The Effect of Individual Entrepreneurial Orientation on Career Development: The Mediating Role of Entrepreneurial Leadership

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ABSTRACT
Organizations need to employ strategies to maintain and improve valuable resources and use human competencies effectively to achieve development in the current unstable and Knowledge-based environment. One of these strategies is planning and organizing the career path. As a powerful arm of a government, regarding support and food security services, the career development of employees in the Ministry of Agriculture is one of the most important management tasks that creates added value. The present study examines the effect of entrepreneurial organizational leadership and individual entrepreneurial orientation on career development and investigates the mediating role of entrepreneurial leadership. For this purpose, data were collected from 235 employees of the Ministry of Agriculture who were selected randomly through a questionnaire. The results showed that individual entrepreneurial orientation and entrepreneurial organizational leadership had a positive and significant effect on career development, and entrepreneurial leadership significantly mediated the effect of individual entrepreneurial orientation on career development.

Keywords:
Entrepreneurial Organizational Leadership, Individual Entrepreneurial Orientation, Career Development

Citation:
Introduction

Employees' career development is a continuous process that improves their citizenship and educational standards performance, increasing their capacity for lifelong learning. Employees' career development broadly refers to the growth of individuals in their job roles. Development of workers through experience and expertise, education, and skill training is not only in one area but in all areas; without employee career development, organizations cannot reach their long-term and short-term goals (Nixon, 2015, p. 15). Finally, training and development of human resources not only plays a big role in creating special knowledge and skills among employees and managers but also causes employees to take an active part in improving the level of efficiency and effectiveness of the organization and adapting to volatile environmental conditions. In fact, as a subject, human resources development is inseparable from the category of education (Wing, 2016, p. 70).

Most people consider the term career development as only progress in the organization, but in a broader sense, career development should be defined as “a series of personal behaviors and attitudes based on work-related activities and experiences throughout one’s life”. Career development has an internal meaning that refers to an individual's views on his profession, and on the other hand, it has an external meaning and is responsible for all kinds of real professions of a person (Mazrouei, 2014).

Sets of distinct but related behaviors are called entrepreneurial tendencies, which include innovation, aggressive competition, pioneering, independence, and risk-taking (Ekhlasi et al., 2017, p. 98).

Entrepreneurial orientation is one of the most stable (Wales, 2016, p. 5) and the best-known variables in entrepreneurship and management research (Pittino et al., 2017, p. 226) includes decision-making styles, processes, and methods that constitute the entrepreneurial activities of a company (Ekhlasi et al., 2017, p. 101).

Studies on entrepreneurial orientation have examined three different dimensions of being proactive, innovative, and risk-taking and have been introduced as a component at the organizational level that determines the performance of an organization (Gupta & Gupta, 2015, p. 13).

In the first dimension, being active can be defined as launching new services and products before competitors, keeping up with future demands and needs, and pursuing pioneering opportunities in new investments (Rigtering et al., 2017, p. 308; Anderson et al., 2015, p. 1583). In the second dimension, innovation has shown its importance in the previous two periods in emerging economies and has been widely introduced as the factor that plays a key role in developing entrepreneurship (Hossain, 2016, p. 978). Innovation is not only a single act but also a general process that has developed over time. Innovation is not limited to the creation of new ideas and requires inventing a new object and implementing it in the organization or the market itself (Felgueira & Rodrigues, 2020, p. 16). Another component is risk-taking, which is defined as a strategic measure to create opportunities even in the case of uncertainty (Rigtering et al., 2017, p. 308). Risk-taking involves the implementation of bold actions that include a significant level of resources without determining whether the resources are profitable (Rigtering et al., 2017, p. 309).

In an unpredictable environment, the survival of an organization, along with the factors such as energy, talent, and skills of its managers and leaders, depends largely on its managers' entrepreneurship and leadership competencies. Over the years, the scientific literature on entrepreneurial leadership has investigated such characteristics and skills of entrepreneurial leaders as demographic, sociological, psychological, and professional. The obtained results show that entrepreneurial leaders should have relevant experience and skills, especially creativity, interpersonal skills, and opportunity orientation, which may help entrepreneurial leaders to formulate the desired image in the future and encourage other employees to follow their vision so that they can step on the path of career development (Dabić et al., 2021, p. 689).
Entrepreneurial leadership can increase innovation and creativity by creating high levels of trust and interaction in organizations in relation to managerial responsibilities to strengthen and expand administrative reforms and management methods in the new system. The entrepreneurial leader can play an important role in developing the discovery of entrepreneurial opportunities and the strategic orientation of organizations by relying on features such as inspirational characteristics, motivating people with great ideas, and finally guiding employees in turning this shared vision into reality (Davar et al., 1400, p. 323).

