

Presenting a Corporate Governance Model with an Organizational Entrepreneurship Development Approach (Case Study: Keshavarzi Bank of Iran)

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Abstract

The objective of the present study is to present a corporate governance model with an organizational entrepreneurship development model in Keshavarzi Bank of Iran. The present study is an applied study in terms of objective and quantitative and qualitative in terms of method, and mixed-explanatory in terms of approach. The statistical population of the present study in the qualitative phase of the university included professors, managers, and experts in banking, and in the quantitative phase, it included all the employees working in different management and executive areas of Keshavarzi Bank. In the qualitative section of the research, snowball sampling was done and this section reached theoretical saturation after interviewing 20 experts. The sample size in the quantitative section was calculated at 377 people based on Cochran's formula. The questionnaire was distributed among 400 people for more confidence and sampling was done by random sampling method. The data collection tool in the qualitative phase was a questionnaire containing open-ended questions for the interview, and in the quantitative phase, it included a researcher-made questionnaire that its validity and reliability were assessed and confirmed by various methods. Interview transcripts were analyzed through MAXQDA 2018 software and the dimensions and components of the model were identified. Then, the research model was evaluated using a confirmatory factor analysis approach and Smart PLS 2.0 software and all its dimensions and components were confirmed. The results of the qualitative and quantitative analysis showed that the corporate governance model with the organizational entrepreneurship development approach consists of three dimensions, including structural, environmental and behavioral. However, the results of factor analysis showed that all three dimensions had a high impact on the corporate governance model. The behavioral dimension consists of two components of personal characteristics and interpersonal skills, environmental dimension includes four components of employees, the board of directors, shareholders

and customers, and structural dimension includes five components of organizational culture, transparency, participation and teamwork, organizational values, and organizational norms.

Keywords: *Corporate Governance, Corporate Governance Development Approach, Keshavarzi Bank of Iran.*

Introduction

Corporate governance debate was initiated in the UK, US, and Canada since the 1990s in response to problems arising from the ineffectiveness of the board of directors in corporate performance and it rapidly expanded to other sectors and the banking system. In recent years, the concept of corporate governance has become a central and dynamic aspect of commerce, and it is increasingly considered in today's economy and significant improvements have occurred in corporate governance operation at the global level. Having a good corporate governance system can help the company gain investors' confidence and encourage them to invest more. Based on the empirical studies conducted, implementing the correct principles of this system at the company level improves financial performance and increases company value (Slovan, 2001). Corporate governance is a vital component of successful businesses and a key characteristic of an efficient market economy that is extensively used by public people (Rahmehaye Roodposhti & Aslani, 2008). Definitions are limited to the relationship between the company and the shareholders, and this is the old model of corporate governance that is considered as an agency theory in the form of accounting theory. According to this theory, the only corporate responsibility to society is to increase the returns and wealth of shareholders and it is the most important theory that emphasizes corporate governance in financial markets, especially in banks, and it separates ownership from management. It is a mechanism that considers the interests of shareholders.

Extensive definitions of stakeholder theory pay close attention to stakeholders' rights. Based on this theory, corporate governance is a network of relationships that exists not only between companies and owners (shareholders) but also between companies and a large number of stakeholders including employees, customers, sellers, and holders of securities (Parkinson, 1994). It indicates that companies are responsible for the whole of society, future generations, and natural resources (environment) (Aghaei et al., 2009; Babajani and Abdi, 2010). Defining strategies and goals, enhancing capital market efficiency, profitability, increasing investor confidence, accountability, enhancing the reliability and quality of financial information, performing innovative (entrepreneurial) activities, responsibility, observing stakeholder rights, justice and fairness, creation of value for internal and external customers, and monitoring and evaluation can be key goals of corporate governance. However, corporate governance with an Islamic approach has also been considered in Islamic countries in recent years, and despite the increasing attention paid to research in this sector by organizations such as the Islamic Development Bank, there is little literature on Islamic corporate governance structures, and even there is no single perspective on Islamic countries to explain the exact meaning of Islamic corporate governance.

Entrepreneurship means identifying, creating and utilizing opportunities by transforming new ideas into profitable and commercial realities in the form of community goods and services (Aghajani et al., 2006). Peter Drucker also believes that entrepreneurship is behavior and involves applying management concepts and techniques, product standardization, and training-based work. Finally, various definitions have been proposed for entrepreneur and entrepreneurship, of which three definitions presented based on sociological (dimensions: community need, social and cultural problem solving), psychological (dimensions: cognition, personality, learning, and motivation) and management (strategy design, planning, and organizing) dimensions approaches are considered (Hashemi, 2003). In general, entrepreneurship literature also indicates that it occurs in three individual, intra-organizational and organizational areas. The term "organizational entrepreneurship" was first used by Pinkat in 1987, when it referred to the entrepreneurs of large corporate entrepreneurship organizations. Organizational entrepreneurship is a process through which entrepreneur performs entrepreneurial activities in an organization that is usually traditional and bureaucratic and replaces it with new and innovative ways

because the bureaucratic structure limits the capacities to develop entrepreneurship. Also, according to researchers, organic structures encourage entrepreneurial activity in organizations (Slevin & Covin, 1990; Cornwall & Perlman, 1994).

