How the Managerial Environment Effects on Corporate Entrepreneurship: Evidence from Turkey

Cemal Zehir, Ibrahim Sarper Karakadilar, Gizem Gogus, Dogan Basar

Abstract: This paper aims to investigate the mediating role of organizational citizenship behaviors (OCB) between charismatic leadership (CL) and corporate entrepreneurship (CE), as well as to examine the moderator effect of ethical climate on the relationships between charismatic leadership (CL) and corporate entrepreneurship (CE). Structural equation modeling is performed to test the proposed relations using data collected from 425 white-collar workers in Istanbul. The analysis results show charismatic leadership, organizational citizenship behaviors, and ethical climate to positively and significantly correlate with corporate entrepreneurship. Meanwhile, principled local ethical climate has a moderator effect between charismatic leadership and organizational citizenship as it strengthens the positive relationship between them. This means that better ethical environmental conditions strengthen the positive effect of charismatic leadership on corporate entrepreneurship. This study contributes to the literature by attempting some novelties such as: (a) testing the impact and importance level of ethical climate in the work environment of an emerging country such as Turkey, (b) investigating the moderating role of ethical climate on the relationship between charismatic leadership and corporate entrepreneurship, and (c) analyzing the mediating relationship among charismatic leadership, organizational citizenship behavior and corporate entrepreneurship and checking the mediating role of organizational citizenship behavior over them.

Keywords: Charismatic leadership • Organizational citizenship behaviors • Principled local ethical climate • Empirical analysis

Since the beginning of the 2000s in particular, various research has been accomplished concerning unethical behavior in business organizations (e.g., Toor & Ofori, 2009; Valentine, Godkin, & Lucero, 2002). In our point of view, a lack of understanding still exists concerning how organizational ethics support business in both
co-operative and entrepreneurial ways. Recently, some managerial facts that include the charismatic leadership, organizational citizenship behaviors, and principled local ethical climate in the organization have grabbed researchers’ attention for investigation (Veríssimo & Lacerda, 2015). For instance, research topics like corporate ethical rules (such as law and codes), organizational citizenship, social responsibility, and responsiveness have been derived from business ethics (Koseoglu, Yildiz, & Ciftci, 2018). Leadership’s dimensions, such as being charismatic and other leadership styles have also been examined (Conger & Kanungo, 1994; Howell & Avolio, 1993).

The focus of this study is on principled ethical climate, which has systematically been related to ethical working style and decision making on the job. From several dimensions of ethical climate, only principled ethical climate has been taken into consideration as being appropriate for measuring ethical behavior in the workplace. Thus, a onedimensional scale has been used in this study as the research focuses on corporate organizations. Although ethical climate has been investigated for its relationship to employee attitudes such as job satisfaction (Podsakoff, MacKenzie, Paine, & Bachrach, 2000), few studies have examined its relationship to organizational citizenship behavior and corporate entrepreneurship (Valentine et al., 2002). Organizational citizenship behavior is an especially interesting variable to study in relation to organizational ethics because it varies based on its nature according to employees’ attitudes rather than the work itself (i.e., job performance). Specifically, overall organizational citizenship behavior is a reflection of the extent to which employees share conscientiousness, civic virtue, and courtesy/altruism in the organization (Podsakoff et al., 2000).

Various types of values have been positively related to ethical intent, which diminishes opportunistic behaviors in the workplace. Routine relationships take place within flexible relationships using strong principled ethical rules, and no time or effort may be given for organizational citizenship behaviors. Behind these rules, the need for organizational citizenship behaviors then begins to again be reinforced to stay innovative, creative, and successful in group work. In the beginning, stricter, more definitive job descriptions and a more conservative work environment in industrial manufacturing firms decreases the need for co-operation, conscientiousness, and courtesy/altruism among employees. Flexible relationships with upper-managers have become more difficult, so workers have begun to need less organizational citizenship and to then only obey certain rules (Podsakoff et al., 2000).
Another important ingredient of organizational success depends on leadership style. These days, a popular leadership method, known as charismatic leadership (CL), is usually related to leader types with traits such as being talented, heroic, and feared (Galvin, Waldman, & Balthazard, 2010). Charismatic leaders vary across other leader types in their personal traits, literally and frankly through their visions, through the behaviors and actions they illustrate, and how they encourage the perceptions of their followers toward leaders (Conger & Kanungo, 1994).

