

# **UNIVERSITI PUTRA MALAYSIA**

RELATIONSHIPS AMONG LEARNING ORGANIZATIONS, CAPITAL FACTORS, AND ORGANIZATIONAL PERFORMANCE MEDIATED BY INTRAPRENEURSHIP IN IRANIAN INSURANCE COMPANIES

**FARHAD ALIPOUR** 

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# RELATIONSHIPS AMONG LEARNING ORGANIZATIONS, CAPITAL FACTORS, AND ORGANIZATIONAL PERFORMANCE MEDIATED BY INTRAPRENEURSHIP IN IRANIAN INSURANCE COMPANIES



Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia, in Fulfillment of the Requirement for the Degree of Doctor of Philosophy in Human Resource Development

# To my late father

To my dear mother, brothers and sisters, and my

beloved family:

Roohangiz, Ahmadreza, Maryam, Mitra

And my city Choram

Abstract of thesis presented to the Senate of Universiti Putra Malaysia in fulfillment of the requirement for the degree of Doctor of Philosophy

RELATIONSHIPS AMONG LEARNING ORGANIZATIONS, CAPITAL FACTORS, AND ORGANIZATIONAL PERFORMANCE MEDIATED BY INTRAPRENEURSHIP IN IRANIAN INSURANCE COMPANIES

By

#### **FARHAD ALIPOUR**

**June 2012** 

Chairman: Associate Professor Khairuddin Bin Idris, PhD

**Faculty:** Educational Studies

There is empirical evidence to the importance of learning organizations and capital factors in organizational performance improvement. However, the result of this area is inconsistent and not much attention has been given to these factors in developing countries such as Iran. In addition, almost no effort has been made to examine the mediating effect of intrapreneurship in the relationship among learning organization, human capital, social capital, physical capital, and organizational performance. Therefore, the current study aims to develop a comprehensive model of the antecedents of organizational performance in the presence of intrapreneurship as a mediating variable.

This study was done through a survey on 266 branches of Iranian insurance companies to predict the variables that affect organizational performance. In line with this objective, the SEM methodology was employed to present the best-fitted

model. The fit indices show an acceptable fit for the proposed model. Therefore, the model was able to explain how independent (exogenous) variables (learning organization, human capital, social capital, physical capital) lead to organizational performance and how intrapreneurship mediates the relationship between these variables and organizational performance.

Testing of the hypotheses was conducted using the correlation coefficient and Structural Equation Modeling (SEM). The overall findings show that there is a significant, linear, and positive relationship among learning organization, human capital, social capital, physical capital, intrapreneurship, and organizational performance. Also, the total effect ( $\beta$ ) of these factors on organizational performance was .381, 307, 350, 250, and .242, respectively.

One of the most significant findings that emerged from this study is that intrapreneurship has partially mediated the relationship between learning organization and organizational performance and the relationship between social capital and organizational performance. Therefore, companies should strengthen intrapreneurship behaviors as an alternative to increase organizational performance. Based on the findings, to increase entrepreneurial behaviors, organizations should focus especially on learning organization characteristics and social capital dimensions.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Doktor Falsafah

HUBUNGAN DALAM KALANGAN ORGANISASI PEMBELAJARAN, FAKTOR KAPITAL, DAN PRESTASI ORGANISASI DENGAN PENGANTARAAN KEUSAHAWANAN DALAMAN DI SYARIKAT INSURAN TERPILIH DI IRAN

Oleh

#### **FARHAD ALIPOUR**

Jun 2012

Pengerusi: Profesor Madya Khairuddin Bin Idris, PhD

Fakulti: Pengajian Pendidikan

Terdapat beberapa bukti empirikal terhadap kepentingan pembelajaran organisasi dan modal faktor dalam peningkatan prestasi organisasi. Walau bagaimanapun, hasil daripada kajian dalam bidang ini tidak konsisten dan tidak banyak perhatian telah diberi kepada faktor ini di negara membangun seperti Iran. Di samping itu, hampir tiada usaha dibuat untuk menyiasat kesan pengantaraan keusahawanan dalaman (*intrapreneurship*) dalam hubungan antara organisasi pembelajaran, modal insan, modal sosial, modal fizikal dan prestasi organisasi. Oleh itu, kajian ini bertujuan membangunkan satu model komprehensif penyumbang prestasi organisasi dalam kehadiran keusahawanan dalaman (*intrapreneurship*) sebagai pembolehubah pengantara.

Kajian ini menggunakan kaji selidik terhadap 266 cawangan syarikat insuran Iran untuk meramal pembolehubah yang mempengaruhi prestasi organisasi. Selaras

dengan objektif ini, kaedah *Structure Equation Modeling* (SEM) telah digunakan untuk membentangkan model berpadan terbaik. Indeks berpadan menunjukkan bahawa kepadanan yang boleh diterima terhadap cadangan model. Oleh itu, model ini mampu menjelaskan bagaimana pembolehubah bebas (*exogenous*) (organisasi pembelajaran, modal insan, modal sosial, modal fizikal) mempengaruhi prestasi organisasi dan bagaimana keusahawanan dalaman (*intrapreneurship*) bertindak sebagai pengantara dalam hubungan antara pembolehubah dan prestasi organisasi.

