

Investigating the Effect of Entrepreneurial Orientation and Psychological Capital on the Performance.

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Abstract

The paper aims to explore the effects of entrepreneurial orientation (defined as innovativeness, risk-taking, aggressive competitiveness, proactiveness, autonomy) and psychological capital (defined as optimism, hope, self-efficacy and resilience) on the performance the private insurance companies. Therefore, Qom's Islamic Republic of Iran Broadcasting headquarters has been selected as the statistical population in which the research standardized questionnaire was distributed among its experts and managers to measure entrepreneurial orientation, psychological capital and organizational performance. The obtained data were evaluated using the SPSS software. The results suggest that entrepreneurial orientation and psychological capital exist only at a medium level in the said organization. The improvement of psychological capital will directly influence entrepreneurial orientation and thus indirectly improving the performance. The entrepreneurial orientation also directly improves the performance. Moreover, the aspect of autonomy from the entrepreneurial orientation and the aspect of hope from the psychological capital are in a lower state, comparatively.

Keywords: *Entrepreneurial Orientation, psychological capital, entrepreneurial orientation, performance, the private insurance companies.*

Introduction

The uncontrolled increase in the complexity and uncertainty of conditions for larger organizations have faced them with serious problems such as more new rivals, distrust in traditional management practices and the leaving of the best employees to the extent that it has become a part of their everyday life. The private insurance companies are not an exception either. This is despite all the fundamental changes such as national network program developments, production and distribution of digital antennas in the country, internet access to IRIB program archives, satellite broadcast of state TV channels through creating the infrastructure and providing the conditions where everyone could improve Entrepreneurial Orientation (EO) individually or collectively (Lee et al., 2011; Abbaszadeh, 2011). In a thorough study, Lumpkin and Dess (1996) defined EO as involving decision making styles, processes and practices that shape entrepreneurial activities. It has also been defined as a strategic orientation (Shepherd, 2003). Extensive research shows that EO involves five dimensions namely risk-taking, innovativeness, proactiveness, competitive aggressiveness and autonomy (Zali and et al, 2010). Much research has been done on the relationship between EO and performance which indicate a positive and meaningful relationship between the two. Most of these researches suggest that EO frequently results in financial and non-financial performance improvement of organizations (Hang, 2007; Zahra, 1995).

According to Sutter (2009), one of the very important and effective factors/conditions that foster EO among individuals in an organization is implementation of the dimensions of psychological capital (Luthans & Youssef, 2007). Psychological capital is a new concept which was introduced by Luthans (2003) and involves the psychological capacities such as self-efficacy, hope, optimism, resilience which are considered as the main factors that contribute to entrepreneurship, sustainable competitive advantage, organizational performance (Luthans, 2004; Luthans et al, 2007). The variables that make up the psychological capital can be measured and it is possible to manage them (Samson, 2009). Although it has been shown that EO improves organizational performance and that psychological capital has an important role, it is essential to examine the relationship between the two constructs and the impact they could have on each other. Thus, while gathering the required data and examining the current literature on psychological capital and organizational EO the present paper, the present paper attempted to assess the impact of the two variables on the performance Broadcasting State Headquarters. In other words, the present paper seeks to answer the question whether the components and dimensions of psychological capital and EO have an impact on the performance the private insurance companies?

Literature Review

1) Psychological Capital

The literature on the individual's behavior in small or large organizations suggests that the psychological capacities and components such as hope, optimism, self-efficacy and resilience comprise the psychological capital. It has the following characteristics:

1. It is based on positive psychological paradigms.
2. It fosters positive behavior.
3. It is something more than social or human capital.
4. It has a strong relationship with growth, development and entrepreneurship (Luthans et al., 2003; Luthans, 2002).

A new concept and only recently introduced by Luthans et al, (2003) psychological capital is derived from the positively oriented organizational behavior. Today, many researchers believe that the psychological capital can provide a sustainable competitive advantage for organizations and individuals. Psychological capital comes about when the individual has not yet started a business and it takes place in the very stage that he launches a business or joins one (Luthans & Youssef, 2007). Psychological capital is one of the key factors in predicting entrepreneurial performance in an organization; it has an impact stronger than that of various levels of education and access to opportunities (Sutter, 2010). Defined as entrepreneurial psychological capital, researchers have come to the conclusion that entrepreneurs have psychological resources which they use when they encounter mental or emotional challenges (Samson, 2009; Luthans, 2002; Luthans et al., 2007).