Organizational entrepreneurship is also a pioneer in the production and development of new products, services, and processes to develop business, generate income, and profitability (Kuratko et al., 1999). Nowadays, many organizations have realized the need for corporate entrepreneurship. In fact, such a tendency to change strategies to meet the three needs 1-Everyday increasing of new competitors-2-Creating a sense of distrust of traditional practices in companies 3- The best workforce leaving of the companies and their action to independent entrepreneurship (Ahmadpour Daryani, 2001). Also, entrepreneurial processes such as scientific entrepreneurship, technological entrepreneurship, and service entrepreneurship play an essential and fundamental role in the process of economic growth and development due to value creation, employment creation and profitability (Golestan Hashemi, 2003) and creation of facilities necessary for removing barriers to organizations. In this regard, a comparison of the functional dimensions of corporate governance and organizational entrepreneurship seems to improve the board processes, redefine the governance roles, and key functions of the board. Considering the importance of this subject and the formulation of strategies and policies related to corporate governance in line with the frameworks of banking system in Iranian public banks with a focus on the development of organizational entrepreneurship to the decision-makers of the Iranian banking system, the present research question is: What is the corporate governance model with an approach to organizational entrepreneurship development in Keshavarzi Bank of Iran?

Review of literature

Jalili (2015) investigated the effect of organizational entrepreneurship on the bank performance (Case Study: Sepah Bank). The results of the study indicated that organizational entrepreneurship had a significant and positive effect on Sepah Bank performance with a 95% confidence level. Farzinvasht et al (1986) investigated the role of corporate governance on the performance indicators of the banking system. The results of the model estimation indicated the significant effects of corporate governance variables on the profitability of selected banks and the significance level of these variables was different between developing countries (D8) and developed countries (G7). In a study entitled “Designing and explaining the model of the relationship between organizational entrepreneurship and organizational performance with the mediating role of market orientation”, Abolfazli et al (2017) showed that organizational entrepreneurship had a positive effect on organizational performance according to the path analysis model presented. Also, market orientation, as a mediating variable, plays a role in the relationship between organizational entrepreneurship and organizational performance. Khosravi et al (2017) investigated the effect of inhibitory components of organizational entrepreneurship development on organizational entrepreneurship tendency in Keshavarzi cooperatives. The results revealed that psychological, skill-supportive, educational, and supportive inhibitors had a significant negative effect on predicting the dependent variable and explained 29% of these changes. Tarshizi and Bozazadeh Tarbati (2018) investigated the relationship between corporate governance and company risk. Studies suggest that the proportion of non-executive directors, the board size, and corporate social responsibility are positively correlated with company risk. Also, company social responsibility also has a moderating effect on the relationship between the corporate governance criteria and company risk, and with the introduction of social responsibility variable, an increase in the proportion of non-executive directors and the number of board members reduces the risk.

In a study entitled “Corporate governance research and analyst behavior: An evidence of emerging markets”, Chailin and Chai (2013) stated that recommendations that analysts provide to companies with weak governance are less reliable. Also, improving corporate governance in emerging markets can not only solve the agency problems in the company but also reduces the quality of the information provided by the analyst and reduces the risk of information obtained by the investor. In a study to evaluate the effect of entrepreneurial climate on company performance, Biza Bayarchilik and Uzghain (2014) showed a positive relationship between EO and financial performance and innovation in Turkish companies. Based

on a multi-stage regression analysis, entrepreneurial orientation was found as a mediating variable in the relationship between entrepreneurial climate and organizational performance. Oliveri and Silva (2017) conducted a study on corporate governance and entrepreneurship orientation in the banking sector: Evidence from a developing country. The results revealed that corporate governance had a positive and significant relationship with innovation and effectiveness. Risk-taking showed a positive association with effectiveness, knowledge, and commitment. However, it showed a negative correlation with board involvement. Zia (2018) presented a corporate entrepreneurship model with a corporate governance approach. The results revealed that the feasibility of the proper implementation of the corporate entrepreneurship model requires the necessary infrastructure in the organization. Also, input, output, and composition levels are defined as a strategic action that reinforces corporate governance. In a study entitled “Organizational entrepreneurship and business performance: the effective (moderating) role of organizational culture in selected banks in Pakistan, Omrani et al (2018) showed a positive relationship between organizational entrepreneurship and bank performance with a dependency on contextual factors. They also showed that when organizational entrepreneurship and organizational culture interact, there is a likelihood of superior performance as an achievement, and if all employees share a specific culture based on empowerment, harmony and integration, and share development of capabilities and teamwork, these banks achieve full advantages and superior performance.

The theoretical framework of the research

Corporate governance: Corporate governance, that is, the role of the board of directors is crucial in a bank. However, the most important duty of the board of directors in banks is being accountable for depositors and shareholders (Macey & O Hara, 2003). Organizational culture or organizational structure is among the most fundamental dimensions affecting the corporate governance in banks (Matoussi et al., 2009; Lichet, 2001; Arewa, 2004). Corporate governance and culture can be vital in solving problems in the organization. The importance of culture in corporate governance in the study conducted by Gabrielson and Hughes (2012) results in teamwork culture among the board members, which leads to value creation of board members. Corporate governance and its members need innovative solutions to strengthen their financial organization, such as banks (Furr & Furr, 2005; Gabrielson et al, 2007).

