorced). Based on their job positions and tenures, 86% of respondents work in local private company, 6% in State-owned companies (SOE companies) and 8% work in foreign private companies in Surabaya. Their corporate/institutions have various number of employees. Less than 50 employees is the most based on the respondents' information (45%). Only 17% of respondents work in companies employing more than 300 people, 23% ranged 51-100 employees and only 15% work in companies which employ 101-300 people.

The fields of business also matters in this study to provide better and deeper analysis since different field of business requires different characteristics of jobs and people but this case is not intensively discussed in this study. Table 2 shows the variety of business fields gathered from respondents' workplaces.

**Table 2.** Business Fields of Respondents' Workplace

				Valid	Cumulative
		Frequency	Percent	Percent	Percent
Valid	Education	8	8.0	8.0	8.0
	Manufacture	18	18.0	18.0	26.0
	Public service	8	8.0	8.0	34.0
	Information Technology/Engineering	10	10.0	10.0	44.0
	Retail	17	17.0	17.0	61.0
	Finance	3	3.0	3.0	64.0
	Hospitality	3	3.0	3.0	67.0
	Consultant	1	1.0	1.0	68.0
	Pharmacy	3	3.0	3.0	71.0
	Food and Beverages	11	11.0	11.0	82.0
	Construction	11	11.0	11.0	93.0
	Creative Industry	3	3.0	3.0	96.0
	Health and Medical	3	3.0	3.0	99.0
	Agriculture, Farming	1	1.0	1.0	100.0
	Total	100	100.0	100.0	

**Source:** Primary data

The average year of working done by respondents is 1-3 years. Only 1 respondent has been working in the same current company more than 6 years, 26% has been working less than 1 year in the same companies and 15% has been working for 4-6 years.

Towards the questionnaires as the measurement tool, the validity test shows that Item 1, Item 19, Item 24 are not valid because their value is less than 0.361 (N = 30, significance= 5%) so they must be removed from the item list and re-tested. After retest, all the items are valid and no more item rest after round 1 is removed. Reliability test to the items is done and the item 18 and item 20 must be removed and the other test must be executed. The second round of reliability test shows that all rest items are reliable after those two items removed. In the column "Corrected Item-Total Correlation" all the items' values are more than 0.361 (based on the r table for N = 30, and significance= 5%). The Cronbach's Alpha value is 0.925 and it exceeds the minimum value 0.6.

So, five statements in questionnaires must be deleted in prior to the process of linear regression analysis, are "your workplace always does the product innovations", "you do your job with responsibility", "You are driven to reach the target", you don't have difficulties to explain and express your thoughts in your workplace", "You have the ideas about your company/institution's future". The last four statements refer to internal locus of control, success-seeking, expressiveness of thought, and dreaming as the indicators of entrepreneurial personality characteristics. Other indicators of this dependent variable are measured by other five indicators: risk-taking, pragmatism, tolerance of ambiguity and challenge-seeking.

**Table 3.** Correlation

	-		-				-	-
		Entrepr e neurial Charac te ristics	Creative Innovati on	Cooperati on	Open Commu ni cation	Organizatio nal Risk- Taking	Toleran ce to Creativ e Talents	Accep tance to Criticis m
Pearson Correlati on	Entrepreneur ial Characteristi	1.000	.310	.401	.454	.472	.421	.407
	Creative Innovation	.310	1.000	.422	.379	.347	.255	.289
	Cooperation	.401	.422	1.000	.769	.538	.541	.473
	Open Communicati on	.454	.379	.769	1.000	.400	.390	.333
	Organization al Risk- Taking	.472	.347	.538	.400	1.000	.474	.620
	Tolerance to Creative Talents	.421	.255	.541	.390	.474	1.000	.502
	Acceptance to Criticism	.407	.289	.473	.333	.620	.502	1.000

**Source:** primary data processing

The correlation between organizational risk-taking and entrepreneurial personality characteristics is the highest correlation value (0.421), while the creative innovation is the least (0.310). The other components of entrepreneurial corporate culture such as cooperation, open communication, tolerance to creative talents and acceptance to criticism have similar correlation value (0.401; 0.454; 0.421; and 0.407). These correlation values show the moderate correlation of independent variables and dependent variable (Entrepreneurial Characteristics). It is also noticed that the value of R<sup>2</sup> is 0.354, means that the independent variables are not strong enough to influence the dependent variable.

The low correlation value of creative innovation to the entrepreneurial characteristics can be understood since most of respondents have been working 1-3 years in the same (current) companies and their average age is ranging from 22-28 years old and still single. In this age and marital status, most of them look for comfort when working. They still strive to be themselves and less responsibility to family than older ages and married people. The term creative innovation here refers to company's culture to innovate and use its R&D effectively. Seemingly, most employees do not pay intention to R&D's job.

