

Desired State of Entrepreneurial IT Organizations: An Analysis Based on Iran's SMEs

Mohammad Ali Sarlak, Payame Noor University, Iran

Mirza Hassan Hosseini, Payame Noor University, Iran

Ali Ghorbani, Payame Noor University, Iran

Hosein Abbasi Esfanjani, Payame Noor University, Iran

ABSTRACT

In recent years, developing countries have been faced with the problem of an increased number of unemployed people, requiring more attention on expanding the enterprising culture and to develop information technology. In this paper, the entrepreneurial IT SMEs in Iran are studied to determine their status quo, offering a conceptual framework for desired state, comparison between the state quo, and the desired state, which identifies their barriers. Considering the characteristics of Iran's business atmosphere, both can be divided into real and legal entrepreneurs. Results show that the majority of entrepreneurial IT SMEs are in a desired state regarding their strategy of growth rate implicitly, clear and pre-defined views, not being in the infancy stage of life cycle, participating staff in decision-making, and financially supplying research and development. Also, the major internal obstacles in these SMEs are lacking creativity and innovation techniques among their staff, shortage of experts, the presence of formal, vertical, and top-down authorities, lack of flat organizational structure, and the major extra-organizational barriers among others.

Keywords: Corporate Entrepreneurship, Entrepreneurial Organization, Information Technology (IT), SMEs, Technologic Entrepreneurship

INTRODUCTION

The importance of the role of entrepreneurs in societies is to the extent that economists consider it as the engine of economic growth and development, sociologists consider it as the promoter of the culture of competition, modern thinking, and social dynamism, and

management thinkers point to it as one of the most important factors in modern organizational developments and innovations. Also the rapid growth of the professions which are created by information technology has focused the attention on IT industry as a major factor in the economic growth of the societies. So considering the above-mentioned factors and the increased number of unemployed people mainly among educated ones, the results of this research would make it possible to have a planning in

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order to make use of the potential and actual capacities of IT entrepreneurship and expand it in a nation-wide state. In addition, it makes possible for executive officials and policy makers in the field of employment and development of information technology to take realistic and effective steps in order to reduce the limitations and problems facing the active organizations or newcomers. For this purpose, the major axes in the present research are as follows:

- The characteristics of the entrepreneurial IT organizations.
- Offering a conceptual framework to the desired state of the entrepreneurial IT organizations.
- Investigating the status quo of a sample taken from the entrepreneurial IT organizations in Iran.
- The limitations and barriers facing the entrepreneurial IT organizations in Iran.
- Offering procedures for improving the status quo of the entrepreneurial IT organizations in Iran.

THEORETICAL FRAMEWORK

There is no agreement between scholars about the definition of the term ‘entrepreneurship’. In fact we cannot understand the actual meaning of the term from its surface meaning. The concept of entrepreneurship dates back to 274 years ago and for the first time someone called Richard Cantillon (1730) proposed it. The historical review of the entrepreneurship literature reveals that this term was appeared for the first time in the economic and growth theories of the economists. The term, later, entered the entrepreneurship schools and theories of other humanities (Abedi, 2003).

The concept comes from the French word ‘Entreprendre’ and the German one ‘Unternehmen’, which both of them mean ‘commitment’. In the early decades of the 16th century, the leaders of military missions were called ‘entrepreneurs’. From 1700 on, the French people regarded those who were constructing bridges, roads,

etc as entrepreneurs (Saber, 2008). The term was translated in 1848 by John Stuart Mill as ‘entrepreneur’.

There are various definitions on the entrepreneurship which some of them are given below according their level of importance in theorizing:

Joseph Schumpeter (1934) thinks that entrepreneurship is a kind of activity such as: presenting a new product in the process of production, opening a new market, finding new resources, and building any new organizations in the field of trading.

Entrepreneurship is the process of creative destruction (newer products and services demolish the current market and create a new market). Entrepreneurship is the engine of economic growth. Entrepreneurship is the substance that the entrepreneur has in him/her and is a process that pays attention to it. Entrepreneurship is the human forces that the person has within him/her and results in innovation. In fact entrepreneurship is doing things in an unusual way and is a process which can be fitted in the broader concept of leadership. In economy, when the entrepreneur makes some innovation, it is said that growth has happened.

Also, Peter Draker (1985) defines entrepreneurship as the constant search for change. He thinks that entrepreneurship is a kind of behavior and not a special quality in the person’s character.

We should consider entrepreneurship as making use of concepts, managerial techniques, standardization of the products, using designing tools and processes, and founding the working process on the basis of education and work analysis.

Types of Entrepreneurship

In a general categorization, we can divide different types of entrepreneurship as follows (Samad Aghaei, 2000):

- 1- Personal entrepreneurship: including free or independent entrepreneurship and intra-organizational entrepreneurship

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