**Theoretical literature and research background**

Entrepreneurial orientation is a concept originated by Miller (1983), which consists of three dimensions: innovation, proactivity, and risk-taking. Later, Lumpkin and Dess (1996) further refined the entrepreneurial orientation and proposed a five-dimensional model including autonomy, innovativeness, risk-taking, proactiveness, and competitive aggressiveness (Al-Mamary, & Alshallaqi, 2022).

Researchers have recently suggested that entrepreneurial orientation can also be considered an individual-level construct (Robinson & Stubberud, 2014). Such a proposal has provided researchers with new rooms to examine entrepreneurial orientation from a new level and perspective. Existing studies that examined individual entrepreneurial orientation agreed that individual entrepreneurial orientation is a multidimensional construct and is composed of elements similar to firm-level entrepreneurial orientation. For example, the individual entrepreneurial orientation of Taiwanese franchisees is positively related to business performance (Chien, 2014, p. 919). The relationship between individual entrepreneurial orientation and business success was also proven by Bolton (2012). The above studies have given a new insight about individual entrepreneurial orientation as an individual level. However, most of them focus on the relationship between entrepreneurial orientation and individual performance. Since individual entrepreneurial orientation exists at the individual level, its relationship with individual attitude or behavior and career development is also worth researching. In particular, the effect of individual entrepreneurial orientation on career development requires further investigation. Moreover, since the individual entrepreneurial orientation is considered relatively new, researchers should focus on operationalizing its elements in their studies.

Leadership is a social process in which the influence of the leader on the behavior of his followers is such that they achieve the desired organizational goals, and in today's business environment, where we are faced with the rapid and competitive growth of organizations, entrepreneurial leadership that is different from other leadership styles are needed (Gupta et al., 2004). Entrepreneurial leadership can be seen as a dynamic process of presenting a vision, creating commitment in followers, and taking risks in facing opportunities, which leads to the optimal use of existing resources and the discovery and exploitation of new resources based on the leader's vision (Harrison et al., 2018, p. 530). Successful organizations can improve their innovative capacity through entrepreneurial leadership.

Entrepreneurs and leaders are different; according to Collins, an entrepreneur is a business owner who tries to earn money through risk and initiative, while a leader is a person who directs, guides, and inspires others. Moreover, leaders can enter all areas of society, such as the military, church, politics, and sports, while entrepreneurs, as limited agents, think exclusively about business. But when the terms leadership and entrepreneurship are used in the context of business, interference and confusion arise. Then, with consensus, it can be considered that an entrepreneur can suggest to the leader that a leader needs entrepreneurial talent. Some research shows that leadership and entrepreneurship overlap, and some academic researchers argue that leadership and entrepreneurship education have similar characteristics. Entrepreneurship and leadership have evolved. Entrepreneurship and
leadership focused on personality traits and demographic characteristics in the early stages. In the next stage, they turned their attention to behavioral factors so that entrepreneurs and leaders emphasized motivating a group of followers to achieve the vision. Finally, contextual and situational factors have been studied to show the impact of environmental elements on entrepreneurial performance and leadership activities. According to Hollander, leadership is often a potential force in inspiring the role of individuals for group goals, cooperation, and support for colleagues. Leadership is a social process that is within the framework of the group and in which the leader's effects on the behaviors of his followers are such that they achieve the desired organizational goals. The role of the leader as an influencer requires behaviors such as being inspirational, motivating, and visionary for designing a suitable organizational framework. Leadership can influence creative behavior through its influence on followers. The leader can create a work environment that encourages creativity; furthermore, leadership can create an organizational atmosphere that emphasizes a more creative work process as a central principle. Entrepreneurs are known as heroes and role models. Many business managers believe that the characteristics of entrepreneurs are creativity, innovation, risk-taking, and independent thinking. Risk-taking, innovation, need for high success, belief in controlling incidents and events, starting new activities, tolerance of uncertainty, need for independence, and identifying market opportunities are among the characteristics of entrepreneurs. Leaders also have the characteristics of communicative and social skills, personal motivation, trust and confidence, ability to motivate, honesty and integrity, innovation, inspiring confidence, intelligence, business knowledge, genuine interest in others, and group orientation (Ahmadi et al., 2016). In fact, entrepreneurial leadership can help increase creativity (Mehmood et al., 2021) and innovation among employees (Hoang et al., 2022) and strengthen innovative behaviors. Innovative behaviors help to increase career development due to the increase of new behaviors. Therefore, it can be said that entrepreneurial leadership helps to strengthen career development by creating a suitable and encouraging atmosphere for increasing creative and innovative behaviors.

