

## **The Effects of Organizational Culture on Corporate Entrepreneurship**

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### **Abstract**

*Corporate entrepreneurship (or corporate venturing) which means entrepreneurial activities at the level of established organization has been recognized as an important element in organizational and economic development and performance. Corporate entrepreneurship has been gaining strategic importance in order to its impact on the organization process that contributes to firm survival and performance. Recent studies showed that organizational culture is one of the important explanatory variables of corporate entrepreneurship. The purpose of this study is to examine the relationship between the dimensions of organizational culture (power distance, uncertainty avoidance etc.) developed by Hofstede and corporate entrepreneurship and the effects of organizational culture on corporate entrepreneurship. The survey is conducted on a leading multinational company in Turkey. Analyses results showed that power distance, one of the organizational culture factors, has positive effects on corporate entrepreneurship innovativeness dimension. In addition masculinity has negative effects on new business venturing. This study shows the strategic importance of organizational culture by presenting evidence of the relationship between cultural dimensions and corporate entrepreneurship.*

**Keywords:** Corporate Entrepreneurship, Organizational Culture, Power Distance, Masculinity/Femininity, Innovativeness, New Business Venturing.

### **1. Introduction**

Entrepreneurship, as a characteristic attitude or process of organizations, is now recognized by many firms and scholars as a critical factor in company success (Knight, 1997). Entrepreneurial companies create, define, discover, and exploit opportunities, frequently well ahead of their rivals (Hamel and Prahalad, 1994; Zahra et al., 1996), in other words entrepreneurial activities can give a company a competitive advantage in existing or new markets (Zahra and Covin, 1995; Zahra and Garbis, 2000). Entrepreneurship is a necessary posture, instrumentally important to strategic innovation, particularly under shifting conditions in the firm's external environment (Knight, 1997).

Entrepreneurship actions are newly fashioned set of actions through which companies seek to exploit entrepreneurial opportunities that rivals have not notice or exploited (Kuratko et al., 2005). Entrepreneurial activities can renew established company (Pinchot, 1985; Kuratko et al., 1990). Renewal is usually done through innovation and venturing activities that give the firm access to different skills, capabilities, and resources (Rutherford and Holt, 2007). The notion of entrepreneurial orientation is applicable to any firm, regardless of its size and type (Knight, 1997)

Entrepreneurial activities at the level of established organization (or entrepreneurship actions at the firm-level) which means corporate entrepreneurship have been recognized as an important element in organizational and economic development and performance (Antoncic and Zorn, 2004). Many researchers have singled out corporate entrepreneurship as an organizational process that contributes to firm survival and performance (Covin and Slevin, 1989; Lumpkin and Dess, 1996; Barringer and Bluedorn, 1999). It is also important for long-term organizational survival, as it delivers growth and higher firm performance (Zahra and Covin, 1995). Past research has presented much evidence for relationships of corporate entrepreneurship to organizational growth and profitability (Covin and Slevin, 1986, Zahra, 1991, 1993; Zahra and Covin, 1995; Antoncic and Hisrich, 2001; Antoncic and Zorn, 2004).

Thus, corporate entrepreneurship has become a vital tool for gaining competitive advantage for companies and also it is represent an important source of strategic behavior (Burgelman, 1983).

There are some factors that affect the breadth and depth of entrepreneurial actions that are taken within the firm at a point in time to pursue corporate entrepreneurship (Zahra and Covin, 1995; Kuratko et al., 2005). These factors are recognized as antecedents of the entrepreneurial actions on which corporate entrepreneurship is built (Kuratko et al., 2005). One of these antecedents is the organizational culture. Corporate culture surfaces as extremely important to competitive advantage. Culture must fit the needs of the external environment and company strategy (Daft and Marcic, 2009). Several past researches explored the relationship between various aspects of culture and entrepreneurial behavior across cultures (Hofstede et al., 2004). An organization's ability to develop and maintain an entrepreneurial posture is contingent on that organization culture (Covin and Slevin, 1991).

The main purpose of this study is to examine the relationship between the organization culture and corporate entrepreneurship and the effects of organizational culture on corporate entrepreneurship.