Organizational entrepreneurship: Organizational entrepreneurship is a multidimensional concept that has many dimensions and components. These dimensions include innovation, pioneering, reconstruction, and risk-taking (Scheepers et al., 2008; Miles et al., 2009). In this regard, risk-taking includes the readiness of the organization to utilize resources to make use of opportunities and start projects, without knowledge of the results and return on capital (Hough & Scheepers, 2008). Reconstruction in the organization involves changing and modifying the organizational mission, reorganizing and making extensive changes in the organizational structure of the company (Heinonen & Korvela, 2005). Pioneering is a prediction and behavior to meet future needs through searching and applying opportunities that imply product development (Alegre & Chiva, 2009). Finally, innovation is the production and creation of products, services, processes, technology and new business models (Hough & Scheepers, 2008). Corporate governance in financial organizations such as banks can be viewed as organizational leadership. Therefore, corporate governance, as a leader, can create a climate in the organization that makes the business process more creative among bank members (Gumusluoglu & Ilsev, 2009). Organizational entrepreneurship approach, like creating risk, creativity, and innovation, requires success-seeking and tolerating of ambiguity in financial organizations. Corporate entrepreneurship involves increasing innovative mobility in main actors of corporate governance in banks.

Vision: it indicates perspective and outlook and view of the ideal future. It is a description of future conditions. In other words, it is a picture of the future status of a company or organization when it has achieved its goals and strategies. Visions and ideals are usually the product of the thinking and creativity of senior managers of organizations and are depicted in the organization's business dimensions such as technology, knowledge, financial status, market and so on. One of the factors that motivate organizations

and can be a driving force for them is the existence of vision and mission statements. Having a clear vision directs the future of the company and its activities and creates order and harmony in organizations and creates unity among the organization members.

Organizational mission: It is also referred to as existential philosophy, fundamental goals or main purpose. It is the role that a group is committed to its community to fulfill that role and provide the desired services to meet the needs of the community. In other words, the mission is a general statement of the intention of a group, defined and specified using the viewpoints of senior managers of the group and presented in the form of a "mission statement" of the group. The mission statement is sometimes stated as a belief proposition and an expression of philosophy, expression of beliefs and the principles of the group. Based on the models of strategic management and planning, the mission of the group must be clearly prepared before formulating the strategies.

Values: Organizational values as basic principles governing the organization have an intrinsic value to the organization's members and reflect the general beliefs that influence the behavior of individuals in all conditions. The core values of the organization are the values that support the managers and they are also called ethical rules of the organization. These rules are the guiding principles in the organization that will guide decision-making and behavior. These ethical rules are formulated, distributed, and applied by strategists. In an organization, good ethical principles are a prerequisite for good strategic management. Good ethical principles mean good organization. Values should give morale for employees in difficult situations; otherwise, they are not valued. Values include everyday slogans that make employees feel good. They are considered as ethical aspects of organizational resources and are both personal and general. Organizational values refer to those values that guide and influence the behaviors, conduct, and thoughts of employees and managers of the organization. They represent the culture of that organization. Organizational values are the basis for decision making and guidance for making a judgment on the affairs.

Organizational Leadership: Entrepreneurial leadership is defined as a type of leadership that creates visions and increases the motivation of people to discover and develop value creation in the organizational structure. Also, entrepreneurial leaders can facilitate the process of transforming the organization into a pioneering organization, and entrepreneurial leadership is a bold transformation in a dynamic market that provides beneficial opportunities. Entrepreneurial leaders have communication, coordination, self-esteem, trust-building capacity, and work visions. They always create opportunities and require power (Gumusluoglu & Ilsev, 2009).

Organizational Culture: Organizational culture as an important asset is viewed at three levels of beliefs, values, and behavioral patterns and its role will be highlighted and result in an organizations' members' satisfaction if there is a logical relationship between them and this type of culture has the necessary power among the members.

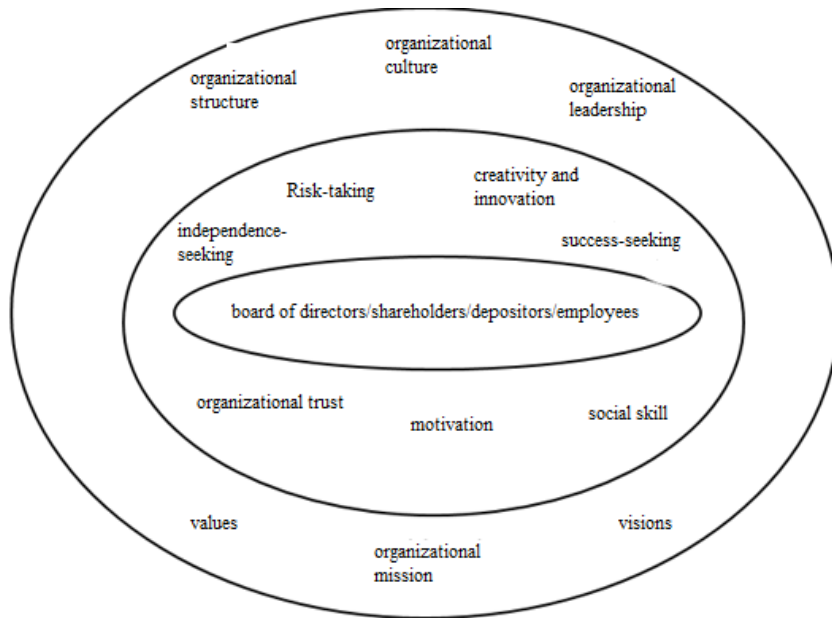
Characteristics and values of entrepreneurial organizational culture (open communication, entrepreneurship, foresight, teamwork, mutual trust, management support, welcoming creativity and innovation, etc.) are primary requirements that influence the organizational entrepreneurship. It can be stated that organizational entrepreneurship within the boundaries of an organization is influenced by the attitudes of the individuals or the current organizational culture within that organization (Hafsted, 1980).