Sample and procedure
The subjects were selected from among employees in the Ministry of Agriculture in the North West of Iran through random sampling. Only 235 out of 258 questionnaires were replied (response rate = 91%). All the subjects were asked to indicate their age, gender (1 = male, 2 = female), and education (ranging from 1 = high school degree to 5 = postgraduate university degree). The average age of employees was 43.5 years old (SD = 5.2). Seventy-two percent of the respondents were male. The questionnaires were sent to the employees in an online form, and they were assured that their answers would be anonymous and would not be disclosed.

Measures
In this research, the tools of data collection were questionnaires, the validity and reliability of which were previously confirmed in studies inside Iran in both government and public institutions.

Entrepreneurial leadership questionnaire: it was measured in five dimensions (obtaining commitment, setting limits, managing uncertainty, challenging goals, and persuasion) and by the 22-item questionnaire of Gupta et al. (2009).

Career development: In this research, career development is the score that the subjects get from two components of perception of value of career development (9 items) and perception of availability of career development opportunities (9 items) which were adapted from LI, Tong, and Wong (2013).

Individual entrepreneurial orientation: the operationalization process of Bolton and Lane (2012) and Bolton (2012) questionnaires in 3 dimensions include pioneering with three items, risk-taking with five items, and innovation with four items.
The confirmatory factor analysis was used to check the validity of research variables. Cronbach’s alpha test was used to check the reliability of the questionnaires. The obtained confidence coefficient for entrepreneurial leadership, entrepreneurial orientation, and career development were 0.812, 0.798, and 0.751, respectively.

Results
The results of the descriptive statistics of individual entrepreneurial orientation, entrepreneurial leadership, and career development are given in Table 1. According to the results, it can be stated that the weighted mean value of all three variables is higher than the theoretical mean value; therefore, the importance of the items of all three variables of individual entrepreneurial orientation, entrepreneurial leadership, and career development is above the mean. Among the variable dimensions of individual entrepreneurial orientation, the highest mean was related to risk-taking and the lowest weighted mean was related to innovation. Among the dimensions of entrepreneurial leadership, the highest weighted mean was related to uncertainty management, and the lowest weighted mean was related to the component of obtaining commitment. Finally, among the variable dimensions of career development, the highest weighted mean was related to the context, and the lowest weighted mean was related to the content. Other descriptive data, such as the minimum, maximum, mean, and standard deviation of these variables, are shown in Table 1. By the weighted mean, we mean the average of each variable divided by the number of questions of that variable; this is to determine the average score of each subject based on a five-point Likert scale from 1 to 5.