This article proceeds in the following manner. First, the review of the corporate entrepreneurship and organizational culture literature is provided. Second, the relationship between organizational culture and corporate entrepreneurship in the hypothesis development process is discussed and examined. Third, the research design is described and the results of the hypothesis tests are reported. Finally, the implications of the results for managers and researchers are discussed.

## **2. Theoretical Background**

### **2.1. Corporate Entrepreneurship**

Terms such corporate entrepreneurship (Burgelman, 1983; Stopford and Baden-Fuller, 1994; Zahra, 1993), corporate venturing (MacMillan et al., 1986), intrapreneuring (Pinchot, 1985), intrapreneurship (Kuratko et al., 1990; Antoncic and Hisrich, 2001; Antoncic, 2006) have been used the concepts of corporate entrepreneurship.

Zahra (1991) described corporate entrepreneurship as a process of creating new business within established firms to improve organizational profitability and enhance firm's competitive position or the strategic renewal of existing business. According to Lumpkin and Dess (1996) corporate entrepreneurship is the processes, practices, and decision-making activities that lead the organization to new entry. Some researchers have conceptualized corporate entrepreneurship as embodying entrepreneurial efforts that require organizational sanctions and resource commitments for the purpose of carrying out innovative activities in the form of product, process, and organizational innovations (Hornsby et al., 2002).

Corporate entrepreneurship activities can be internally or externally oriented (MacMillan et al., 1986). Internal activities may cover product, process, and administrative innovations at various levels of the company and external efforts entail mergers, joint ventures, or acquisitions. Whether internal or external in focus, corporate entrepreneurship activities can be formal or informal activities aimed to create new business in established company through innovation (Zahra, 1991).

Corporate entrepreneurship includes radical product innovation, risk taking, and proactiveness (Covin and Slevin, 1991). It also includes business venturing (Kuratko et al., 1990) and organizational renewal (Sathe, 1989). Based on these researches, Zahra (1993-1996) suggested that corporate entrepreneurship is consisted of three dimensions as innovation, corporate venturing and strategic renewal. Building on the literature, in this study, corporate entrepreneurship has been classified into four dimensions (Antoncic and Hisrich, 2001; Antoncic, 2006): innovativeness (Covin and Slevin, 1991; Zahra, 1993-1996; Knight, 1997), new business venturing (MacMillan et al., 1984; Zahra, 1991; Stopford and Baden-Fuller, 1994), strategic renewal (Zahra, 1991; Stopford and Baden-Fuller, 1994), proactiveness (Covin and Slevin, 1986; Stopford and Baden-Fuller, 1994; Lumpkin and Dess, 1996; Knight, 1997). *Innovativeness*, as a component of corporate entrepreneurship, is a commitment of the company to create new products/services, production processes, and organizational systems with emphasis on development in technology (Covin and Slevin, 1991; Lumpkin and Dess, 1996; Zahra, 1996). *New business venturing* dimension refers to creating of the new business related to existing or new products/markets (Antoncic, 2006). *Strategic renewal* refers to revitalizing the company's operations by changing the scope of its business, its competitive approach, or both (Stopford and Baden-Fuller, 1994; Zahra, 1993-1996). *Proactiveness* dimension is associated with aggressive posturing relative to competitors (Knight, 1997). It includes initiative and risk-taking, and competitive aggressiveness and boldness that are reflected in activities of the management (Antoncic, 2006).

## 2.2. Organizational Culture

Organization culture can be defined as the set of values, beliefs, attitudes, expectations, understandings, norms shared by members of organization (Hofstede, 1997; Daft and Marcic, 2009). It is passed from one generation of employees to the next, and determined the norms for appropriate behavior within the organization (Covin and Slevin, 1991). Organizational culture is an important source of sustained competitive advantage as it possesses the characteristics of a strategic asset, namely scarcity, inimitability, value creating and non-trade ability (Barney, 1986; Hayton, 2005).

Hofstede identified four cultural dimensions: power distance, uncertainty avoidance, individualism versus collectivism, masculinity versus femininity based on his study on IBM employees (Hofstede, 1984-1997). Later fifth dimension added: long term versus short term orientation (Schermerhorn, 2010; Hofstede and Bond, 1988).