As Turkey has gradually been opening its doors to foreign trade and investments through new ventures and consolidations, we are interested in researching the effects of corporate entrepreneurship in Turkey’s corporate environment as a case of a developing country. Additionally, some researchers have taken the positive effect of organizational citizenship on profitability into consideration (e.g., Koys, 2001), while others the relationship between corporate entrepreneurship and performance (e.g., Pearce, Kramer, & Robbins, 1997). These two sophisticated factors have recently come quite into the foreground for researchers to examine their effects on organizational performance.

Companies’ rules and procedures take priority in decision making (Cullen, Parboteeah, & Victor, 2003). For this reason, the focal point of this study is the local focus, primarily the principled-local focus concerning laws, codes, and procedures in the work environment, for specifying decisions and individual actions for the good of others (Cullen et al., 1989; Victor & Cullen, 1988). Wyld and Jones (1997) indicated this kind of ethical climate type to require rules and procedures within defined laws and codes rather than to behave in an egocentric manner. Cullen et al. (2003) found the principled dimension of ethical behavior to have no effect on non-professional workers but to affect the behavior of professional workers. Therefore, this study has only focused on the rules climate (i.e., employees’ strict following of company policies and procedures). When considering all these based on the sampling data of this study, the principled-local dimension of principle ethical climate for white-collar professionals has been taken into consideration as the unit of analysis.

Different than in the existing literature, this research subject investigates the moderating role of principled-local ethical climate (PLEC) on charismatic leadership (especially in the dimensions of strategic vision and sensitivity to the environment) and corporate entrepreneurship. We are about to add a new scope to the literature by surveying the relation between charismatic leadership and corporate entrepreneurship under the moderator effect of ethical climate. In this way, this
study attempts to help fill in the gap in current business ethics and the literature on leadership. Thus, the main scope of the study is to investigate this moderating role within the sample of Turkey. As much as Turkey has doted on foreign trade and investments such as new joint ventures and consolidations, the country has become a hot spot for scientific studies. For this reason, conducting research in Turkey may bring a new point of view to the literature. Meanwhile, this study also aims to analyze the mediator effect of organizational citizenship behavior on perceptions of charismatic leadership and corporate entrepreneurship. From the perspective that organizations see change as irrevocable and energetic, the importance of corporate entrepreneurship has grown in developed economies. Therefore, this study aims to display how the issue of corporate entrepreneurship occurs in emerging countries using the case of Turkey.

Framework of the Literature Review on Research

Charismatic Leadership

The importance of charismatic leadership among other types of leadership rose during the 1980s. Quite varied changes had occurred at the end of the 1980s and beginning of the 1990s in the field of leadership. Many studies on charismatic leadership that had been carried out at the very beginning of the 1990s became comprehensive theories with researchers’ help (Basar, 2009; Conger & Kanungo, 1994).

The theory of charismatic leadership as clearly explained by House (1977) could be one of the most important studies in the literature on how to use the phenomenon of charisma in formal organizations. House’s theory consists of charismatic leaders’ main characteristics and behavioral tendencies, as well as situational factors, which are the observable and testable hypothesis (Akcakaya, 2010; Basar, 2009; House, 1977). According to House (1977), the need for power pushes a leader to endeavor, in terms of time and effort, to attract his followers; having self-confidence and strong beliefs increases followers’ trust regarding the leaders’ decisions. Furthermore, for a leader without these traits, trying to attract people is futile; the leader will have little chance of success (Kadirov, 2003).

