

## **Effect of Deliberate Strategy in Organizational Entrepreneurship: An Exploratory Study in Iraqi Medium Business Companies (Solidarity)**

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### **Abstract**

This scientific effort aims to determine the statistical significant effect of the deliberate strategy in entrepreneurship of business organizations after sufficient studying the research variables and their goals in the strategic behavior, and it's responsible for achieving organizational entrepreneurship by adding a new competitive advantage. The study population identified from solidarity private sector companies with limited liability, (60) managers at (20) of these companies were selected as a sample distributed over the business sectors (tourism and travel, legal and financial, spear part trading, and foodstuffs trading) which operating in the governorate of Baghdad. Data questionnaire and appropriate statistical tools were used within (Statistical Program for Social Studies - SPSS), the result of statistical analysis showed a good level of awareness for study variables and confirmation with scientific hypotheses that assumed a significant statistical relationship and effect of deliberate strategy to achieving entrepreneurship in varying degrees according to the nature of the companies' work and their practical competencies, finally, this study provided recommendations to confirm with needs to more and new entrepreneurship by stable and maintain the competitive advantage within the market and the specialization of the organization with suitable strategic behavior.

### **Keywords**

Deliberate Strategy, Organizational Entrepreneurship, Strategic Management.

### **Introduction**

Organizational entrepreneurship forms the ambition and desire of most business organizations that it is an expression of continuous success in leading the organization and winning competitive advantage at the field of specialization within location limits and works environment, while the strategic behavior is one of the tools to achieve that

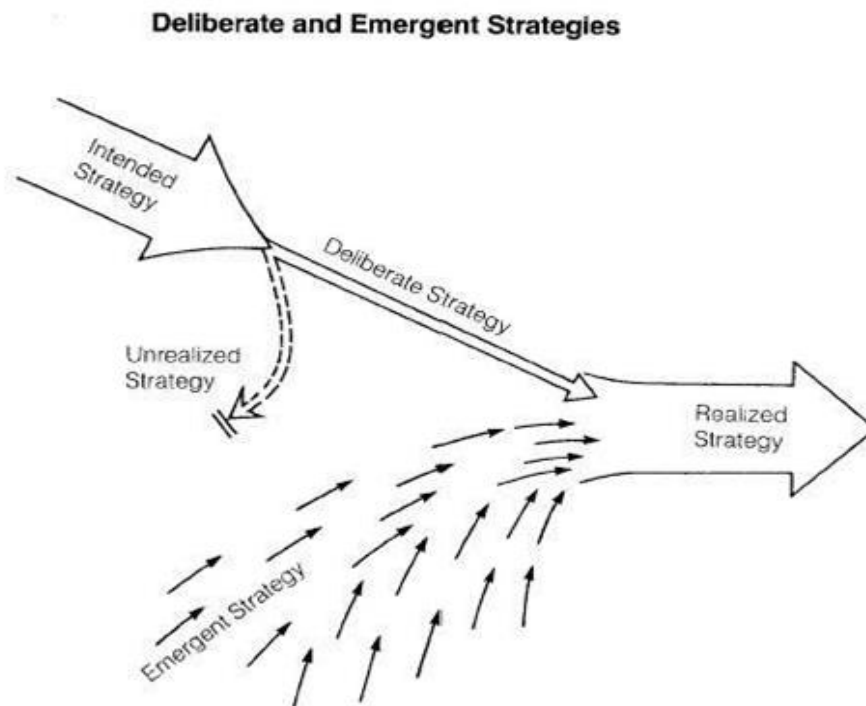
organizational entrepreneurship, the importance of deliberate strategy as a support tool to confirm the strategic management methods for carefully examine steps of administrative leadership, its emphasis realistic actions and avoid unreality in every function within the organization to gain a pure and successful strategy. This research attempts to assess the relationship and affect the deliberate strategy in achieving organizational entrepreneurship by testing its hypotheses assume for idea sample about its variables and the degree of relationship and affect them. The applied aspect of the research took place in (20) limited commercial companies (solidarity) in Baghdad Governorate by (60) robust with a high degree of relative stability questionnaire was distributed to selected managers intentionally, the results of the statistical analysis revealed the validity of the specific assumptions of the research and the confirmation of the effectiveness of the deliberate strategy to achieve the organizational entrepreneurship with needs to new research that crystallizes the realistic strategy in the awareness of the strategic leadership and its business applications.