Organizational structure: According to Drucker, the entrepreneurial organizational structure is the most appropriate space for organizational entrepreneurship. Several studies have indicated that organizational structure is one of the crucial factors affecting organizational entrepreneurship (Fuest, 2005). Alimardani et al (2009) reported that there is a significant relationship between organizational structure and organizational entrepreneurship and there is a reverse relationship between organizational structure components (formality, concentration, complexity) and organizational entrepreneurship. Jokartnam & Teseh (2006) also found in their research that there was a strong and positive relationship between flexible and organic organizational structure and organizational entrepreneurial orientation.

The main variables of the present study are organizational behaviors (trust, motivation, team culture), organizational structure (missions and culture), and individual characteristics (tolerance of ambiguity and

independence) that lead to an innovative environment of corporate governance in banking organizations. That is, the basic definition of research, corporate governance as key members of the organization that strive to create organizational behaviors to improve organizational structure and seek to create an organizational entrepreneurship culture and innovative organizational environment using the individual characteristics of the corporate governance board.

Conceptual model of research



Conceptual model of research

Methodology

The present study is applied in terms of objective and quantitative and qualitative in terms of method, and mixed-explanatory in terms of approach. The study population in the qualitative sector consists of 3 university professors, managers, and banking experts with sufficient and successful experience. The number of studied population is uncertain. At this stage, sampling continued with the snowball method until it reached theoretical saturation. The sampling continued until no new components and indices were introduced, and no new data were obtained after Sample 17 but it continued until Sample 20 for more confidence. The qualitative data were collected through in-depth interviews with open-ended questions. The validity of this section was assessed through the researcher's long-term involvement with the research setting and his continuous observations in the research setting, such as building trust in subjects, learning the culture of that setting, and controlling misunderstandings arising from the researcher or experts' interventions.

The qualitative data analysis of the interviews was performed using the open-ended and axial approach and MAXQDA 2018 software was used for this purpose. After identifying the dimensions and components of the model in the qualitative section using semi-structured interviews, the framework and content of the research questionnaire were prepared by analyzing this part of the data and the obtained results. The research population in the quantitative section included all employees working in different management and executive areas (headquarters) of Keshavarzi Bank. Keshavarzi Bank, with its headquarters in Tehran, has 33 provincial administrations, 1850 branches providing service for customers and 18000 workforces. In this section, the sample size was calculated at 377 people according to the Cochran formula. The questionnaire was distributed among 400 people by stratified sampling method to ensure proper return of questionnaires. Initially, eight provinces were randomly selected. The selected provinces included Tehran, Sistan, and Baluchestan, East Azarbaijan, Hormozgan, Hamadan, Golestan, Lorestan, and Kurdistan.

In each of these provinces, 30 employees were randomly selected and questionnaires were sent electronically for them. With regard to the other 25 provinces, 3 managers and deputies were randomly selected in each province and questionnaires were sent electronically for them. Also, 70 questionnaires were sent physically and electronically to the bank headquarters in Tehran at levels of expert to management. Also, 15 questionnaires were sent for entrepreneurship Ph.D. students and university professors and they were collected. The data were collected using a researcher-made questionnaire based on the concepts described in the research review of literature in a quantitative section and the results of qualitative data analysis. In this study, content validity was used to estimate the validity of the questionnaire. For this purpose, two CVI and CVR indices are calculated using experts' opinions for the questionnaire items.

CVI values based on the opinions of 13 experts for the questionnaire items indicated that 10 items were lower than 0.78 based on the CVI index, so they were not confirmed. In other words, these items need to be reviewed by experts. Thus, the necessary reforms were applied to them. With regard to the CVR index, as the number of experts is 12, the threshold for confirming or rejecting the questionnaire items is 0.56. Accordingly, if the value of the CVR index for an item was greater than 0.56, the item was confirmed. Out of the 53 items, 42 were approved. In this questionnaire, 4 items were considered for components of personal characteristics, 3 items were considered for interpersonal skills, 5 items were considered for board of directors, 5 items were considered for employees, 3 items were considered for customers, 3 items were considered for shareholders, 8 items were considered for organizational culture, 3 items were considered for organizational values, 3 items were considered for participation and teamwork, 3 items were considered for organizational norm, and 3 items were considered for transparency. Cronbach's alpha coefficient of the whole questionnaire was determined at 0.763 using the data analysis of the first 30 questionnaires through SPSS software. As it is larger than 0.7, it can be stated that the research questionnaire questions have good and desirable reliability. The research model analysis was performed using a confirmatory factor analysis approach through the PLS technique and Smart PLS 2.0 Software.

Results

First, the analysis of the interviews is presented by coding of the concepts contained in the interviews.

Open coding

In this research, sampling was done up to the stage that the concepts in the open position to be discovered. Then, the concepts were classified based on relevance to similar themes. According to Table 1, the results of the open coding of the qualitative data collected using the interview indicated that 42 open codes were identified from 336 concepts.