Meanwhile, for Conger and Kanungo (1998), charismatic leadership presumes three main parts. The first is called environmental assessments. Followers perceive high sensibility from their leader towards environmental opportunities and challenges and the followers’ needs. Among the types of leadership, this trait of perception is most distinctive for charismatic leadership. For instance, Yıldız, Aykanat, and Tü-
zemen (2016) found a positive, statistically significant relationship to exist among 156 scholars currently working at Ardahan University between ethical leadership behavior and the employees’ perceptions of social capital. Another current study also proved charismatic leadership to positively affect employee motivation (Çınar, Akgül, & Korkmaz, 2018). Furthermore, executives with the attribute of charismatic leadership remain removed from the status quo. The second part is determining vision. Charismatic leaders determine strategic goals, which are relatively more inspirational, more shareable, and more beneficial for the future of the organization. Finally, the third part is implementation. Followers’ trust and loyalty toward charismatic leaders and the tactics the leader enhances catalyze goal achievement. Having analyzed these three parts according to the pioneered research on charismatic leadership from House (1977) and Conger and Kanungo (1994; 1998), charismatic leaders take risks, sacrifice themselves for their ambitions, confidentially ensure trust in their followers, and bargain themselves away for all the challenges and costs of reaching their envisioned ambitions (Conger, Kanungo, Menon, & Mthur, 1997).

Corporate Entrepreneurship

Corporate entrepreneurship, which means the overall entrepreneurial orientation of a company, appears as a fundamental factor in organizational performance. Corporate entrepreneurship (CE) is related to providing an overview of how an organization as a whole can become more enterprising and better utilize its employees’ entrepreneurial activities (Pittaway, 2001). Karagozoglu and Brown (1988) analyzed corporate entrepreneurship under two different dimensions: risk-taking and new product innovativeness. Meanwhile, Miller (1983) categorized corporate entrepreneurship under three different categories: risktaking, pro-activeness, and radical product innovation. Covin, Slevin, and Schultz (1994) mentioned entrepreneurial firms to have strategic points of view such as being risk-taking, innovative, and proactive whereas conservatives firms’ are reactive and adverse to risks.

Managers are told that to pursue corporate entrepreneurship means companies should be proactive in their competitive arena; they should be risk-oriented on such topics as new venture creations. Pro-activeness reflects a firm’s aggressive pursuit of market opportunities and its strong emphasis on being among the very first ones to undertake innovations in the industry. Firms have to pursue future demands ahead of time and react to them before competitors become aware; these demands can change the business environment. Risk taking is defined as the firm’s disposition toward supporting innovative projects (e.g., international ventures), even when their payoff is uncertain. In another definition, risk-taking is an encou-
raged and aggressive move that necessitates finding resources as quickly as possible to grab opportunities as quickly as possible (Lumpkin & Dess, 1997). Innovation refers to a firm’s ability to create new products and introduce them to the market. It also indicates the company’s commitment to processing organizational innovations (Zahra, 1993). Collectively, these activities can enhance a company’s ability to recognize and exploit market opportunities well ahead of the competition. These efforts offer an important means of revitalizing and renewing established companies and improving their performance.

Zbierowski’s (2016) study concerned the possible impact of positive leadership on corporate entrepreneurship. Using a sample of 41 countries, Hemmen, Urbano, and Alvarez (2013) found charismatic leadership to have a significant and positive impact on the number of entrepreneurs in terms of international opportunities. In their research, the impact of business owners’ presence in the social environment and higher charismatic leadership rates complement each other in producing more entrepreneurial societies. Indeed, the relationship between charismatic leadership and corporate entrepreneurship gains importance.

Organizational Citizenship

Organizational citizenship is defined as a voluntary individual behavior that helps the organization most efficiently function as a whole without taking into consideration a structured reward system (Organ, 1988). Employees’ characteristics, job views, and desires have close relationships to organizational behavior (Podsakoff et al., 2000). Organ (1988) defined the five sub-dimensions of organizational citizenship behavior (OCB) as: altruism (implies helping others without expecting anything in return), courtesy (treating others with respect), conscientiousness (employees carry out in-role behaviors like individual task performance well beyond the minimum required levels), civic virtue (employees responsibly, actively, and voluntarily participate in the organization’s political life), and sportsmanship (people do not complain, but have positive attitudes).