In this study, corporate culture is consisted of five dimensions as power distance, uncertainty avoidance, collectivism/individualism, masculinity/femininity and long term versus short term orientation. *Power distance* is defined as “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally.” *Individualism* is the degree to which society emphasizes self interest and individual accomplishment versus the interest of groups and collective accomplishment. *Masculinity* focuses on the degree masculine values such as competitiveness rather than feminine values like relationship buildings. *Uncertainty avoidance* (from strong to weak) is the level of tolerance for uncertainty situation like risk, change. *Time orientation* (formerly called Confucian work dynamics) is the degree which a culture emphasizes long-term or short-term thinking (Hofstede, 1984-1997-2001; Hofstede and Bond, 1988; Schermerhorn, 2010).

## 3. Development of Hypothesis

The literature on corporate entrepreneurship has identified three sets of antecedents; external environment of the firm, organizational characteristics and corporate strategy (Zahra, 1991-1993; Kuratko et al., 2005; Antoncic, 2006). Each of these sets has multiple components that vary in their potential may influence the intensity of corporate entrepreneurship (Zahra, 1991). Characteristics of intra-organizational environments have been viewed as a determinant of entrepreneurial activity at the organization level (Antoncic and Hisrich, 2001; Covin and Slevin, 1989). According to Covin and Slevin (1991) four internal variables are included in the model of entrepreneurship as firm behavior: top management values and philosophies, organizational resources and competencies, organizational culture, and organizational structure. Organizational culture can be considered important drivers of corporate entrepreneurship.

Several studies have examined questions concerning the relationship between dimensions (masculinity, power distance etc.) of culture and entrepreneurial characteristics and traits (Hayton et al., 2002). Besides, limited empirical studies have examined the association between dimensions of culture and entrepreneurship at the national or regional level (Davidsson, 1995; Shane, 1992, 1993). Only a few empirical studies (Morris et al, 1994; Zahra et al., 2004) analyzed the effects of dimensions of culture on corporate entrepreneurship. According to Morris et al. (1994), the level of individualism (only a single dimension of culture) within an organization will be an important influence on corporate entrepreneurship. Zahra et al. (2004) found similar results in their study relating the organizational cultures of family firms to their entrepreneurial performance. Fiş and Wasti (2009) have also examined the problem concerning the relations between three dimensions (power distance, uncertainty avoidance, and individualism versus collectivism) of organizational culture and corporate entrepreneurship through human resources management practices. Thus, there is a lack of empirical studies relating the relationship between five dimensions (power distance, uncertainty avoidance, individualism versus collectivism, masculinity versus femininity and long term versus short term orientation) of organizational culture and corporate entrepreneurship. The above research forms the basis of the following hypothesis:

*Hypothesis 1:* Organization culture is related to corporate entrepreneurship.

*Hypothesis 1a:* Power distance is positively related to corporate entrepreneurship.

*Hypothesis 1b:* Uncertainty avoidance is negatively related to corporate entrepreneurship.

*Hypothesis 1c:* Individualism is positively related to corporate entrepreneurship.

*Hypothesis 1d:* Masculinity is positively related to corporate entrepreneurship.

*Hypothesis 1e:* Long term orientation is positively related to corporate entrepreneurship.

In addition culture is a key determinant of, and the first step in fostering, entrepreneurial activity within an organization. If the firm has a culture that supports entrepreneurship activities, it can be say its culture is the one that is in line with an organization's vision, mission, and strategies (Covin and Slevin, 1991). Clearly, the culture of an organization can strongly affect entrepreneurial posture of the firm (Covin and Slevin, 1991; Fiş and Wasti, 2009). Thus, a second set of hypotheses were developed based on the research below.

*Hypothesis 2:* Organizational culture effects corporate entrepreneurship.

*Hypothesis 2a:* Power distance effects corporate entrepreneurship.