## **Literature Review and Hypotheses**

### **A- Deliberate Strategy**

#### **i. Concept of Deliberate Strategy**

Strategy is a relatively complex concept that has roots in more than field or scientific, humanity specialization or applied research; it began used in the military and war sciences for second half of the twentieth century. It is defined by (Mintzberge, et al, 1988) an analytical process of objectives, establishment of action plans, and management style of how lead the organization in future. Deliberate strategy (Ozveren & Arger, 2010) is carefully planned and reflect of sub-strategies, that start with an idea and presented as an intended action plans to create or maintain a specific position for the longest possible period to achieve new competitive advantage, also It is (Bozkurt & Kalkan, 2013) a strategy that envisions organizational goals with high accuracy and devising new methods to maintain them and achieve successful results in the organization's market. The deliberate strategy (Mintzberge & Water, 1985) is more specific to the precise and detailed intentions presented by the top management with satisfaction and relaxing, it can be clearly perceived in organizations that seek to achieve entrepreneurship in all works and under conditions of crisis actors to be the readiness and follow the direction of their mission and vision. Organization adopts activity to realistic ideas and avoids unrealism from basic purposes of the stakeholder consensus, as presented in the following figure (1) below:



**Figure 1 Deliberate and Emergent Strategies (Mintzberg, H. and Waters, J.A., 1985)**

According to (Mintzberg and Waters: 1985), there are five kinds of strategies in their model (figure 1): Emergent strategy, intended strategy, deliberate strategy, realized strategy and unrealized strategy.

The above concepts confirm that a deliberate strategy is consistent with the requirements of the general strategy set forth by (Porter, 1996) such as how can the organization reach the target customer, how can the organization secure and provide the desired goods and services to this target customer, how does the organization achieve that efficiently and effectively.

## **ii. Requirements of Deliberate Strategy**

The implementation of deliberate strategy in business organizations must be determined as a following:

- The sincere purposes and truthful intentions of the strategic leaders to avoid doubt, weakness, and retreat before and during the decision-making.
- The supremacy of the team-work style and good awareness of the strategic direction.
- Sufficient accuracy in setting goals and the possibility of achieving them without external or internal pressures.

- The possibility of sound environmental prediction for strategic leadership, and the ability to assess the energies and capabilities of the organization and invest them efficiently.
- Effective consistency and alignment between departments and sub-units with convergence of working conditions.

## **B- Entrepreneurship**

The organizations were using the concept of entrepreneurship and its trends to interpret expanded, as a vital element that should refer to the various dimensions associated with entrepreneurial activity through the integration of strategic management in various innovation and creativity works to enhance the competitiveness of the institution, as well as what it adds of support to the strategic partnership, resources, and more learning in the field of organizational industry.

### **i. The Concept and Importance of Entrepreneurship**

Richard Cantillon was the first to use the term entrepreneurship as a link between owners and management, (Sharma, 2013) which includes taking risks, planning, organizing, and supervising production. (Carpenter & Sanders, 2009) stated that entrepreneurship refers to the identification of opportunities, resources, and capabilities to implement innovative ideas for new adventures. Entrepreneurship also described as a sense of opportunity that others see confused and contradictory, touch it, seize it, and make something pioneering out of it (Sethi, 2005).

Entrepreneurship (Zhai, 2018) defined as a process for exploring potential market opportunities from new business development and enhancing the competitive advantage to proactively reach profit growth and achieve targets. (Villaverde, et al, 2018) defined it as a key factor for generating discrimination, developing better solutions in front of competitors, and enhancing adaptation to environmental changes and market trends to weaken competitors' ability and respond to the organization's future plans.

And the importance of entrepreneurship has major pillars and roles as the process of generating new ideas that are transformed into a product or service in addition to its role in developing human capital, then the entrepreneurship as a path for innovation and change by investing the opportunity to create new goods (Shane, et al, 2003). A matter of great importance in societies in general and this importance lies as the following (Al-Abadi, et al, 2010) (Shane & Venkataraman, 2000):

- a) Make change and transformation.
- b) Striking a balance between supply and demand.
- c) Transforming knowledge to new products and services.
- d) Generates innovation, technical change, and works to achieve economic growth.
- e) Create job opportunities.
- f) Increasing efficiency, effectiveness, and competition.
- g) Finding projects that are important to develop the economy.
- h) Get a great diversity in quality and quantity, so new projects offer ideas and more innovation.