Ethical Climate

Ethical climate is a type of work climate best understood as a group of perspective climates reflecting the organizational procedures, policies, and practices through moral consequences. Such climates arise when members believe that certain forms of ethical reasoning or behavior meet the expected standards or norms for decision-making within the firm (Cullen et al., 2003). Ethical climate is the perception of what constitutes proper behavior and thus becomes a psychological mechanism th-
rough which ethical issues are managed (Cullen et al., 1989). Accountability expectations should make employees voluntarily take and support ethical actions more. Valentine and Lucero (2002) found corporate ethical values to be positively related to person-organization fit and organizational commitment. Malisetty, Archana, and Kumari (2017) proved unethical behavior issues to be a surprising situation for companies, who need to spend equal time identifying them as they do encouraging ethical culture. Ethical climate framework was first introduced by Victor and Cullen (1988) with their Ethical Climate Questionnaire (ECQ). Ethical climate is based on three types of moral judgment: egoistical, benevolent, and principled (Cullen et al., 1989; Victor & Cullen, 1988). Egoistical climates have behaviors primarily concerned with the satisfying self-interests. Benevolent climates have behaviors concerned with the well-being of others and maximizing the interests of a particular social group. Lastly, principled climates have behaviors concerned with the laws, codes, and procedures that specify decisions and actions for the good of others.

In addition to these three types of ethical climates, Victor and Cullen (1988) analyzed the typology of these three dimensions (i.e. egoistic, benevolent, principled) under three loci: local, cosmopolitan, and individual. The local locus refers to the organization itself. The external part of the organization forms the cosmopolitan locus and refers to the community or society outside of the organization. Lastly, the individual locus makes decisions on its own without organizational norms; this means using the self as a reference for moral reasoning.

Cullen et al. (2003) found the principled dimension of ethical behavior to have no effect on non-professional workers while affecting professional workers. Regarding the aim of the current research, the study was designed with the principled-local dimension of ethical climate for white-collar professionals. Therefore, the other dimensions of ethical climate have not been included in the research model due to the scope.

Alongside these, the relationship among ethical climate, organizational citizenship behaviors (OCB), and corporate entrepreneurship (CE) has been discussed in the literature. Zehir, Altındağ, Müceldili, and Zehir’s (2014) findings show positive relationships to exist among charismatic leadership, ethical climate, and organizational citizenship behaviors (OCB). Yasir and Rasli (2018) found ethical climate to have a negative relationship with workplace deviance as well as to mediate the relationship between ethical leadership and workplace deviance in Pakistan’s public healthcare sector. Additionally, Imran and Hak’s (2011) research revealed organizational climate to have a mediating role in the relationship between transformational leadership and innovative work behavior.
Research Model and Hypothesis

The theoretical model for this study is shown in Figure 1 and illustrates two key factors from the dependent variable of corporate entrepreneurship: charismatic leadership and organizational citizenship. The model also investigates the possible mediating role of OCB between charismatic leadership and corporate entrepreneurship. The proposed moderating effect of ethical climate on this relationship has also been included in the research model.

Studies found in the literature show charismatic leadership and organizational citizenship behavior to have close interactions with each other. These interactions also reflect on the corporate entrepreneurship and ethical climate of the organization. According to Eyal and Kark’s (2004) research, a positive correlation exists among the sub-dimensions of corporate entrepreneurship: innovativeness, proactiveness, and leadership.

Pioneers in charismatic leadership research, Conger and Kanungo (1998) cited charismatic leaders to naturally be entrepreneurial and change-oriented. Furthermore, leadership styles in management literature has also been linked to promoting change and innovation in organizations (e.g., Bass, 1985; Howell & Avolio, 1993), as evident from the term leadership being broadly defined as resulting in the transformation of individual followers or the entire organization (Yukl, 1998).

![Figure 1. Proposed research framework.](image-url)
Accordingly, charismatic leadership has been associated with innovation (Bass, 1985; House, 1977). Furthermore, empirical evidence suggests proactive behaviors such as demonstrating initiative, taking action, and persisting until goals are achieved to be associated with charismatic leadership (e.g., Bateman & Crant, 1993; Deluga 1998). Therefore, charismatic leadership can be argued to be associated with the two basic components of corporate entrepreneurship (i.e., innovativeness and pro-activeness) mentioned in entrepreneurial research through the proactivity of top managers and their organizational innovativeness. With inspiration from current knowledge on leadership manners, we will study this relation in terms of charismatic leadership to perform a more comprehensive research on the literature’s positive relationship between charismatic leadership and corporate entrepreneurship. As such, we have deduced the first hypothesis of study as:

_Hypothesis 1_: Charismatic leadership is positively related to corporate entrepreneurship.