Table 1- Results of open coding

Open coding	Frequency
Accuracy in doing work	3
Business intelligence and emotional intelligence	4
Risk-taking	12
Initiative	4
Communication skill	7
Motivation	3
Leadership	6
Legal responsibilities	8
Experience	3
Knowledge	8
Planning and organizing	4
Reward for creativity	7
Independence	6
Support of entrepreneurial employees	12
Meritocracy	6
Motivation	9
Charitable social responsibility	3
Protecting the interests of depositors	6
Database of customers	3
Profitability for shareholders	3
Protecting the rights of shareholders	8
Stakeholder and shareholders' trust	3
Promoting entrepreneurial culture	15
Ethical responsibilities	5
Training	20
Making organization agile	2
Review	6
Improving the strengths and removing the weaknesses	6
Horizontal structure	4
Organic organizational structure	13
Values	3
Innovation	23

Goals	5
participation	9
Using the experiences of others	15
Consultation	15
Organization evaluation	6
Supervision	9
Regulations	5
Transparency in organizational processes	17
Transparency of information disclosure	13
Accountability and responsibility	17

Axial coding

According to Table 2, 42 open codes were categorized into 3 categories and 11 subcategories. The following categories and subcategories are identified.

Table 2- Results of axial coding

Open coding	Subcategory	Category
Accuracy in doing work	Personal characteristics	Behavioral dimension
Business intelligence and emotional intelligence		
Risk-taking		
Initiative		
Communication skill	Interpersonal skills	
Motivation		
Leadership		
Legal responsibilities	Board of directors	Environmental dimension
Experience		
Knowledge		
Planning and organizing		
Reward for creativity	Employees	
Independence		
Support for entrepreneurial employees		

Meritocracy		
Motivation		
Charitable social responsibility	Customers	
Protecting the interests of depositors		
Database of customers		
Profitability for shareholders	Shareholders	
Protecting the rights of shareholders		
Stakeholder and shareholders' trust		
Promoting entrepreneurial culture	Organizational culture development	Structural dimension
Ethical responsibilities		
Training		
Making organization agile		
Review		
Improving the strengths and removing the weaknesses		
Horizontal structure		
Organic organizational structure		
Values	Organizational values	
Innovation		
Goals		
participation	Participation and teamwork	
Using the experiences of others		
Consultation		
Organization evaluation	Organizational norm	
Supervision		
Regulations		
Transparency in organizational processes	Transparency	
Transparency of information disclosure		
Accountability and responsibility		

Figure 1 illustrates that out of a total of 336 concepts, 208 are related to the structural dimension, 89 are related to the environmental dimension, and 39 are related to the behavioral dimension.



Figure 1 General view of interviewees' opinions on categories

Convergent validity

According to Table 3, the value of average variance extracted (AVE) is always greater than 0.5, and the composite reliability value is greater than 0.7 in all cases, which is greater than the value of average variance extracted (AVE), so convergent validity of the model is confirmed.

Table 3- Convergent validity of the research model

Row	Variable	AVE	CR
1	Behavioral dimension	0.566	0.900
2	Environmental dimension	0.547	0.941
3	Structural dimension	0.507	0.911
4	personal characteristics	0.626	0.869
5	Interpersonal skills	0.682	0.865
6	Board of directors	0.656	0.883
7	Employees	0.694	0.919
8	Customers	0.617	0.828
9	Shareholders	0.690	0.869
10	Organizational culture development	0.504	0.885
11	Organizational values	0.712	0.881
12	Participation and teamwork	0.737	0.894
13	Organizational norm	0.719	0.885
14	Transparency	0.685	0.866

Divergent validity

As shown in Table 4, in each column of the table, the AVE of each construct is higher than the other numbers in that column (that is, the correlation coefficients of that construct with other constructs). Therefore, the divergent validity of the research model dimensions is confirmed.

Table 4 - Divergent validity of research model dimensions

	Behavioral dimension	Environmental dimension	Structural dimension
Behavioral dimension	0.752		
Environmental dimension	0.721	0.740	
Structural dimension	0.694	0.709	0.712

Implementation of corporate governance model with organizational entrepreneurship development approach in Keshavarzi Bank of Iran

Figures 1 and 2 illustrate the results of the second-order confirmatory factor analysis including path coefficients and t-statistic values, which are discussed below.