1-1) Optimism

Optimism is a relative state where an individual attributes his achievements to himself in positive circumstances and regard the negative circumstances as caused by environmental and outside conditions; this is because the individual invariably holds a positive outlook toward himself and his surroundings. In order to nurture optimism in an individual it is essential to enhance the following characteristics/indices: having a general rather than a holistic view toward the future, internal locus of control, sustainability of documents, reliance on strengths and opportunities (Luthans et al, 2007).

1-2) Hope

Hope is a motivating state based on an inner activity which not only provides the necessary energy (will and resolution) to achieve objectives but also prepares the operational plan for attaining objectives (roadmap). The first aspect, i.e. will or resolution, paves the way for attaining objectives while the second aspect helps the individual with finding alternative solutions to achieve objectives (Luthans, 2002). Therefore, hope is made up two components: functionality and planning to achieve the goal. Functionality is synonymous with having the will to achieve the desired goal. Thus, hope requires functionality or some sort of energy to pursue goals. The other component contributing to hope is planning to achieve goals which not only involves the identification of goals but also the various ways to achieve those goals. In other words, hope requires the will to achieve success and also involves identifying and clarifying and pursuing of the required ways to achieve those goals.

1-3) Self-efficacy

In general, self-efficacy has been identified as the underlying agent contributing to personal performance (Bandura & Luke, 2003; Luthans, 2007). Bandura & Luke, (2003) argues that self-efficacy (which fosters feelings of adequacy, competence and self-esteem) is influenced by factors/indicators such as successful past achievements, encouragement from others, the physical and psychological conditions and past performance as the most important sources of self-efficacy. Employees and organizations that have had accomplishments in fields related to their job and goals are more confident they can do similar tasks with greater success in future; in fact, they have a kind of self-confidence (Luthans, 2002). With regards to behavioral patterns, seeing a colleague or organization succeed in a similar task can induce and enhance the feeling of self-efficacy. Individuals with a higher degree of self-efficacy, set higher goals for themselves and

accept performing harder tasks to achieve those goals; welcome challenges and risks, strive hard to face challenges. Highly motivated individuals are more inclined toward development and progress. They do not spare any effort to achieve their goals and implement various strategies. They are determined when facing obstacles. Individuals with self-efficacy exhibit such characteristics only in their respective fields of expertise and having skill in performing a task in one of the indicators of self-efficacy. Self-efficacy can be acquired in any activity through practice and improvement of knowledge and skill in that field (Luthans and Youssef, 2007; Luthans et al, 2007).

1-4) Resilience

According to Luthans (2002), resilience indicates a positive psychological capacity that is harried by increased responsibilities and failures. In other words, it involves showing flexible reactions in critical situations. In order to acquire resilience, a group of skills and attitudes is necessary i.e. hardiness. It helps individuals to translate difficulties into fresh, profitable and valuable opportunities when encountering stressful changes. The attitudes of hardiness are: commitment, control and challenge seeking. Commitment is when faced with hardships the individual prefers to keep at the task rather than abandoning it. Control means that the individual believes in his/her capacities to impact the outcomes of events. And finally, challenge seeking is when faced with hardships the individual tries to create development opportunities for themselves and others rather than blaming fate. Furthermore, the individual has to develop problem solving and interaction skills in order to deepen socially supportive qualities in themselves. In fact, resiliency is a phenomenon that results from normal human adaptational responses and empowers the individual toward achieving success and overcoming threats despite being faced with serious threats. Of all the components that comprise social capital, resilience in the workplace has been given the least attention in organizational literature.

5) Risk-taking

Risk-taking refers to the tendency of an organization in making decisions and taking an initiative without having any particular knowledge about the possible outcomes (Zali & etal, 2010). This initiative could for instance involve getting a massive loan, investigating in unevaluated technologies, introducing new products to new markets. It should be noted that the acceptable level of risk-taking could vary with different organizations (Balan & Lindsay, 2010).