Moreover, we will investigate the relationship under the moderator impact of ethical climate. For instance, external or internal hostility in the corporate environment might threaten principled-local ethical climate in the workplace by disregarding a company’s written or formal rules and procedures. On the other hand, many firms manage to deliver positive profits even in the most competitive environments; thanks to these internal entrepreneurs, a subset of employees is able to drive change and develop innovation in the workplace (Vranceanu, 2014). Therefore while directing employees’ innovation attempts, managers should benefit from the company’s formal ethical rules in order to enhance the attempts.

Organizations today mostly involve climates that vary from strongly ethical to poorly ethical (Schwepker, 2001). The unethical behaviors in businesses such as Enron, Tyco, and the sub-prime mortgage crisis have shed light and attention on this point (Veríssimo & Lacerda, 2015). Dozens of researchers have underscored the positive correlation between leadership and organizational ethical climate (e.g., Aronson, 2001; Dickson, Smith, Grojean, & Ehrhart, 2001; Otken & Cenkcı, 2012). Leaders’ promoting ethical behavior and prohibiting/punishing unethical acts could constitute a powerful ethical atmosphere inside an organization (Mulki, Jaramillo, & Locander, 2008). Howell and Avolio (1992) were able to illustrate the need to distinguish between ethical and unethical charismatic leaders using ethical equilibrium. Consequently, the following hypothesis for empirical testing has been proposed:
Hypothesis 2: Adopting an ethical climate in an organization positively moderates the relationship between charismatic leadership and corporate entrepreneurship; the higher the level and scope of adopting principled-local focus, the greater the effects of charismatic leadership style on corporate entrepreneurship motive.

Organizational citizenship behavior (OCB) would also help coordinate activities among team members and across groups, and these entrepreneurial activities might lead to strong OCBs that diminish individual opportunistic behaviors in the workplace (Smith, Organ, & Near, 1983). Yıldız, Aykanat and Tuzemen (2016) also found a positive relationship to exist between employees’ individual behaviors and perception of organizational innovation. In a more innovative risk-taking firm structure, employees will be willing to participate voluntarily in all the firm’s activities. Thus, employees take place actively in discussions and become an active player during the implementation of changes and innovations in the company. Moreover, organizational performance is not simply a sum of individual performances; it may be influenced by other factors like shared values. If a unit’s employees share positive attitudes, they should have the norm of cooperation and collaboration, which in turn will enhance OCBs (Motowidlo, 2000). Additionally, Koys (2001) has proven positive employee attitudes to have a positive influence on business outcomes. As a result, organizational citizenship will positively affect corporate entrepreneurship. Based on this argument, the third hypothesis of this research is proposed as:

Hypothesis 3: Perceptions of organizational citizenship behavior are positively related to corporate entrepreneurship.

Charismatic leaders have an energy and excitement for solving problems. They also share their energy and excitement with others so everyone in the organization can be able to work with the same energy and excitement as their leader. Consequently, employees who work in such an environment tie their achievements to the leader who motivates them, not themselves. Charismatic leaders are good prototypes for people to work with. This type of leader makes others feel trust (Keklik, 2012). Therefore, the next hypothesis is:

Hypothesis 4: Charismatic leadership is positively related to organizational citizenship behaviors.

Lastly, this study also looks for the possible existence of organizational citizenship behaviors’ mediating effect on the relationship between charismatic leadership and corporate entrepreneurship. This is because an organization of virtuous people is not enough to guarantee virtuous organizational behaviors, and
where organizational structures are instrumentally necessary, the moral characters of managers, the people who make decisions, also matter (Whetstone, 2005). Organizational behaviors’ sub-dimensions of civic virtue (responsibility), courtesy (respect), altruism (helpfulness), and conscientiousness (meeting the bare minimum requirements of the organization) all activate employees’ motivation for enthusiastic behaviors and productivity in the organization. Thus the final hypothesis of this research is:

**Hypothesis 5**: Organizational citizenship behaviors play a mediating role between charismatic leadership and corporate entrepreneurship.

### Research Method and Analyses

**Item Development, Sampling, and Data Collection**

We conducted a survey to test the research model and hypotheses. All scales used in the research have been adapted from previous studies. All questions are measured with a 5-point Likert scale ranging from “strongly disagree” (1 point) to “strongly agree” (5 points) with a middle point of “neither agree nor disagree” (3 points).