## **ii. Characteristics of Entrepreneurship**

(Al-Sharif, 2006) explained some of the characteristics of entrepreneurship, considering it an evolutionary state of a promising organizational culture as the following:

- a) It appears and increases in private business areas (individual or collective), expressing the behavior of successful business.
- b) It helps the community in self-initiatives and gives continuous motivation to the workers, even were limited failure in them.
- c) Encouraging self-employment as a basic focus of the business, a person relies on himself in managing the affairs of his work life, and investing in his potential and his physical, scientific and mental characteristics for the benefit of him.
- d) Continuous diversification of work methods and competition, and raising the skill and competence of working individuals.
- e) Empowering the community to own and manage projects with self-expression without conflict in culture and work ethics (Schramm, 2006: 74).
- f) The ambition of spirit and risk prevails to improve the quality of life of the individual and the group work.
- g) Exposing unconventional advanced activities in technological fields and systems of methods.
- h) Confirming participation and working with others in all different fields.
- i) Transforming the social system to diversity and asymmetry as a result of increasing the area of self-change.
- j) The constant change towards flexibility, the emergence of new needs and desires to satisfy them aspiration.
- k) The continuous increase at the influence of thinking and behavior factors in the individual and society with trying to benefit them and get out from local to the global area.

- 1) The prevalence of job satisfaction as a result of the individual performing the appropriate work and ability to change without the need for others.

### **iii- Entrepreneurial Dimensions**

Koratco (2014) pointed out that the dimensions of entrepreneurship have been highlighted as the perspective of the business strategy aimed to change, innovation and keeping pace with successes in order to achieve entrepreneurship goals by influencing the effectiveness of services organizations with all their energies, and capabilities are as follows:

- a) Adoption of risk: According to (Rauch et al, 2009) taking risk means taking effective and courageous measures to carry out actions with unknown results, such as bearing borrowing large sums or allocating huge resources for the purpose of carrying out business in conditions of uncertainty and ambiguity. (Dess & Lumpkin, 2003), (Murad, 2014), and (Lamadrid, 2009) have identified three types of risks that organizations or their executives may face, namely:
  - Business risk: it means risking the unknown without knowing the results and the possibility of success. This risk is related to entering untested markets or investing in modern technologies.
  - Financial risk: It arises due to borrowing a large amount or proportion of resources to achieve growth, and this type of risk refers to the balance between return and risk common in the literature of financial analysis.
  - Personality risk: It is related to the decisions taken by the executives of the pioneering persons in the organization and its impact on their professional future. The risk here is the categories and designs of the entrepreneurial works that affect in organizational future.
- b) Competition: refers to designing, producing, and marketing more of the superior products to be offered by the competitors where the superiority can be evaluated through multiple factors such as price, technological advancement, quality, etc. (Depperu & Cerrato, 2006).
- c) Proactive: the ability to discover new opportunities, which regain entrepreneurship monitors and identify the future needs of current customers, and expect a space in their request, as well as challenges that may arise suddenly and view that can be transformed into new opportunities. Futurism and constantly urged new possibilities for growth and development in favor of entrepreneurship (Dess et al, 2007).

- d) Innovation: (Peter Drucker,1986) mentioned that innovation is a function of leadership, whether in existing organizations, in the public service organizations, or new investment projects. It is also used by the entrepreneur either to find new resources or to enhance the strength of existing operations. Currently, in order to more than wealth, the entrepreneurial and innovation achieved is necessary for organizations of all sizes, as well as for new investment projects operating in the competitive environment of the twenty-first century, and some believe that the failure of organizations in their creative work will lead to the deterioration of their commercial activity (Hitt et al, 2007).

## **Methodology**

### **A - Research Problem**

The deliberate strategy constitutes a set of interactive plans that may require a relatively long time in its steps and may conflict with the quick decisions imposed by the organizational environment and its market position, so the organization aims to achieve entrepreneurship as a result of its work with unique competitive advantage. Accordingly, the research problem was identified as follows:

- Are corporate managers just aware of deliberate strategy and entrepreneurship in their business organizations?
- Does a deliberate strategy affect in entrepreneurship of the organization?
- Are the effects different or similar in the companies that have been researched ?