6) Competitive aggressiveness

Competitive aggressiveness shows an organization's inclination for facing threats and challenges in order to improve its status quo. Lumpkin & Dess (2001) showed that competitive aggression is more important for an organization in the final stages of its life cycle than the early stages. There is a significant difference between proactiveness and competitive aggressiveness. The former deals with how an organization responds to market opportunities in the new entry process while the latter suggests how an organization is related to its rivals (Habbershon & Nordqvistetal, 2010).

7) Autonomy

Autonomy refers to the activities that an individual do independently in an organization in order to advance the organizational goals and programs despite the difficult organizational restraints which lead to the creating of entrepreneurial values in that organization (Lumpkin & Dess, 1996).

8) Innovation

Innovation represents an organization's tendency toward new ideas and creative processes which are reflected in its products, services and processes. According to Miller (1983), innovation is the tendency to abide by creativity and testing through introducing new products or services by means of strategic leadership and R&D in new processes. Innovation can take place progressively or radically. In other words, it can range from being ready for small improvements to active commitment to become skilled at creating products based on the latest technologies (Lumpkin et al., 2009). Innovation is vital for an organization to survive, because, it is a key source for new ideas which lead to the introduction of new products, improvement of services and management practices which in turn contributes to an organization's development and survival (Lumpkin et al., 2009).

Proactiveness

Proactiveness shows an organization's tendency to identify new opportunities. Proactive firms identify the future needs of their customers and predict changes in demands. It describes how an organization advances its strategic plans by

predicting and pursuing new opportunities which has been defined as acting in order to predict the future issues and change needs.

The relationship between EO and performance

Hypothesis 1: EO influences performance in the private insurance companies.

Organizations today are striving, more than ever, to create values. These organizations are governed by the entrepreneurial spirit and orientation to the extent that they effectively seek new market opportunities, increased performance and capacities to improve their competitive edge in the future. In the past two decades, considerable efforts have been done to understand why EO is important for an organization. Dynamic and competitive environments, implementation of new technologies, diversity and change in preferences have constantly put the The private insurance companies under great pressure. EO helps these organizations adapt themselves to these pressures exploit identified opportunities and finally improve their performance. According to Miller (1983) the structural indices of EO include innovation, risk-taking and proactiveness wherewith an entrepreneurial organization undertakes to innovate in the products and markets and puts pressure on the rivals. In their article, Lumpkin and Dess (1996) introduced two additional dimensions essential for understanding the concept of organizational entrepreneurship: competitive aggression and autonomy. In order to show the importance of the concept of EO in organizations such as IRIB, scholars have studied this construct as an organizational phenomenon and have examined the potential relationship between EO and organizational performance (Stewart, 2009).

Organizational performance is a concept which is very important for organizations and it is used as an instrument for measuring effectiveness and efficiency. Therefore, it has been considered as an independent variable in many studies. The results show that a higher level of EO activities improves the performance of organizations. EO facilitates the achievement of objectives and helps the present key organizational agents to identify and exploit opportunities by fostering a dynamic performance. According to Shepherd et al (2007), EO often plays a moderating role in organizations and brings about strong and positive capital particularly knowledge based capital and thus improves the performance (Kaya, 2009). There is also a close relationship observed between growth/profitability and EO especially in larger organizations. In fact, EO contributes to an organization's growth and profitability by positively influencing the organizational performance especially in the context of intense competition, scarcity of opportunities and constant change. It indicates a positive and meaningful relationship between EO and the financial performance of an organization (Zahra & Gravis, 2000; Zahra & Covin, 1995). However, it has been shown in some studies that not only have the implementation of some EO strategies in organizations not resulted in improvement of their financial and non-financial organizational performance but they have also undermined the organizational performance. For example, the literature on economically developed countries shows that individuals with higher levels of EO suffer from various restraints in the organizational environment. Furthermore, many organizations have a U like OE shape which leads to financial performance improvement only up to a point and after that it reduces the organizational performance (Tang et al., 2010). However, there are a greater number of studies that have shown a positive relationship between OE and performance. Of course, in the examination of the relationship between these two variables in many studies, key moderating variables such as organizational culture, innovation capacity, etc. were discovered. The OE dimensions facilitate and improve the decision making styles and organizational members' actions. These factors often work with each other to improve the entrepreneurial performance of an organization (Zali and etal 2010). Innovation, proactiveness and autonomy had a stronger relationship with performance than competitive aggressiveness and risk-taking. The present study also showed that EO has a stronger relationship with financial performance indices than non-financial ones. This indicates that the main purpose of EO is to improve the financial outcomes rather than improving the other possible business objectives (Balan & Lindsay, 2010). Since the research in this area shows that there is a positive relationship between EO and performance, researchers began to introduce EO as an intangible source for creating sustainable competitive advantage (Stewart, 2009).