Table 1.
Descriptive statistics of research variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Min</th>
<th>Max</th>
<th>Weighted mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk-taking</td>
<td>6</td>
<td>25</td>
<td>3.82</td>
<td>.706</td>
</tr>
<tr>
<td>Pioneering</td>
<td>4</td>
<td>15</td>
<td>3.82</td>
<td>.711</td>
</tr>
<tr>
<td>Innovation</td>
<td>4</td>
<td>20</td>
<td>3.8</td>
<td>.951</td>
</tr>
<tr>
<td>Challenging goals</td>
<td>8</td>
<td>25</td>
<td>3.86</td>
<td>.911</td>
</tr>
<tr>
<td>Uncertainty management</td>
<td>3</td>
<td>15</td>
<td>3.96</td>
<td>.874</td>
</tr>
<tr>
<td>Persuasion</td>
<td>5</td>
<td>25</td>
<td>3.8</td>
<td>.882</td>
</tr>
<tr>
<td>Obtaining commitment</td>
<td>4</td>
<td>20</td>
<td>3.64</td>
<td>1.08</td>
</tr>
<tr>
<td>Setting limits</td>
<td>5</td>
<td>25</td>
<td>3.77</td>
<td>1.211</td>
</tr>
<tr>
<td>Perception of Value of Career</td>
<td>9</td>
<td>44</td>
<td>4</td>
<td>1.125</td>
</tr>
<tr>
<td>Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>perception of availability of career</td>
<td>11</td>
<td>41</td>
<td>3.93</td>
<td>.882</td>
</tr>
<tr>
<td>development opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Baron and Kenny's (1986) method of simultaneous hierarchical regression called “path analysis” was used in AMOS software to measure the mediating role of entrepreneurial organizational leadership. The steps of implementing this method are as follows: in the first stage, the regression coefficient of the variable of individual entrepreneurial orientation on the career development variable, and in the next stage, the regression coefficient of the variable of individual entrepreneurial orientation on the variables of entrepreneurial organizational leadership and career development are calculated simultaneously. In order to investigate the indirect effect of the individual entrepreneurial orientation variable on the dependent variable of career development among the employees of the Agricultural Jihad Organization in Ardabil province, the difference in the regression coefficient of the individual entrepreneurial orientation variable from the first stage to the second stage was investigated through the entrepreneurial organizational leadership variable, which is depicted in Figure 1.
Figure 1.
*Standard path analysis coefficients for the conceptual model with the mediating role of entrepreneurial organizational leadership*

As Figure 1 shows, all the relationships are significant, and the results of the significance analysis of the path analysis coefficients in the conceptual model with the mediating role of entrepreneurial organizational leadership are presented in Table 2.

### Table 2.
**Significance of path analysis coefficients with the mediating role of entrepreneurial organizational leadership**

<table>
<thead>
<tr>
<th>Effect</th>
<th>Regression coefficient</th>
<th>S.E.</th>
<th>Critical Ratio (C.R)</th>
<th>p</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual entrepreneurial orientation → Entrepreneurial leadership</td>
<td>0.822</td>
<td>0.097</td>
<td>8.334</td>
<td>***</td>
<td>Confirmed</td>
</tr>
<tr>
<td>Individual entrepreneurial orientation → career development</td>
<td>0.311</td>
<td>0.068</td>
<td>4.433</td>
<td>***</td>
<td>Confirmed</td>
</tr>
<tr>
<td>Entrepreneurial leadership → career development</td>
<td>0.648</td>
<td>0.088</td>
<td>7.250</td>
<td>***</td>
<td>Confirmed</td>
</tr>
</tbody>
</table>

*** Significance is at a level less than 0.001

Based on the results of the above tables, the path analysis coefficients for all relationships were significant ($p < 0.05$). Therefore, these relationships can be used to answer the research hypotheses.

### Table 3.
**Fit indices for the research conceptual model**

<table>
<thead>
<tr>
<th>Grouping of indices</th>
<th>Index name</th>
<th>Abbreviation</th>
<th>Model</th>
<th>Acceptable fit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparative fit indices</td>
<td>Tucker-Lewis fit index</td>
<td>TLI</td>
<td>0.904</td>
<td>TLI&gt;90%</td>
</tr>
<tr>
<td></td>
<td>Normalized fit index</td>
<td>NFI</td>
<td>0.928</td>
<td>NFI&gt;90%</td>
</tr>
<tr>
<td></td>
<td>Comparative fit index</td>
<td>CFI</td>
<td>0.904</td>
<td>CFI&gt;90%</td>
</tr>
<tr>
<td></td>
<td>Incremental fit index</td>
<td>IFI</td>
<td>0.906</td>
<td>IFI&gt;90%</td>
</tr>
<tr>
<td>Thrifty fit indices</td>
<td>Parsimonious normalized fit index</td>
<td>PNFI</td>
<td>0.605</td>
<td>more than 50 percent</td>
</tr>
<tr>
<td></td>
<td>parsimonious comparative fit index</td>
<td>PCFI</td>
<td>0.649</td>
<td>more than 50 percent</td>
</tr>
<tr>
<td></td>
<td>The root mean square error of approximation</td>
<td>RMSEA</td>
<td>0.042</td>
<td>less than 8 percent</td>
</tr>
</tbody>
</table>
As presented in Table 3, the comparative fit indices (TLI, NFI, CFI, and IFI) had a suitable fit (more than 0.9), and the RMSEA was 0.042, which is less than the minimum value for appropriateness, i.e., 0.08. Finally, the fit of the final conceptual model was assessed as acceptable.