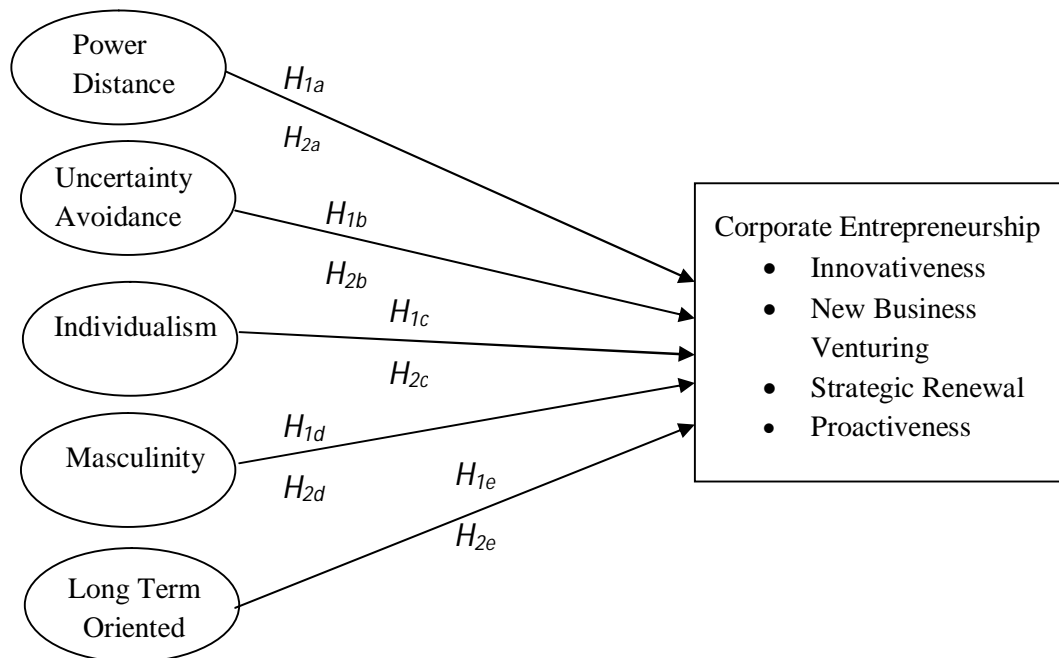
*Hypothesis 2b:* Uncertainty avoidance effects corporate entrepreneurship.

*Hypothesis 2c:* Individualism effects corporate entrepreneurship.

*Hypothesis 2d:* Masculinity effects corporate entrepreneurship.

*Hypothesis 2e:* Long term orientation effects corporate entrepreneurship.

The model was tested and the hypotheses stated above are shown in Figure 1.



**Figure 1: Hypothesized Model**

## 4. Methodology

### 4.1. Sample and Data Collection

The survey was conducted on employees of a leading multinational company in automotive sector in Turkey. Control variables (firm size and company age) about sampling that used in previous research (Pinchot, 1985; Zahra, 1991-1993; Zahra and Hayton, 2008) were used, because they might influence corporate entrepreneurship activities. Firm size was measured by the log the number of employees and the firm age was measured by the log of the number of years since the firm's founding. Company was founded more than 5 years (Covin and Slevin, 1989; Zahra and Garbis, 2000) and the size of the firm was approximately 1500 full time employees in Turkey. Thus, the sample of the research is within the limits.

The firm has approximately 60 low-level and middle-level employees in the firm's head office in Turkey. A total of 54 questionnaires were returned, so the return rate of the research was %90. (n=54). Data related to the variables were obtained directly from the employees of the firm through the questionnaires, which means primary source data were used in the research. Data obtained from questionnaires was analyzed through the SPSS statistical packet software (v.18) and proposed relations were tested through analyses. The results and implications will be discussed.

The demographic questions related to the participants' sex, age, and educational level. Of the study participants, 51.9 % were male and 48.1 % were female. The participants had a mean of 37.1 years old, the median was 35, and the mode was 33. 63 % of the participants had a bachelor's degree, 37 % had a master's and doctoral degree.

#### 4.2. Measures

In this study, two different surveys mentioned below were used to measure two variables determined as organization culture and corporate entrepreneurship. Each of the multi-item measures were based on 7-point rating scales (1: Strongly Disagree - 7: Strongly Agree).

Corporate entrepreneurship scale is combined two scales because (in order to) they may complement each other. One of the scales is ENTERSCALE and the other one is the corporate entrepreneurship scale developed by Zahra (1991, 1993). Another reason for using two scales is ENTERSCALE developed by Khandwalla (1977), refined by Covin and Slevin (1989) and checked by Knight (1997) is intended to measure of two dimensions (innovativeness and proactiveness) of the corporate entrepreneurship. On the other hand the corporate entrepreneurship scale includes three dimensions (new business venturing, innovativeness, and strategic -or self- renewal). When used together just like Antoncic and Hisrich (2001) and Antoncic (2006) did, the complete measure with the four dimensions (both scales assess innovativeness) is more complete. The four dimension of the corporate entrepreneurship scale were addressed in 19 items, innovation was measured by 5 items, new business venturing was measured by 5 items, strategic renewal was measured by 4 items, and proactiveness was measured by 5 items.