Therefore, hypothesis 1 would be as follows:

Hypothesis 1: EO has an impact on the performance of the private insurance companies.

All the EO dimensions will be discussed further on to show their likely effect on organizational activities and outcomes.

The relationship between entrepreneurial psychological capital and organizational performance: theory

There are two main factors with regard to the psychological capital indices. First, all of them can be developed from measuring the status quo (who you are) by means of experience and learning to the desired status (who you will become). It should be noted that the degree of development with each of these indices vary with different individuals depending on their ways and habits. Second, each of the psychological capital recognized indices can independently improve the performance of individuals in an organization (Hmieleski & Carr 2009; Luthans et al., 2005).

Theoretical studies that have examined psychological capital, argue that there is a positive relation between psychological capital and organizational performance. For instance, according to Adams et al. (2002) hope is positively and significantly related to the performance of athletes and academics. In another study, they came to the conclusion that the employees who have higher levels of hope are more likely to look for success opportunities and are more committed in performing their organizational duties or tasks. Furthermore, Peterson and Luthans (2003) argue that the level of hope among fast food restaurant managers is highly and positively correlated with the financial performance of their unit, job satisfaction and EO in employees. Hmieleski & Carr (2009) carried out a research on the relation between entrepreneurial psychological capital and newly founded investment organizations. They realized that there was no meaningful relationship between tangible capitals such as financial and human capitals and entrepreneurial performance in the said organizations; however, they observed a positive and meaningful relationship between psychological capital and entrepreneurial performance and environmental dynamics. In another research on the subject of entrepreneurial psychological capital and job satisfaction and its impact on entrepreneurial action, they found that there is a positive and meaningful relationship between psychological capital and job satisfaction and that the higher the level of job satisfaction be in employees the greater will be the chances for entrepreneurial action (Hmieleski & Carr, 2009).

Previous research has shown that organizational employees that demonstrate hope, optimism, and resilience in the work environment present a higher level of performance and have a higher level of job satisfaction (Luthans et al., 2007).

Accordingly, the 2nd hypothesis is as follows:

Hypothesis 2: psychological capital has an impact on the private insurance companies.

Next, we will discuss about all the facets of psychological capital to show how they may influence organizational activities and outcomes.

Psychological capital and entrepreneurial orientation

The literature review shows that no empirical study has directly and simultaneously investigated the relationship between psychological capital and EO. There are only few studies that have indirectly identified a relationship between the two variables. Bahrami and Abbasian (2010) examined the relationship between self-efficacy and achievement motivation and found out that the four aspects of self-leadership, self-adjustment, self-justification and self-confidence are positively and significantly related to achievement motivation among pre-university female students. Achievement motivation is by itself one of the factors that foster innovation and ultimately contributes to EO. In his study, Hang (2007) found that individuals who have an optimistic spirit have a higher risk-taking propensity and are more practiced in dealing with challenging goals.