According to Baron and Kenny's method, if the effect of the exogenous or independent variable (individual entrepreneurial orientation) decreases from the first stage to the second stage (the regression coefficient of the path decreases), mediation is established; based on the results obtained from the Figure 1 to 2 when the entrepreneurial leadership variable has a mediating role and without such a role, according to Baron and Kenny, it can be seen that in the first stage of the Baron and Kenny test, the regression coefficient of the individual entrepreneurial orientation variable was 0.884 on career development; and regression coefficient of individual entrepreneurial orientation on career development was 0.867, which are all significant. In the second stage, when a relationship is established from the path of the entrepreneurial leadership variable to the career development variable, as shown in Table 2, this path coefficient (0.648) was significant (significance level less than 0.05), and the regression coefficient of the individual entrepreneurial orientation variable on the career development variable decreased from 0.884 to 0.311. Therefore, according to Barron and Kenny's method, the mediation is proven if the effect of the exogenous or independent variable of individual entrepreneurial orientation decreases from the first stage to the second stage with the introduction of the mediating variable (entrepreneurial organizational leadership) into the research equation is proven. As a result, it can be claimed that the entrepreneurial leadership variable has a mediating role in the effect of individual entrepreneurial orientation on career development.

Discussion and conclusion

Based on the steps proposed by Barron and Kenny, the results showed that when entrepreneurial leadership does not play a mediating role, the path coefficient between entrepreneurial orientation and development is higher than when entrepreneurial leadership acts as a mediator. In fact, through entrepreneurial organizational leadership, individual entrepreneurial orientation indirectly affects employees' career development in Agricultural Jihad Organization.

In explaining this conclusion, it can be said that individual entrepreneurial orientation, with its positive effect on entrepreneurial leadership, encourages innovation, risk-taking, and pioneering, all of which, in a way, encourage career development and increase career productivity. Therefore, individual entrepreneurial orientation encourages entrepreneurial leadership, which improves career development. Research has shown that the organization's performance depends on entrepreneurial activities, and successful entrepreneurs are those who take good risks, not managers who are afraid of taking risks. They like to take calculated risks if the potential rewards are right. Risk aversion is an obstacle to entrepreneurship. Although taking decisions that involve risk in the public sector is not always appropriate, government organizations need actions that involve risk; this is because their political environment is not completely predictable and stable; therefore, entrepreneurial organizational leadership can be an important factor in this field.

The increased interest in entrepreneurial leadership can be at least partially related to the claim of some researchers that it is important for improving organizational performance and success. Sundararajan et al. (2012) suggested that the spiritual entrepreneurial leadership model helps to manage the problem of the high number of start-up failures. However, their intellectual position still needs to be empirically tested. Studies have also shown that entrepreneurial leadership directly and positively impacts sales performance and customer satisfaction (Agus & Hassan, 2010; Nguyen et al., 2021), employee satisfaction, motivation, commitment, and effectiveness (Soomro, & Shah, 2019; Suswati, & Sawitri, 2022; Papalexandris & Galanaki, 2009). Although these disputes refer to the performance of employees in for-profit sectors, performance is usually a function of the individual’s
career development. Therefore, it can be said that entrepreneurial leadership stimulates the entrepreneurial ability of employees and can help their career development. The reason for this can be people’s orientation to create risk-taking behaviors by understanding the lack of criticism from the leader. The entrepreneurial leadership style encourages people to engage in entrepreneurial activities. New activities cause people to learn and increase their knowledge, directly and indirectly affecting their career development and explicit and implicit knowledge. However, these studies (e.g., Hmieleski & Ensley, 2007) do not recognize the importance of other dimensions, such as opportunity identification, exploitation, or strategy making, that may be important for entrepreneurial leadership (Gupta et al., 2004).

References