Organization culture scale developed by Hofstede (1984, 1997, and 2001) is assessed across five dimensions (power distance, uncertainty avoidance, individualism versus collectivism, masculinity versus femininity, long term versus short term orientation). Each of the cultural dimensions was measured by 4 items.

#### 4.3. Data Reliability and Validity

1 Sample K-S test was used for testing normality in distribution; thus, parametric tests of significance were used in the study. For the reliability of these surveys, The Cronbach's alpha scores obtained were;  $\alpha = 0,814$  for The Corporate Entrepreneurship scale and  $\alpha = 0,766$  for The Organizational Culture Scale, which indicates that the scales are reliable.

Validity of Corporate Entrepreneurship Scale were analyzed by their developers and used and tested in various studies by other researchers as well. Therefore these instruments are adequate and stable. For the construct validity of the variables was tested by factor analysis.

According the factor analysis results of Corporate Entrepreneurship, 9 items were deleted according to the factor loadings and 3 factors were found. However, based on the literature, the last factor was not significant, so it was excluded from the analysis. The factor loadings and the Cronbach's alpha scores of the factors are shown in Table 1:

**Table 1: Results of Exploratory Factor Analysis and Reliability Analysis of Corporate Entrepreneurship Scales**

Items	Factor 1	Factor 2	Cronbach Alpha ( $\alpha$ )
<i>Over the past three years, this company...</i>			
Has initiated several programs to improve the productivity of business units.	,850		
Has pioneered the development of breakthrough innovations in its industry.	,811		,843
Has introduced a large number of new products to the market.	,806		
Has spend heavily (well above the industry average) on research and development (R&D).	,727		
Has entered many new industries.		,907	
Has acquired many companies in very different industries.		,784	,739
Has acquired significantly more patents than its major competitors.		,664	

The first factor of the corporate entrepreneurship scale is "innovativeness" and second factor is "new business venturing".

Based on the factor analysis results of Organizational Culture, 6 items were deleted according to the factor loadings and 6 factors were found. However the last two factors' loadings were not significant for literature, so they were excluded from the analysis. Consequently, four dimensions of organizational culture stood out in this study. The factor analysis results and the Cronbach's alpha scores of the factors are shown in Table 2:

**Table 2: Results of Exploratory Factor Analysis and Reliability Analysis of Organizational Culture Scale**

Items	Factor 1	Factor 2	Cronbach Alpha ( $\alpha$ )
It is frequently necessary for a manager to use authority and power when dealing with subordinates.	,825		
Employees should not disagree with management decisions.	,767		,795
Managers should make most decisions without consulting subordinates.	,699		
Managers should not delegate important tasks to employees.	,673		
It is preferable to have a man in high level position rather than a woman.		,797	
It is more important for men to have a professional career than it is for women to have a professional career.		,755	
Solving organizational problems usually requires an active, forcible approach which is typical of men.		,666	,761
Men usually solve problems with logical analysis; women usually solve problems with intuition.		,656	
Managers should seldom ask for the opinions of employees.		,616	

**Table 2 (Continue): Results of Exploratory Factor Analysis and Reliability Analysis of Organizational Culture Scale**

Items	Factor 3	Factor 4	Cronbach Alpha ( $\alpha$ )
Managers expect workers to closely follow instructions and procedures	0,842		
Rules and regularities are important because they inform workers what the organization expects of them.	0,813		0,774
It is important to have job requirements and instructions spelled out in detail so that employees always know what they are expected to do	0,776		
Group welfare is more important than individual rewards.		0,935	0,843
Group success is more important than individual success.		0,823	

Based on the literature, first factor is "power distance" and second factor is "masculinity/ femininity" as in Table 2 in accordance with factor analysis results. Third cultural factor is "uncertainty avoidance" and last cultural factor is "individualism/collectivism". Long term/short term orientation dimension of the organizational culture was not significant for literature, so it was excluded from the analysis.