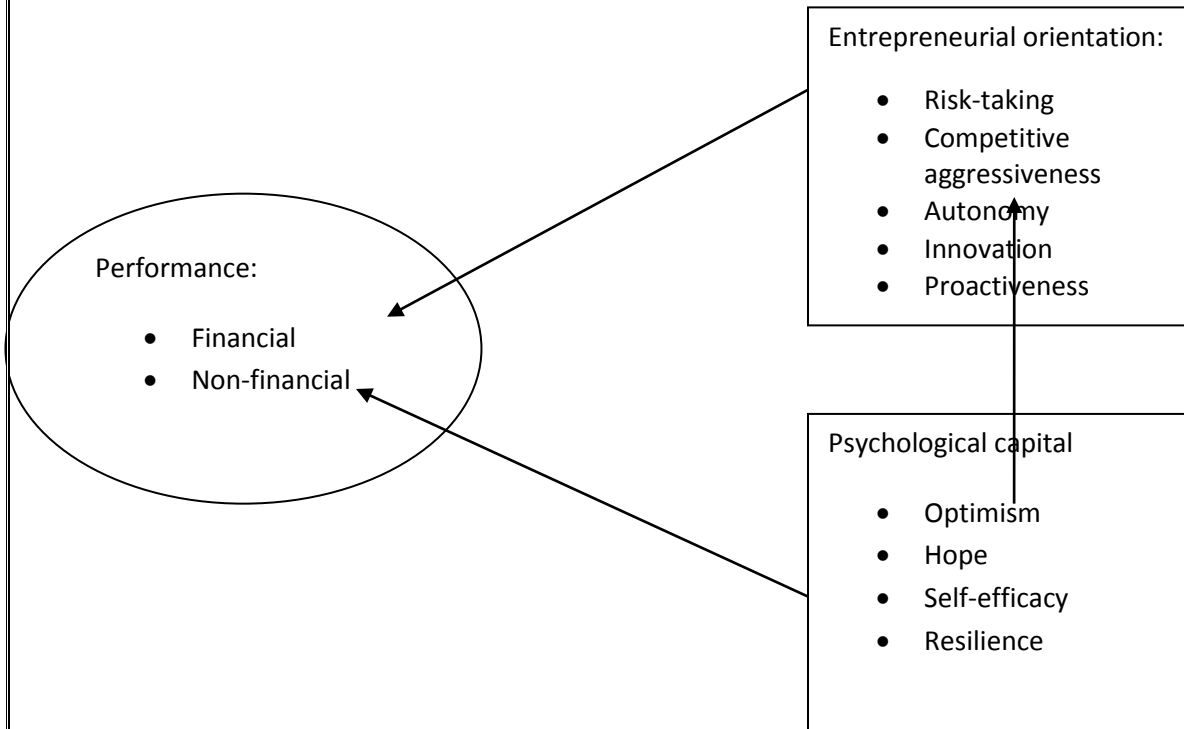
Therefore, since the identified aspects of the research as regards psychological capital include optimism, hope, self-efficacy and resiliency, it is expected that these aspects as a group of personal factors would also impact EO in an organization.

Thus, the present research attempts to examine the direct impact of psychological capital on performance and its indirect impact on performance through affecting EO. This is the innovative aspect of the present study. Accordingly, the 3rd and 4th hypotheses are as thus:

Hypothesis 3: psychological capital influences EO in the IRIB headquarters.

Hypothesis 4: psychological capital influences performance of the The private insurance companies through affecting EO.

The conceptual model



Methodology

The present research is empirical in terms of purpose and employs a descriptive survey method to collect the required data. The research population is comprised of managers and experts in the private insurance companies province in Iran. The systematic random sampling method was used in order to obtain the required sample. The sample size was determined according to the Cochran's formula:

$$n = \frac{Nt^2pq}{Nd^2 + t^2pq}$$

Based on the Cochran's formula $t=1.95$, $d=0.5$, $n=250$, percentage of managers (p) =49% and percentage of experts (q) =51%.

A questionnaire was used as the instrument for collecting data. To increase accuracy, considering that the greater the sample size the more reliable the results will be a questionnaire was prepared and distributed. Of the 170 collected questionnaires 20 ones were excluded by the authors and therefore, a total number of 150 questionnaires were used for the present research.

In order to measure OE, we included 18 questions in light of research results obtained by Lumpkin, Hui Li, et al., (2007), Cogliser & Schneider (2009), Lumpkin & Dess (2001), Covin & Slevin (1989) Awang, A. et al. (2010) and in order to examine and assess social capital, we included 17 questions in light of research results obtained by researchers such as Luthans (2002), Luthans, Youssef & Avolio (2007) and finally we included 10 questions included in the questionnaire to examine and measure performance based on research results obtained

The financial and non-financial performance criteria derived from previous research and employed by the present research are illustrated in the table below:

Performance indicators	Financial	Market share (compared to competitors), sales volume (compared to competitors), sales growth (compared to competitors), profitability (compared to competitors)
	Non-financial	Customer satisfaction