### **B - Research Goal and Importance**

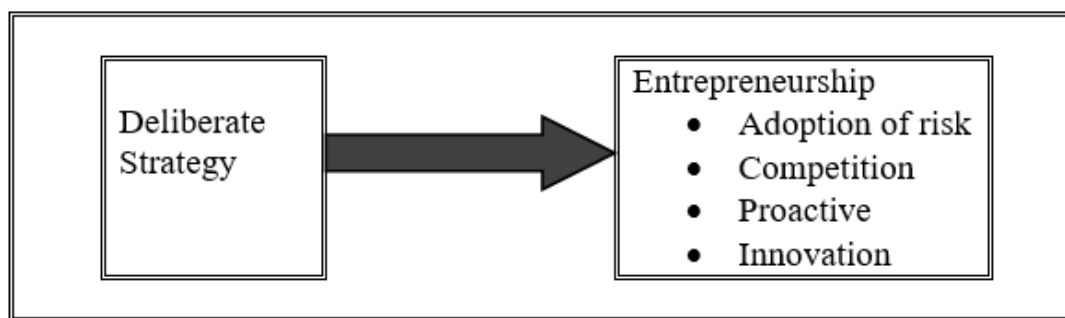
Deliberate strategies based on cycles of stability and predictability, there are relevant business environments. And have been advocated as the solution. In this research we investigate and propose how the interweaving of the deliberate and emergent could be conceived and realized in terms of strategy, organizational structures, firm size at Baghdad, if they adopt more of conscious actions or deliberately planned patterned behavior (PPB) which guides their actions.so this research seek to achieve one or more of the following goals:

- Clarify the concepts of the basic variables in the study sites.
- Estimate the degree of adoption of strategic concepts and entrepreneurship in business sectors.

- Determining the degree of relationship and effect of deliberate strategy in achieving entrepreneurship for business organizations.
- Increase the capabilities of strategic decision-makers in organizations.
- Presenting a scientific addition in the field of strategic studies in Iraqi organizations.

### **C- Virtual Model**

Figure (2) presents the main and sub-variables that discussed for this study, tested in the questionnaire and subjected to statistical analysis methods of (SPSS) program at research sites as following:



**Figure 2 Virtual Model of Study**

### **D- Research hypotheses**

The research hypotheses were identified according to the problem and the objectives as follows:

- Managers aware of both deliberate strategy and entrepreneurship completely.
- There is a statistically significant relationship between deliberate strategy and entrepreneurship.
- There is a statistically significant effect of deliberate strategy in organizational entrepreneurship.

### **E- Questionnaire**

The study questionnaire was prepared to obtain the required data according to Likert's five-point scale (Completely agree - do not agree - completely) then tested with the (Cronbach Alpha Coefficient) scale, so the degree of relative stability for the general variables was (85.2), deliberate strategy (87.4), and the entrepreneurship (86.9). To compare the results with the hypothetical mean (3), for determine the levels of the sample answers the arithmetic mean scale and the standard deviation were used, Sperman



Analysis test used to estimate the relationship between the variables and the significance of this relationship by estimating (P value), (t) test to confirm the significance of the relationship, finally using the ( $R^2$ ) test to assess the effect of deliberate strategy in achieving the organizational entrepreneurship with (f) test to significant that.

## **F- Sample and Data Collection**

The research examined (20) limited companies of medium-size businesses (solidarity) that were works in Baghdad Governorate at the disciplines mentioned in the table (1), distributed in each company (3) copies of the study questionnaires to the most responsible manager of decisions making, used the (SPSS) statistical analysis system to analyze the questionnaire data that determined in assumptions and objectives.

**Table 1 Study Samples**

No.	Sector s' Company	(Purposive) Samples	Questionnaires Distributed
1	Tourism and Travel Co.,	5	15
2	Legal and Financial Consulting Co.,	5	15
3	Spare Parts & Tools Trading Co.,	5	15
4	Foods Trading CO.	5	15
Total		20	60

## **Analysis and Results**

### **A- Perception of Study Variables**

As the table (2) shows, the legal and financial consulting Companies were the most aware and imported of the study variables (Deliberate strategy and Entrepreneurship), perhaps the explanation is due to the high expertise of managers and the accuracy required of administrative decision-making process and the company's responsibility for the results of those decisions, while foods trade companies were less interested in the Deliberate strategy according to nature of the company's work and the intense competition at the target market and the provision of consumer needs. The concerns of (tourism co. & spare parts co.) are medium degrees among those concerns. Table (2) presents the results of the statistical analysis to estimate the interests of the companies under study.