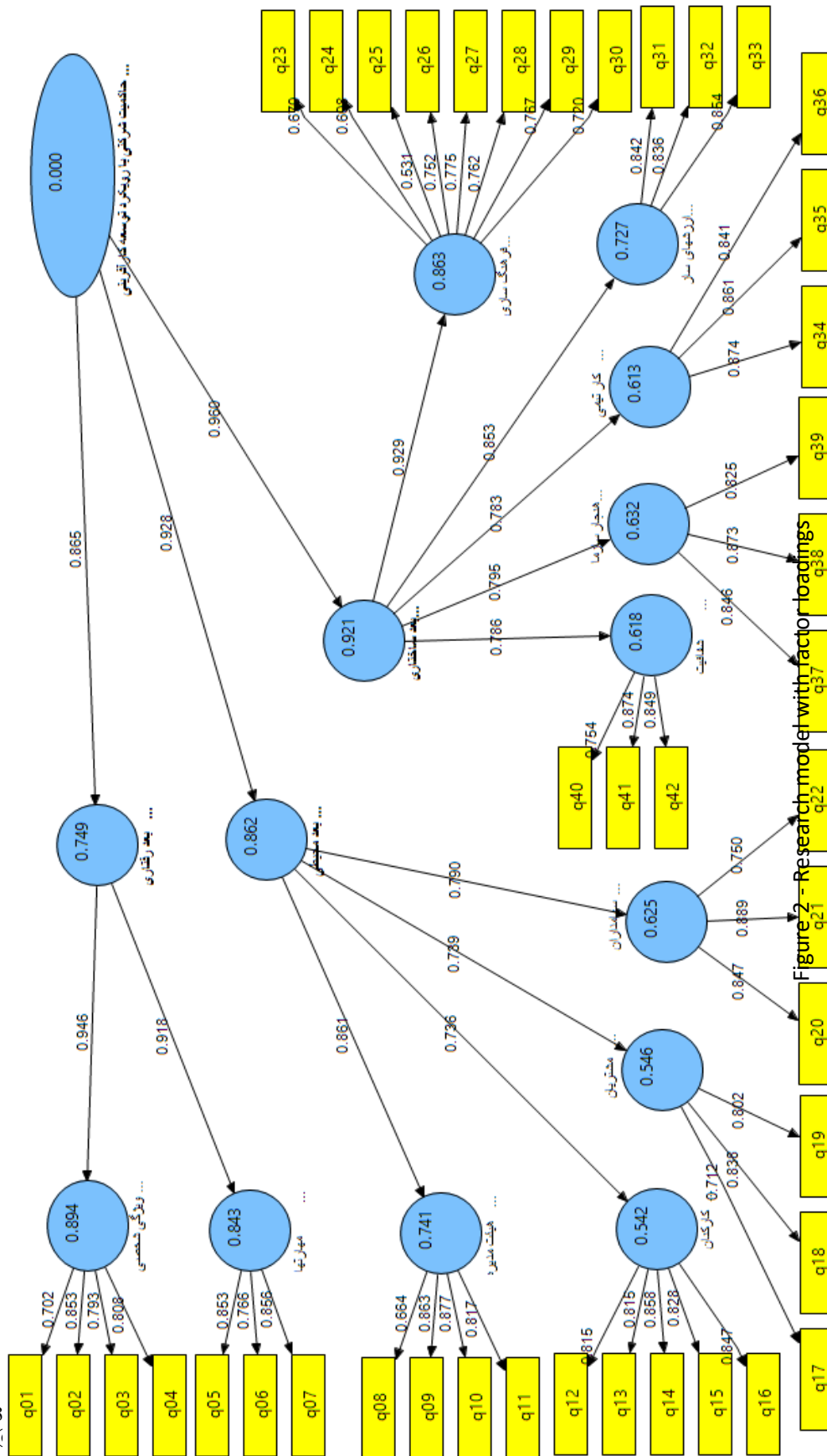


Figure 2 - Research model with factor loadings

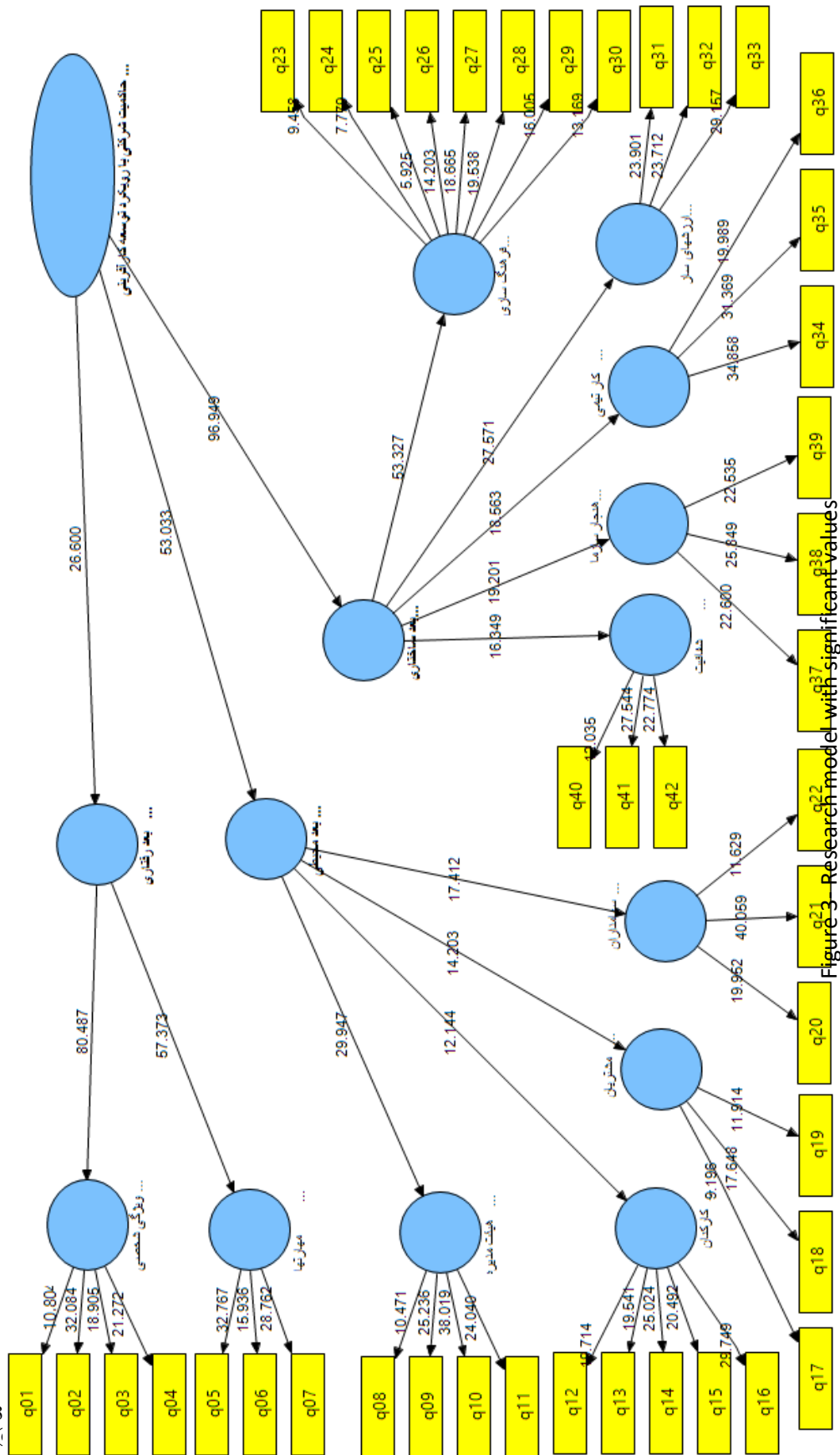


Figure 3- Research model with significant values

According to Table 5, it is observed that the t-statistic value for all model dimensions is greater than 1.96, so all of these dimensions are significant in the model. Among these three dimensions, the structural dimension with a factor of 0.960 had the highest effect on the corporate governance model with the organizational entrepreneurship development approach. After the structural factor, the environmental dimension with a factor loading of 0.928 and the behavioral dimension with a factor loading of 0.865, respectively, were statistically significant in the model.

Table 5: Factor analysis results for dimensions of corporate governance model with the entrepreneurship development approach

Row	Dimensions	Factor loading	t-statistic
1	Behavioral dimension	0.865	26.600
2	Environmental dimension	0.928	53.033
3	Structural dimension	0.960	96.949

1- Behavioral dimension

As shown in Table 6, the t-statistic values for both behavioral components are greater than 1.96. Therefore, the personal characteristics component with a factor loading of 0.946 and the interpersonal skills component with a factor loading of 0.918 are significantly effective in measuring the behavioral dimension. Since these factor loadings are greater than 0.5, both of these components have a strong effect on the model.

Table 6- Confirmatory factor analysis results for behavioral components

Row	Dimensions	Factor loading	t-statistic
1	personal characteristics	0.946	80.487
2	Interpersonal skills	0.918	57.373

2-Environmental dimension

As illustrated in Table 7, the t-statistic values for all environmental dimension components are greater than 1.96, so factor loading of board of directors with factor of 0.861, shareholders' component with a factor loading of 0.790, customers' component with a factor loading of 0.739 and employees with a factor loading of 0.736 are significantly effective in measuring the environmental dimension. Since the factor loadings of all components are greater than 0.5, all of these components have a strong effect on the model. Regarding the factor loadings in this table, the most effective is related to the component of the board of directors.