The questionnaire has been designed across a 5-Lickert scale (1-strongly disagree to 5-strongly agree). The extracted average variance indicator has been employed in order to examine and measure the convergent validity of the research using the PLS software. The indicator's value is 0.5 at the least which reflects an appropriate convergent validity. This means that the hidden variable could explain over half of the variance of indicators on an average level (Hansler, 2009). The composite reliability index has been used in order to determine the reliability of the questionnaire. The least acceptable validity value for variable is 0.707. The validity and reliability of the model are illustrated in the table below:

Reliability	Validity	Variable	Aspects	Validity	Reliability
0.743843	0.626404	Psychological capital	Optimism	0.664128	0.855407
			Self-efficacy	0.556488	0.833468
			Resilience	0.619300	0.829331
			Hope	0.843605	0.915161
0.797597	0.817105	Entrepreneurial Orientation	Autonomy	0.713946	0.882089
			Innovativeness	0.604430	0.858328
			Proactiveness	0.534582	0.774718
			Risk-taking	0.651249	0.787615
			Competitive aggressiveness	0.649830	0.846673
0.785472	0.785472	Performance	Financial	0.707097	0.907598
			Non-financial	0.766290	0.905858

All data in the table above have acceptable reliability and validity. Therefore, not only does model have a suitable reliability for each measure, it also has a suitable convergent validity and composite reliability.

Next, the obtained research data were coded using PLS and SPSS programs. Then, the multivariate regression analysis was used to determine the linear relationship between the dependent and independent variables. Finally, the data were analyzed employing the SEM technique.

Findings

Table (3) illustrates a matrix of the multiple correlations between all the model components that have been obtained by the SPSS program.

	Average	Standard deviation	Optimism	Self-efficacy	Resilience	Hope	Autonomy	Innovativeness	Proactiveness	Risk-taking	Competitive aggressiveness	Financial	Non-financial
Optimism	7.808	2.10106	1										
Self-efficacy	10.15	2.75074	0.608	1									
Resilience	7.466	1.90450	0.660	0.553	1								
Hope	4.925	1.37840	0.437	0.322	0.386	1							
Autonomy	6.304	2.09535	0.341	0.436	0.403	0.292	1						
Innovativeness	10.867	2.43854	0.695	0.529	0.593	0.552	0.360	1					
Proactiveness	7.787	1.80746	0.516	0.459	0.602	0.468	0.261	0.649	1				
Risk-taking	4.550	1.32133	0.390	0.347	0.445	0.436	0.472	0.527	0.467	1			
Competitive aggressiveness	7.050	2.14375	0.416	0.361	0.415	0.476	0.279	0.507	0.580	0.576	1		
Financial	8.062	1.89825	0.369	0.266	0.394	0.519	0.241	0.463	0.565	0.471	0.616	1	
Non-financial	12.189	2.76145	0.552	0.475	0.484	0.438	0.237	0.555	0.612	0.41	0.489	0.63	1

As shown in this table, all the aspects are significant on a 0.99 confidence level and have a direct relationship with each other and organizational performance.

The PLS software was used to verify the model. Moreover, the GOF test was used in order to determine the goodness of fit for the model. The obtained value was 0.57 which is above than the acceptable level i.e. 0.31 (Akin et al., 2009). In order to analyze each of the research hypotheses, it is essential to obtain the significance and standardized path coefficient values to determine the significance of causal relationships and their intensity in the given model. The path coefficients varied between +1 and -1. If $\alpha = 0.05$ then the significance value should be greater than ± 1.96 for the null hypothesis to be rejected. After determining the significance of standardized coefficients, the intensity of relationships would be

reviewed. According to Chin (1998), standardized coefficients should fall between 0.20 at the least and 0.30 at the most. In order to examine the research hypotheses, a summary of the findings has been illustrated in the table below:

Hypotheses	Independent variable	Dependent Variable	Mediator variable	Standard coefficient	Significance level	Result
Hypothesis 1	Entrepreneurial orientation	Performance	-	0.551	Greater than 1.96	Accepted
Hypothesis 2	Psychological capital	Performance	-	0.168	Greater than 1.96	Rejected
Hypothesis 3	Psychological capital	Entrepreneurial orientation	-	0.768	Greater than 1.96	Accepted
Hypothesis 4	Psychological capital	Performance	Entrepreneurial orientation	0.768*0.551	Greater than 1.96	Accepted