The scale items used in measuring charismatic leadership (CL) have been adapted from Conger and Kanungo’s (1994) study, with 11 items related to CL’s sub-dimensions of strategic vision and sensitivity to the environment. The Ethical Climate Questionnaire (ECQ) contains six items only related to principled-local focus and have been adapted from Schwepker’s (2001) study. The measurement scale for organizational citizenship behavior (OCB) has been adapted from Podsakoff et al.’s (2000) study and has 17 items. Finally, scales measuring the dependent variable of corporate entrepreneurship (CE) have been adapted from Knight’s (1997) study for two items and from Barringer and Bluedorn’s (1999) study for nine items. As a result, a scale for measuring CE has been generated with a total of 11 items in this survey (all research model items can be seen in Table 2). For conducting the research, the original English scales were first translated into Turkish, and then the measurement scales were adapted appropriately to the questionnaire for the research objective (a sample from the Turkish questionnaire form can be seen in the Appendix).

The survey has been conducted on whitecollar employees at the manufacturing firms in Istanbul’s Teknopark and industrial regions. For this research purpose, 540 pieces of data were first obtained, then 425 useful pieces of data were obtained from the surveyed participants using a mail questionnaire and face-to-face inter-
views. This study has used the easy sampling method. Proximity to the researcher and ease of accessibility were effective in determining this method. The research universe has been chosen with the assumption that entrepreneurship can be seen more intensively in this defined industrial zone. A total of 540 questionnaires were collected from face-to-face and telephone interviews. However, questionnaires with missing information and some others were eliminated by examining the answers for checking questions on the questionnaire form. As a result of working to collect error-free data, the final data set contains 425 accounts. In order to test for non-response bias, the $\chi^2$ difference test has been applied between the initial and secondary respondents, and no significant difference was found at the $p < 0.01$ level. Data have been analyzed using the statistical package program SPSS-AMOS. The proposed hypothetical relations have been tested using path analyses through AMOS.

**Exploratory Analyses, Item Reduction, and Validation**

Information was gathered about respondents’ gender and positions in the firm based on the survey’s demographic questions (see Table 1). According to this information, a vast majority of our respondents are male and most are positioned in the company as mid-level managers. Company size has been represented quite well, with 38.1% being small enterprises, 30.3% being mid-sized enterprises, and 31.5% being large-scale.

<table>
<thead>
<tr>
<th>Table 1</th>
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<tbody>
<tr>
<td><strong>Demographic Characteristics of the Sample</strong></td>
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<tr>
<td><strong>Number of Respondents</strong></td>
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<tr>
<td><strong>Gender</strong></td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td><strong>Position</strong></td>
</tr>
<tr>
<td>Mid-level manager</td>
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<tr>
<td>High-level manager</td>
</tr>
<tr>
<td>Owner / Partner</td>
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<tr>
<td><strong>Size of Company</strong></td>
</tr>
<tr>
<td>Small Enterprises</td>
</tr>
<tr>
<td>Middle Enterprises</td>
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<tr>
<td>Large Sizes</td>
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</table>
Both exploratory factor and confirmatory factor analyses have been used for testing the research model in this study. Benefitting from exploratory factor analysis was initially necessary in the adaptation process for proving the scales’ validations because the original scales had been translated into Turkish. We first evaluated the suitability of items for factor analysis using the statistical test. The KMO value was found to be 0.91 (higher than the threshold value of 0.70), and Bartlett’s sphericity test was found as 0.00, which indicates significance. Therefore, the items were concluded to be suitable for exploratory factor analysis, which allows us to analyze the hypotheses.

Exploratory factor analysis has been used to see the factors common to the managerial environment. After eliminating insignificant and single items, the suitable items in the groups were placed one by one under factors. As a result, 37 items and seven factors remained from the data-set (see Table 2). In addition, the independent variables of charismatic leadership (CL) and organizational citizenship behavior (OCB) and the moderating variable of principled local focus (EC) all explain 64.159% of the variance. This high ratio shows the research model’s dimensions and measurement items to significantly explain the total variance. Reliability analyses have also been conducted in the research. Cronbach’s alphas for reliability are higher than the criteria of 0.70 for most of the constructs. Table 2 shows the results from the reliability analyses.