Table 7- Confirmatory factor analysis results for environmental dimension components

Row	Components	Factor loading	Statistic-t
1	Board of directors	0.861	29.947
2	Employees	0.736	12.144
3	Customers	0.739	14.203
4	Shareholders	0.790	17.412

3- Structural dimension

As shown in Table 8, the t-statistic values for all components of the structural dimension are greater than 1.96, so board of directors with a factor loading of 0.861, shareholders' component with a factor loading of 0.790, customers' component with a factor loading of 0.739, and employees with a factor loading of 0.736 are significantly effective in measuring the structural dimension. Since the factor loadings of all

components are greater than 0.5, all of these components have a strong effect on the model. Regarding the factor loadings in this table, the highest effect is related to the board of directors' component.

Table 8- Confirmatory factor analysis results for structural dimension components

Row	Components	Factor loading	Statistic t
1	Board of directors	0.861	29.947
2	Employees	0.736	12.144
3	Customers	0.739	14.203
4	Shareholders	0.790	17.412

Model validation

Table 9 illustrates the values of the coefficient of determination (R²) for the dimensions and components of the corporate governance model with the entrepreneurship development approach. As all these values are close to 1, it is concluded that the dependent variables in this model explain a high percentage of independent variables.

Table 9 - Values of coefficients of determination for the research model

Row	Variable	R ²
1	Behavioral dimension	0.749
2	Environmental dimension	0.921
3	Structural dimension	0.862
4	personal characteristics	0.894
5	Interpersonal skills	0.843
6	Board of directors	0.741
7	Employees	0.542
8	Customers	0.546
9	Shareholders	0.625
10	Organizational culture development	0.863
11	Organizational values	0.727
12	Participation and teamwork	0.613
13	Organizational norm	0.632
14	Transparency	0.618

In this research, the GOF index was used to evaluate the fitness of the research model. This index is derived from the following formula:

$$GOF = \sqrt{(communality) \times (R\ square)}$$

For this model, the goodness of fit index (GOF) is 0.681. As its value is higher than 0.36, the model fitness is confirmed. Table 10 presents the calculations of the goodness of fit index (GOF).