**Table 2 Awareness of Study Variable**

Company's Sector	Arithmetic Mean	Standard Deviation	Variance	No.
<b>Deliberate Strategy</b>				
Tourism and Travel,	<b>3.38</b>	<b>0.91</b>	<b>0.23</b>	<b>2</b>
Legal and Financial Consulting,	<b>3.53</b>	<b>0.87</b>	<b>0.24</b>	<b>1</b>
Spare Parts & Tools Trading,	<b>3.22</b>	<b>0.93</b>	<b>0.29</b>	<b>3</b>
Foods Trading,	<b>3.09</b>	<b>0.97</b>	<b>0.31</b>	<b>4</b>
<b>Total</b>	<b>3.30</b>	<b>0.92</b>	<b>0.28</b>	
<b>Organizational Entrepreneurship</b>				
Tourism and Travel,	<b>4.02</b>	<b>0.89</b>	<b>0.22</b>	<b>2</b>
Legal and Financial Consulting,	<b>4.07</b>	<b>0.84</b>	<b>0.20</b>	<b>1</b>
Spare Parts & Tools Trading,	<b>3.68</b>	<b>0.91</b>	<b>0.24</b>	<b>4</b>
Foods Trading,	<b>3.87</b>	<b>0.96</b>	<b>0.25</b>	<b>3</b>
<b>Total</b>	<b>3.91</b>	<b>0.90</b>	<b>0.23</b>	

The above table shows that the companies' interests in strategic leadership are more than the concern for careful strategy, and this appears consistent with the company's desire to excel in its business within the limits of the work environment.

### B- Relationships Analysis

Table (3) below presents the positive relationship between the main research variables (Deliberate Strategy, Organizational Entrepreneurship), with a total relationship degree ( $r=0.536$ ) and with confidence limits and a statistical significant degree of (0.998), which is an acceptable relationship within the limits of the nature of companies' business and behavioral variables to lead business organizations. The interactions of the research variables to determine the relationship between the variables were more powerful in food trading companies, as this relationship amounted to ( $r=0.411$ ) and with a statistical confidence limit of (0.995), and the lowest relationship in this test was in the spare parts trading companies, which amounted to ( $r=0.341$ ) with a statistical confidence of (0.994). These results are appropriate to the nature of the businesses that have been studied and at the time of the study in this research and they are consistent with the general hypothesis that there is a statistically significant relationship between Deliberate Strategy and Organizational Entrepreneurship.

**Table 3 relationship between Deliberate Strategy and Organizational Entrepreneurship**

Variables Relation	Organizational Entrepreneurship									
	Tourism & Travel Co.		Legal & Financial Consulting Co.		Spare Parts & Tools Trading Co.		Foods Trading Co.		Total Relation	
	r.	Sig.	r.	Sig.	r.	Sig.	r.	Sig.	r.	Sig.
Deliberate Strategy	0.358	0.995	0.405	0.993	0.341	0.994	0.411	0.995	0.536	0.998
n:20 Sig. level is more than 99%, $0 \leq P \leq 1$ .										

### C- Analyzing of Effect

Table (4) below shows the effect of the independent variable (deliberate strategy) In the dependent variable (organizational Entrepreneurship) this amount determined by the (R) test, which is (0.35), that means the contribution of the independent variable, and that (0.65) degree of influence is due to other organizational factors outside this research. This is confirmed by the (f) test, whose calculated value is greater than the tabulated value. The application of the simple regression equation also determines that the value of (a) means the amount of the constant required in the effect, and that the degree (B) determines the coefficient of change of the independent variable in the dependent variable, so all of these results between the main variables and the sub-variables presented in the table confirm the acceptance of the general hypothesis of the research that there is an effect of the independent variable in the approved variable in the companies that have undergone the research and with the detailed results presented in the table below.

**Table 4 Effect of Deliberate Strategy in Organizational Entrepreneurship**

Variables effect		Organizational Entrepreneurship				
		R <sup>2</sup>	F	β	a	Sig.
Deliberate Strategy	Tourism & Travel Co.	0.18	12.65	0.485	2.481	99.2%
	Legal & Financial Consulting Co.	0.26	20.34	0.534	1.724	99.4%
	Spare Parts & Tools Trading Co.	0.33	26.07	0.755	1.729	99.1%
	Foods Trading Co.	0.17	10.82	0.595	2.513	99.3%
	Total effect:	0.35	41.64	0.398	4.237	99.5%
<i>n=20.</i> <i>Value of tabular (f) is: 4.001</i> <i>Sig. level is more than 99%, 0 ≤ P ≤ 1.</i>						

### Conclusion

1. The deliberate strategy is one of the necessary strategies in leading successful business organization.
2. Business organizations generally need the deliberate strategy as a method or approach to achieve most of the organizational vision and goals.
3. There is an alignment of the deliberate strategy with the directions of the organization to achieve entrepreneurship in it
4. Achieving the entrepreneurship of the organization is linked to the leadership's adoption of the deliberate strategy.
5. The organizational entrepreneurship is one of the outcomes of the deliberate strategy in strengthening the organizational capabilities and managing its resources.

6. The applications of the deliberate strategy deliberate are diverged according to the nature of action and specificity of the organization.

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