**5. Results**

The results of correlations among variables appear in Table 3. There is a positive relationship between innovativeness dimension of corporate entrepreneurship and power distance (0,506); so correlation analysis results support H1a. In addition there is a relationship between the new business venturing dimension of corporate entrepreneurship and the other factors labeled masculinity/femininity (0,291), uncertainty avoidance cultural factor (-0,609) is negatively related to new business venturing dimension.

Thus, the correlation analysis results support H<sub>1b</sub> and H<sub>1d</sub>. However, there is no statistically significant relation between none of corporate entrepreneurship dimensions and collectivism/individualism cultural factor, so H<sub>1c</sub> is not supported. The first hypothesis is that organization culture is related to corporate entrepreneurship. Although one cultural dimension is not related to corporate entrepreneurship, there are significant relationships between three cultural factors and corporate entrepreneurship. This means that, according to correlation analysis result, Hypothesis 1 is supported and accepted by the data in the analysis.

**Table 3: Correlations between Variables**

Variables	1	2	3	4	5	6
1. CE Innovativeness	1					
2. CE New Business Venturing	,233	1				
3. Power Distance (a)	,506**	,063	1			
4. Uncertainty Avoidance (b)	,086	-,609**	-,042	1		
5. Individualism/Collectivism (c)	-,057	-,253	,183	,315*	1	
6. Masculinity/Femininity (d)	,199	,291*	,373**	-,157	,099	1

\*\*Correlation is significant at the 0,01 level (p<0,01),

\*Correlation is significant at the 0,05 level (p<0,05)

For testing H<sub>2</sub>, regression analysis was conducted with its results presented below. It can be seen in Table 4 that power distance cultural factor has significant effect on corporate entrepreneurship innovativeness dimension (β=0,480, Sig=0,000), so H<sub>2a</sub> supported. In other words, increasing inequality distribution of power (H<sub>2a</sub>) affects innovative actions in organizations. On the other hand, masculinity cultural factor has a significant negative effect on the new business venturing dimension of corporate entrepreneurship (β=-0,617, Sig=0,000). The degree of focus on masculine values in organizations (H<sub>2d</sub>) does not affect new business venturing. The tolerance level of uncertainty situations (H<sub>2b</sub>) and the degree of individual interest (H<sub>2c</sub>) have no statistically significant effects on corporate entrepreneurship dimensions in the sample. Although there is a significant negative correlation between uncertainty avoidance cultural dimension and new business venturing as seen in Table 3, the cultural factor does not affect new business venturing significantly. So, it can be displayed that H<sub>2d</sub> is supported, but H<sub>2b</sub> and H<sub>2c</sub> are not supported.

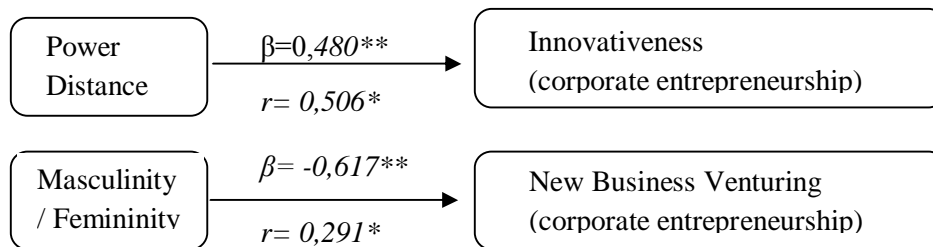
**Table 4: Multi Regression Analysis Results of Corporate Entrepreneurship**

<i>Innovativeness</i>	B	Sig.	Tolerance	VIF
(Constant)	3,060	,003		
Power Distance (a)	,480**	,000	,823	1,214
Uncertainty Avoidance (b)	,058	,653	,844	1,184
Individualism/Collectivism(c)	-,202	,080	,843	1,186
Masculinity/Femininity (d)	,195	,218	,882	1,134
Adjusted R <sup>2</sup>	,316			
R	562			
F	4,964			
Sig.	,002			
<i>New Business Venturing</i>	B	Sig.	Tolerance	VIF
(Constant)	5,767	,000		
Power Distance (a)	-,005	,965	,823	1,214
Uncertainty Avoidance (b)	,219	,045	,844	1,184
Individualism/Collectivism(c)	-,077	,419	,843	1,186
Masculinity/Femininity (d)	-,617**	,000	,882	1,134
Adjusted R <sup>2</sup>	,459			
R	677			
F	9,105			
Sig.	,000			

\*\* p<0,01, \* p<0,05

In addition, adjusted R squares of the multi regression analysis were presented above and they are statistically significant. According to tolerance and VIF values as seen in Table 4, there is no collinearity between independent variables. In other words, the tolerance and VIF values are all quite acceptable.