Table 10- Calculation of goodness of fit index (GOF)

Variable	Communality	R ²
Behavioral dimension	0.566	0.749
Environmental dimension	0.547	0.921
Structural dimension	0.507	0.862
personal characteristics	0.626	0.894
Interpersonal skills	0.682	0.843
Board of directors	0.656	0.741
Employees	0.694	0.542
Customers	0.617	0.546
Shareholders	0.690	0.625
Organizational culture development	0.494	0.863
Organizational values	0.712	0.727
Participation and teamwork	0.737	0.613
Organizational norm	0.719	0.632
Transparency	0.685	0.618
Mean	0.638	0.727
GOF	.81	

According to Table 11, it can be stated that all of these values are greater than 0.35, so it is concluded that the predictive power of all these constructs is strong. Hence, it can be stated that model constructs have good fitness.

Table 11- Q2 index values for model dimensions and components

Row	Variable	Q ²
1	Behavioral dimension	0.420
2	Environmental dimension	0.355
3	Structural dimension	0.410

4	personal characteristics	0.558
5	Interpersonal skills	0.575
6	Board of directors	0.485
7	Employees	0.370
8	Customers	0.363
9	Shareholders	0.430
10	Organizational culture development	0.425
11	Organizational values	0.518
12	Participation and teamwork	0.448
13	Organizational norm	0.453
14	Transparency	0.420

Discussion and Conclusion

In the present study, 20 experts in the entrepreneurship area were interviewed to present a model of corporate governance components with an organizational entrepreneurship development approach. The results revealed that the corporate governance model with the organizational entrepreneurship development approach consists of 3 dimensions, including structural, environmental and behavioral. However, the results of factor analysis showed that all three dimensions had a high effect on the corporate governance model. The dimensions of the model are described below. The results revealed that one of the effective dimensions of the corporate governance model with the organizational entrepreneurship development approach is "behavioral dimension", consisting of two components of personal characteristics and interpersonal skills. Personal characteristics include accuracy in doing works, business intelligence and emotional intelligence, risk-taking, and initiative needed for all bank employees. Also, effective interpersonal skills in the corporate governance model included communication, motivation, and leadership skills. The results of the analysis showed that another effective dimension in the corporate governance model was the "environmental dimension" of the organizational entrepreneurship development approach. It consisted of four components of employees, the board of directors, shareholders and customers. The principles of corporate governance must be accepted by senior managers of the organization and its benefits and problems should be clearly stated and assessed. Bank stakeholders and shareholders should also believe in corporate governance and emphasize the need to implement corporate governance and be fully committed to its implementation.

The board of directors should have characteristics such as legal responsibilities, experience, and knowledge, planning, and organizing. Employees must be independent in presenting their ideas and rewards should be considered for creative employees and they should be supported. Employees should also be selected based on meritocracy and motivated due to providing creative ideas for organizational entrepreneurship. The bank must protect the rights of shareholders and gain their trust in the utility of corporate governance practices with an approach to organizational entrepreneurship development. Also, the bank should be responsive to its customers and try to protect their interests. Also, it should create a database of customers to identify their needs. The results also revealed that the last dimension that was effective in the corporate governance model with the organizational entrepreneurship development approach was the "structural dimension", consisting of 5 components of organizational culture,

transparency, participation and teamwork, organizational values, and organizational norms. Organizational culture development in this model includes promoting entrepreneurial culture, ethical responsibilities, training, making an organization agile, review, improving strengths and removing the weaknesses, horizontal structure, and organic organizational structure. Transparency includes transparency in organizational processes, transparency in information disclosure, responsibility and accountability. Participation and teamwork include involvement in group works and the creation of ideas, the use of others' experiences, and consultation. Organizational values refer to values, innovation, and goals. Organizational norms include organization evaluation, supervision, and regulations.

Practical recommendations

According to the results of this study, the following recommendations are provided to establish a corporate governance model with the approach of organizational entrepreneurship development in Keshavarzi Bank of Iran:

- Keshavarzi Bank is equipped with a system of recommendations and has implemented it systematically. However, due to the incomplete structure and non-completion of procedures, it has practically lost its effectiveness. Thus, it is recommended that measures be taken to implement the system of recommendations.
- Keshavarzi Bank can establish successful corporate governance based on the organizational entrepreneurship approach by the development of culture and promoting entrepreneurial factors.
- The bank should create flat and decentralized structures since these structures are the most appropriate organizational context for improving entrepreneurship.
- Welcoming new and creative ideas that can be applied in the organization.
- Persuading managers to adopt new ideas and transfer them to senior management for decision-making and support them completely for implementation and innovation.
- Providing the necessary conditions for changing old practices and replacing new ideas
- Accepting the risk of change and preparedness for possible problems and errors of new ideas
- Paying attention to the comprehensive needs of the clients and presenting entrepreneurial plans in the organization
- Accurate expertise and preparation of complete reports on the implementation process of the recommendations
- Transparency in describing the duties of employees
- Frequently evaluation of employees' performance and introducing and encouraging entrepreneurial employees
- Using the necessary incentives
- Training of talented people
- Preventing the entry of disqualified people to an organization
- Implementing a performance-based budgeting
- Making the bank affairs project-oriented
- Eliminating redundant bureaucracies in the process of implementing constructive recommendations
- The independence of the reviewers of the recommendations made by its executors
- Establishing an organic management system while using experienced and competent consultants

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