Based on research methods in the literature like Hair, Black, Babin, & Anderson’s (2010, p. 99), which recommend eliminating problematic items from scales, the resulting measurement model has been found to fit the data reasonably well. The ratio of the chi-square value to the degrees of freedom is less than two ($\chi^2 / df = 1.605$). The values for the model have been found compatible with those considered as limit values suitable to the thresholds Fornell and Larcker (1981) recommended: goodness-of-fit statistic ($GFI$) = .89; comparative fit index ($CFI$) = .94; incremental fit index ($IFI$) = .94; Tucker-Lewis index ($TLI$) = .94; root-mean-square error of approximation ($RMSEA$) = 0.04; parsimonious normed fit index ($PNFI$) = .79.
Table 2

Exploratory Analysis Results for the Measurement Models

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Items</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Vision/ Sensitivity to the Environment</td>
<td>Exciting public speaker.</td>
<td>.602</td>
</tr>
<tr>
<td></td>
<td>Appears to be a skillful performer when presenting to a group.</td>
<td>.599</td>
</tr>
<tr>
<td></td>
<td>Inspirational, able to motivate by articulating effectively the importance of what organizational members are doing.</td>
<td>.654</td>
</tr>
<tr>
<td></td>
<td>Has vision; often brings up ideas about future possibilities.</td>
<td>.710</td>
</tr>
<tr>
<td></td>
<td>Provides inspiring strategic and organizational goals.</td>
<td>.709</td>
</tr>
<tr>
<td></td>
<td>Consistently generates new ideas for the future of the organization.</td>
<td>.708</td>
</tr>
<tr>
<td></td>
<td>Readily recognizes constraints in the organization’s social and cultural environment (cultural norms, etc.) that may stand in the way of achieving organizational objectives.</td>
<td>.709</td>
</tr>
<tr>
<td></td>
<td>Readily recognizes barriers/forces within the organization that may block or hinder achieving goals.</td>
<td>.657</td>
</tr>
<tr>
<td></td>
<td>Recognizes the limitations of other members in the organization.</td>
<td>.663</td>
</tr>
<tr>
<td></td>
<td>Readily recognizes new environmental opportunities (favorable physical and social conditions) that may facilitate achieving organizational objectives.</td>
<td>.744</td>
</tr>
<tr>
<td></td>
<td>Entrepreneurial; seizes new opportunities in order to achieve goals.</td>
<td>.653</td>
</tr>
<tr>
<td>Altruism/ Courtesy</td>
<td>Helping co-workers who are overworked.</td>
<td>excluded</td>
</tr>
<tr>
<td></td>
<td>Takes time voluntarily to advise, coach, or mentor co-workers who have issues about the workplace.</td>
<td>.672</td>
</tr>
<tr>
<td></td>
<td>Helps new employees get oriented to the job.</td>
<td>.711</td>
</tr>
<tr>
<td></td>
<td>Changes vacation schedule, work days, or shifts to accommodate co-worker’s needs.</td>
<td>.613</td>
</tr>
<tr>
<td></td>
<td>Respects colleagues’ rights.</td>
<td>excluded</td>
</tr>
<tr>
<td></td>
<td>Before attempting a substantial step about work, I definitely inform the supervisor.</td>
<td>.583</td>
</tr>
<tr>
<td>Civic Virtue</td>
<td>Attempts the required moves to prevent conflicts between workers.</td>
<td>.587</td>
</tr>
<tr>
<td></td>
<td>Before making a job-related decision, asks opinions from those who would be affected by that decision.</td>
<td>.542</td>
</tr>
<tr>
<td></td>
<td>Going over organizational changes and playing an active role in the changes accepted by other workers.</td>
<td>excluded</td>
</tr>
<tr>
<td></td>
<td>Volunteers to help in all activities that contribute to corporate image.</td>
<td>excluded</td>
</tr>
<tr>
<td></td>
<td>Attends meetings or work on committees regularly and debates actively.</td>
<td>.505</td>
</tr>
<tr>
<td></td>
<td>Easily adapts to all new developments in the organization.</td>
<td>.673</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>Never spends more than the time allowed for tea/coffee breaks.</td>
<td>.716</td>
</tr>
<tr>
<td></td>
<td>Never interrupts my work except for break times.</td>
<td>.689</td>
</tr>
<tr>
<td></td>
<td>Always punctual during work hours.</td>
<td>.572</td>
</tr>
<tr>
<td></td>
<td>Even though no one knows, I still follow the firm’s codes, laws, and procedures.</td>
<td>.643</td>
</tr>
</tbody>
</table>