As shown in the table, EO has a positive and significant effect on performance in IRIB headquarters. Furthermore, psychological capital also positively affects performance in IRIB headquarters; however, its impact is not very considerable. On the other hand, psychological capital has a positive and significant effect on EO in IRIB headquarters. Psychological capital has also an indirect and positive and substantial effect on performance in the private insurance companies. As a result, any increase in psychological capital would not affect performance directly in the IRIB headquarters. However, any increase in psychological capital would affect EO and thus indirectly improves performance in IRIB headquarters.

In light of the relationships between innovation, EO and performance in the final structural model, the following results can be concluded:

Psychological capital and EO exist in an average degree in The private insurance companies in provinces. Moreover, the research results suggest that the four aspects of risk-taking, proactiveness, competitive aggressiveness and innovativeness affect the EO construct almost equally in its structural model. The autonomy aspect exists in a lower level. The three aspects of optimism, self-efficacy and resilience affect the psychological capital construct almost equally in its structural model and the aspect of hope exists in a lower level.

Discussion

Firstly, as the outcomes of this research suggest, the increase of entrepreneurial orientation in Islamic Republic of Iran The private insurance companies, will improve performance of these Islamic Republic of Iran The private insurance companies. Considering the fact that degree of entrepreneurial orientation in Islamic Republic of Iran The private insurance companies is average, these companies should take measures to increase proactiveness, innovativeness, aggressiveness competition and specially independency demand, wisely.

Moderate risk-taking and innovativeness in the Islamic Republic of Iran The private insurance companies, although not much, have insurance-related nature in connection with the acceptance of calculated risks and applying risk management techniques in order to establish a basket of portfolio in various fields of insurance and partly in providing regulatory rules limiting and setting new insurance policies. (So that if the council approved a new insurance policy, the exclusive right is given to the provider company and in order to adjust competitive market, the right of selling insurance policy is given to Islamic Republic of Iran The private insurance companies that are active in this field of insurance). These companies by investing their technical and legal resources in projects with high potential can improve the profitability and by using new techniques can improve the administration, marketing, sales, marketing practices resulting in faster to compensation processes can also give raise to their customer satisfaction and gain further market share. These organization need to revise the competitive strategies and targeted plans to find market opportunities to improve the aggressiveness competition and proactiveness, which will result in improvement of entrepreneurial orientation their performance.

Also, they should use human resource management activities to identify creative staff and improve them through implementing training programs needed to improve technical skills and managerial entrusting of the staff and therefore

encourage them to think outside the organizational limits providing employees with free access to information and planning less structured career, with regard to strengthen independency demand applying in the organization.

Secondly, the outcomes of this research show that in Islamic Republic of Iran The private insurance companies the level of innovation capability is average, and the increase in innovation capability causes increase of entrepreneurial orientation and consequently an increase of performance. So it is necessary that insurance companies clearly define their mission and at the same time compile the organization innovational plans including new measures and at the end distribute them to the staff. This needs the overall support of management, In particular, the senior management towards operational staff and supervisors to implement innovative programs in the organization.

These organizations also must revise their structure continuously to convert their bureaucratic structure toward organic and flexible structure strengthening a culture of teamwork, customer orientation and increase collaboration between business units to develop innovative programs, also creating a suitable atmosphere in order to provide free communication between staff and senior management to transfer knowledge and technical experience inside the organizations. Furthermore, these organizations should suggest financial and non-financial flexible reward systems such as systems based on performance and performance-based promotional payment systems, Instead of paying fixed wages to encourage employees to take action to innovate. Performance evaluation systems in these organizations should be based on fundamental features so that creativity and entrepreneurship in these companies develop better and various short-term, long-term and mid-term operational measures should be considered in this regard.

These organizations need to take action to strengthen their engagement with universities and research centers and other innovative organizations inside and outside to acquire awareness and today's needed knowledge and technology.

In addition, it is necessary, according to the results of this research, and the weakness of the financial resources, that organizations while giving priority to financing the costs of research and development units and marketing of new services, to take actions to timely allocate funding for innovative projects and programs.

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