However, all indicators of "organization risk-taking" are valid and reliable to be used in the analysis and this variable is correlated to entrepreneurial personality characteristics of the employees. Company welcomes new ideas from its employees and this attitude towards new ideas correlates to entrepreneurial characteristic personality.

**Table 4.** Regression Analysis

	•		<del></del>			
		Unstand		Standardized		
		Coeffi	cients	Coefficients	t	Sig.
			Std.			Std.
Model		В	Error	Beta	В	Error
1	(Constant)	10.881	1.729		6.292	.000
	Creative Innovation	.356	.357	.093	.996	.322
	Cooperation	710	.505	212	-1.406	.163
	Open Communication	1.230	.435	.371	2.826	.006
	Organizational Risk-Taking	.366	.171	.247	2.143	.035
	Tolerance to Creative Talents	.721	.384	.198	1.875	.064
	Acceptance to Criticism	.410	.442	.104	.928	.356

**Source:** primary data processing

Then the regression analysis result shows F value = 8.503, then the F table = 2.198. Because F value > F table = 8.503 > 2.198, it means that simultaneously, all the independent variables have the effect to the dependent variable it means that we accept hypothesis I. Regression equation is Y=  $10.881+0.356 X_1 - 0.710 X_2 + 1.230 X_3 +$  $0.366 X_4 + 0.721 X_5 + 0.410 X_6$ . It means that components altogether if exist within the culture of corporate will influence positively to the entrepreneurial personality characteristics of its employees, no matter what the basic values of the employees personally is. This simultaneous result ignores the gender differences, working periods, field of business, marital status and the number of employees within companies the respondents work in. however, the low value of R<sup>2</sup> (0.354) indicates that the independent variable (entrepreneurial personality characteristics) might be influenced by the other factors not described in this paper. So, linked to Schein (2010), thus, in a corporate, culture will affect the way how the strategy is determined, goals are

established and organization operates because it is a pattern of shared basic assumptions that a group has learned as it solved its problems of external adaptation and internal integration and somehow, affecting the corporate ways in employer-employee relationships and behaviour among employees.

The result of regression analysis shows that t test value = 6.292 and t table = 1.986. Because t value > t table or 6.292 > 1.986, all the independent variables partially have the effect to the dependent variable, so hypothesis II is accepted. But partially, it is surprising that cooperation has the negative influence to the entrepreneurial personality characteristics, and creative innovation is very low but positively effecting entrepreneurial personality characteristics. It is oppositely to "tolerance to creative talents" variable which effects the characteristic positively (highest value compared to the other positive effects).

The negative effect of cooperation can be explained based on definition as the teamwork dynamic and collaboration among employees within organization (Razavi et al., 2012). The teamwork dynamic is not common for most of our respondents and negatively considered as the barrier to compete with the other employees in the same company. The basic culture of Indonesian people perhaps influences this result since the high context culture will be not easily to be aggressive in team work. Marks et al (2001) in Lepine (2008) argued that teams orchestrate interpersonal processes both during and between episodes, so it needs the interpersonal skills of its members. It then also depends on task interdependence proposed by Thompson (1967) as cited in Lepine (2008) which stated that when task interdependence in a work unit is lower, members work more independently, requisite interpersonal interaction is more limited and then member contributions are pooled rather than integrated. Lepine et al. (2008) found that task interdependence and team size affected relationships between teamwork processes and performance. In terms of entrepreneurship, we more concern in being independent, than it makes sense when cooperation and collaboration decrease the spirit of entrepreneurship due to its interdependence.

Kimbrough & Componation (2009), in their study, combined a culture measurement instrument with gauges of Enterprise Risk Management (ERM) implementation and the result shows the correlation. They summarized that the organic cultures tend to make greater progress in their ERM programs. The organization culture in this study refers to how quickly the organization can react to market changes and whether or not the organization can successfully steer major changes of its environment. Linking to entrepreneurial corporate culture, Razavi et al. (2012) defined organizational risk-taking for their study as the ability of the organization members to believe reasonable risktaking and learning from mistakes and even failures. The organization (this term is always considered as corporate) which accustomed to react and be brave in taking risks will influence their employees' entrepreneurial personality and the result of this study shows the positive influence. It means that the higher intensity of corporate in taking risk in the management decisions towards the business environment, will bring employees to be more ready and easily to react to any risks.