Pengujian hipotesis telah dijalankan dengan menggunakan pekali korelasi dan Permodelan Persamaan Berstruktur (PPB). Hasil keseluruhan menunjukkan bahawa terdapat hubungan yang signifikan, linear dan positif antara organisasi pembelajaran, modal insan, modal sosial, modal fizikal, keusahawanan dalaman (*intrapreneurship*) dan prestasi organisasi. Juga, jumlah kesan (β) pembolehubah tersebut terhadap prestasi organisasi masing-masing adalah 0,381, 307, 350, 250, 0,242.

Salah satu penemuan yang paling penting yang muncul dari kajian ini adalah bahawa keusahawanan dalaman (*intrapreneurship*) telah mengantara sebahagian hubungan antara organisasi pembelajaran dan prestasi organisasi dan hubungan antara modal sosial dan prestasi organisasi. Oleh itu, syarikat perlu mengukuhkan tingkah laku keusahawanan dalaman (*intrapreneurship*) sebagai alternatif untuk meningkatkan prestasi organisasi. Berdasarkan dapatan kajian, untuk meningkatkan tingkah laku keusahawanan, organisasi perlu memberi tumpuan terutamanya pada ciri-ciri organisasi pembelajaran dan dimensi modal sosial.

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I am indeed grateful to wife, Roohangiz Karimi. She has been always supportive of me through the many challenges and difficulties of completing for my doctoral studies. I also thank my son Ahmadreza and wonderful twin daughter, Maryam and Mitra for their continued love during this journey.

I certify that a Thesis Examination Committee has met on 01.06.2012 to conduct the final examination of Farhad Alipour on his Doctor of Philosophy thesis entitled "Relationships Among Learning Organizations, Capital Factors, And Organizational Performance Mediated By Intrapreneurship In Iranian Insurance Companies" in accordance with Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U.(A) 106] 15 March 1998. The committee recommends that the student be awarded the degree of Doctor of Philosophy.

Members of the Examination Committee were as follows:

#### Shamsudin bin Ahmad, PhD

Lecturer
Faculty of Educational Studies
Universiti Putra Malaysia
(Chairman)

#### Turiman bin Suandi, PhD

Professor Faculty of Educational Studies Universiti Putra Malaysia (Internal Examiner)

#### Zoharah bte Omar, PhD

Lecturer
Faculty of Educational Studies
Universiti Putra Malaysia
(Internal Examiner)

#### Robert W. Rowden, PhD

Professor
School of Business and Technology
Capella University
United States
(External Examiner)

#### SEOW HENG FONG, PhD

Professor and Deputy Dean School of Graduate Studies Universiti Putra Malaysia

Date:

This thesis was submitted to the Senate of Universiti Putra Malaysia and has been accepted as fulfillment of the requirement for the degree of Doctor of Philosophy. The members of the Supervisory Committee were as follows:

#### Khairuddin Bin Idris, PhD

Associate Professor Faculty of Educational Studies Universiti Putra Malaysia (Chairman)

#### Jegak Anak Uli, PhD

Professor
Faculty of Educational Studies
Universiti Putra Malaysia
(Member)

#### Ismi Arif Bin Ismail, PhD

Lecturer
Faculty of Educational Studies
Universiti Putra Malaysia
(Member)

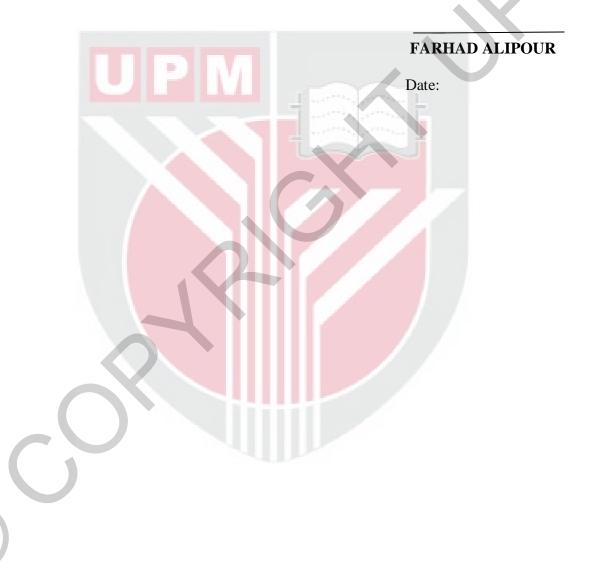
### **BUJANG BIN KIM HUAT, PhD**

Professor and Dean School of Graduate Studies Universiti Putra Malaysia

Date:

#### **DECLARATION**

I declare that the thesis is my original work except for quotations and citation, which have been duly acknowledged. I also declare that it has not been previously, and is not concurrently, submitted for any other degree at Universiti Putra Malaysia or at any other institution.



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