As a result, power distance and masculinity cultural variables in the research model have a statistically significant effect presented in Figure 2. The correlation coefficient between power distance and innovativeness is 0,506 ( $p < 0,000$ ). The regression coefficient between these two variables is 0,480 (Sig=0,000). The correlation coefficient between masculinity and new business venturing is 0,291 ( $p < 0,000$ ). The regression coefficient between these two variables is - 0,617 (Sig=0,000). The hypothesis test results are summarized in the figure below.



**Figure 2: Summary of the Hypothesis Tests Results**

## 6. Conclusion

Only a few studies have examined the association between Hofstede's national culture dimensions and corporate entrepreneurship. This study indicates that the organizational culture dimensions related to corporate entrepreneurship activities.

Correlation analyses were conducted for testing the set of  $H_1$ . Correlation results showed that there is a medium-level relationship between power distance and innovativeness dimension. There is also a significantly weak relationship between masculinity cultural dimension and new business venturing. In addition new business venturing is related to uncertainty avoidance in a negative way. Thus,  $H_{1a}$ ,  $H_{1d}$  and  $H_{1b}$  are supported. As a result, increasing equality of power distribution in organization, and increasing the degree of masculine values increases corporate entrepreneurship activities. Moreover, increasing level of tolerance for uncertainty situation decreases corporate entrepreneurship activities. Accordingly, the organizational cultures dimensions influence entrepreneurship activities in organizations.

According to the multi regression results for testing the set of hypothesis 2; power distance has positive effects on innovativeness dimension of corporate entrepreneurship moderately which is seen in figure 1. This result is reasonable because it is supported in literature that the more increase inequality of power in organizations is essential for control and for temporarily overcoming the law of entropy, which states that disorder will increase (Hofstede, 2000), the more decrease entrepreneurial activity in the organizations. The power distance between a manager and a subordinate in a hierarchy affects the level of creativity of the subordinates. In addition, the employers who work in a flexible organization that has a few written rules and procedures have much more entrepreneurial ideas and be more innovative. Accordingly, the power distance cultural factor affect innovativeness, one of the activities/dimensions of corporate entrepreneurship, in a positive way. In other words, power distance is a crucial dimension of national culture that influences innovativeness or innovative ideas and actions in organizations.

Another result of the multi regression analysis is that masculinity cultural factor affects new business venturing in a negative way. In other words, if the employees of the firm do not display masculine entrepreneurial values, rejecting in particular risk taking and profit orientation, affect corporate entrepreneurship activities, especially new business venturing dimension, in a negative way. This negative impact of masculinity factor on new business venturing is reasonable because entrepreneurial spirit needs aggressive and strategic behaviors in accordance with masculine values. Although there is a weak positive relationship between masculinity and new business venturing, masculinity organizational culture has negative influence on new business venturing.



Masculinity has negative effects on new business venturing, because managers in feminine cultures will be more likely to make decisions carefully. Also, they spend great amounts of time analyzing strategic situations, and talk themselves out of an action that they perceive as containing unnecessarily high levels of risk (McGrath et al., 1992).

Consequently, the findings highlight the strategic importance of organizational culture for corporate entrepreneurship activities, both overall and performance. It is also clear from the results that; organization culture can be one of the most properly viewed as an important antecedent, or even a necessary condition, for development of corporate entrepreneurship activities. If national culture affects the individuals' behavior within organizations and individual behavior affects the strategic orientation, then it stands to reason that national culture may play a significant role in entrepreneurial activities. Moreover, based on this study, it would be recommended that managers should not ignore the influence of organizational culture on entrepreneurial activities. However, this study has some limitations related to sample. Future studies could expand the sample size to generalize the findings.

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