Creative innovation, defined as characterized by dynamic environment with its new product or procedure or a new management strategy to an enterprise and tolerance to creative talents, defined as supports that given to the creativity of the employees in doing their tasks. (Razavi et al., 2012) are positively influence the entrepreneurial personality. But technically, both components cannot be separated from open-minded and informal culture. Open-mindedness and informal culture are supported by open communication and acceptance to criticism as well within the organization. Supported by Mars (2008), piazza corporate culture will support and encourage the innovation among the employees. innovative culture is a way of thinking and behaving that creates, develops and establishes values and attitudes within a firm that may require rising, accepting, and supporting new ideas involving an improvement in the functioning and management of the firm and feedback and praise from their supervisors motivate the employees to be involved in creating their new way of work (Cakar & Erturk, 2010).

The low effect of creative innovation and the acceptance of talents could be due to the field of business where the respondents work. Some of them do not require the rapid innovation or multitalented employees such as banking/finance, construction and retail because all jobs have standardized rule and procedures. But if both of them implied in manufactures, services or creative industry only, the result must be different.

One thing to be noticed is that the highest effect to entrepreneurial personality is open communication. Basic culture of population is high context and collectivism so that every one needs communication with others and considered communication as best way to solve problems, and could be understood by the range of ages the most respondents are. Cakar & Erturk (2010) found that small firms have their managers more concerned with and involved in the professional as well as personal lives of their subordinates and this setting makes employees become more positive to the managers' decisions on innovations and increase their participation in the innovation process, relating this finding to the respondents characteristics in this paper that most of them are in the productive age, so they tend to ask for more information and be active in information seeking by communicating more, and also, most respondents work in medium corporate with less than 50 employees that brings easier condition to communicate and know each other even with the superiors.

After answering two hypotheses regarding regression analysis, the other hypothesis is answered using independent t-test to compare the entrepreneurial personality characteristics between male and female employees. Based on respondent description this study gets 47 males and 53 females to be analyzed.

**Table 5**. Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.629(a)	13	.061
Likelihood Ratio	26.880	13	.013
Linear-by-Linear Association	.949	1	.330
N of Valid Cases	100		

**Source:** Primary Data Processing

From Table 5,  $X^2$  value= 21.629 and  $X^2$  table= 22.36203. Due to  $X^2$  value <  $X^2$  table, in this case, there is a difference in entrepreneurial characteristics between male and female employees so the hypothesis III is accepted.

Table 6. Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Contingency Coefficient	.422	.061
N of Valid Cases		100	

Source: Primary Data Processing

The symmetric measures (Table 6) show the contingency coefficient is 0.422 and it tends to 0 rather than to 1. It indicates that although there is difference in entrepreneurial characteristic between male and female employees in Surabaya, the relationship of entrepreneurial characteristic and gender is not very strong. However, the differences is mostly caused by the basic culture of Indonesians which is high context and masculinity that differ the gender regarding their positions in family and society and their functions in their daily life and work. Although the difference is not so strong but entrepreneurial personality such as challenge-seeking, although not described in this paper, seems to be stronger in male employees than females because the paradigms that females should stay more at home, taking care of family and not work too much.

Gender differences, for Spain case, in entrepreneurial intentions were examined and there is gender difference, in entrepreneurial intention and entrepreneurial self-efficacy, in the sense that men felt themselves more efficient and oriented to create a new venture than women but however, major area and age explained differences in the variables studied better than gender. (Jose & Licciardello, 2012). In this study, the slight differences between male and females could be influenced by the age and years of working. Most of the respondents are in the same age and years of working. Their paradigm and perceptions towards entrepreneurial corporate culture are relatively the same. The study of Radović-Marković (2013) also concluded that the recognition of the capacity of women entrepreneurs in our global community is no longer a matter of debate. It gives the other understanding that in terms of entrepreneurial discussion, especially within corporate-setting, gender issues are not the big problem and more equal than before.

### CONCLUSIONS AND RECOMMENDATION

This study has some findings regarding the hypothesis proposed. Simultaneously all the components of entrepreneurial corporate cultures bring the effect to create the entrepreneurial personality characteristics of the employees. Partially, each of components influences the entrepreneurial personality characteristics of the employees, but only "cooperation" component bring the negative influence to it. The highest influence comes from open communication compared to other independent variables as the components of entrepreneurial corporate culture. The independent t-test is to compare the effects between male and female employees. The result shows the difference between male and female employees about the entrepreneurial personality

characteristic affected by the entrepreneurial corporate culture. All hypothesis assumed in this study are accepted and answered.

#### LIMITATION OF STUDY

This study has some limitations apart of the small number of respondents. This study does not include the education background and positions of the respondents to support the analysis. This study is also limited in analyzing data in terms of culture theories. In the further study, the comparison based on gender must be deeper examined along with the psychological theories to strengthen the personality differences.

It is also better if in the future study, the corporate analyzed has identically size, field of business and ownership to be more focus in analysis, and if necessary to compare, it should be three types of corporate or organizations, so the differences can be clearly seen.

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