\( \alpha = .904 \) (11 items)

\( \alpha = .730 \) (4 items)

\( \alpha = .657 \) (4 items)

\( \alpha = .749 \) (4 items)
Zehir, Karakadilar, Gogus, Basar,
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Hypothesis Testing and Results

We tested the relations of the variables in the research model using the structural equation model. First we conducted the correlation analysis (see Table 3). The analyses results indicate all variables to be correlated to each other with significant correlation coefficients. In the scope of the research model, the five proposed
hypotheses have been tested using path analysis. For testing the first path group of the hypotheses, the relationships between the exogenous variables (i.e., charismatic leadership, organizational citizenship behavior) and endogenous variable (i.e., corporate entrepreneurship) have been investigated. For this purpose, the remaining scale items were used to conduct the path analysis. Meanwhile, a significant relationship is seen to exist between organizational citizenship behavior and corporate entrepreneurship and also between charismatic leadership and organizational citizenship behavior ($p < .001$ for both). Thus, H3 and H4 are statistically supported according to the path analysis. However, no relationship has been found between charismatic leadership and organizational entrepreneurship; therefore H1 is not supported in this study. Ethical climate has a moderating effect between charismatic leadership and corporate entrepreneurship, which supports H2.

Table 3

**Correlation Analysis Results**

<table>
<thead>
<tr>
<th>Charismatic Leadership (CL)</th>
<th>Organizational Citizenship Behavior (OCB)</th>
<th>Ethical Climate (EC)</th>
<th>Corporate Entrepreneurship (CE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL $^1$</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCB $^2$</td>
<td>.607**</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>EC $^3$</td>
<td>.364**</td>
<td>.515**</td>
<td>---</td>
</tr>
<tr>
<td>CE $^4$</td>
<td>.339**</td>
<td>.518**</td>
<td>.703**</td>
</tr>
</tbody>
</table>

*Correlation is significant at $p < 0.01$.  
$^1$CL is a first-order factor model which only has Strategic Vision and Sensitivity to the Environment as its sub-dimensions.  
$^2$OCB is a second-order factor model constructed from three sub-dimensions: Altruism/Courtesy, Civic Virtue, and Conscientiousness.  
$^3$EC is a first-order factor model that only has Principled-Local Ethical Climate (PLEC) as its sub-dimension.  
$^4$CE is a second-order factor model constructed from its two sub-dimensions: Innovativeness and Pro-activeness/Risk-taking.

A second path analysis has been conducted to test the mediating effects of organizational citizenship behavior (OCB) on the relationship between charismatic leadership (CL) and corporate entrepreneurship (CE). We followed Baron and Kenny’s (1986) and Veríssimo and Lacerda’s (2015) recommended procedures to test the full mediation effects of organizational citizenship behavior (OCB). First, the independent variable (CL) needs to significantly predict the mediator (OCB). Second, the independent variable needs to significantly predict the dependent va-
riable (CE). Third, the mediator (OCB) needs to significantly predict the dependent variable (CE). Finally, the relationship between charismatic leadership (CL) and corporate entrepreneurship (CE) must disappear when introducing the mediator variable OCB into the regression equation for predicting CE. H5 is supported as organizational citizenship behaviors show a mediating role between charismatic leadership and corporate entrepreneurship.

Findings

As shown in Figure 2, the results indicate no statistically significant support to exist for H1 as, though organizational citizenship behavior does have a mediating effect between charismatic leadership and corporate entrepreneurship, it does not have a direct effect on corporate entrepreneurship. First it creates positive organizational behaviors then these behaviors support entrepreneurship in the organization. When employees are inspired by their leaders, they become more helpful and show more cooperation among each other at the work place. If employees admire their leader, they behave more innovatively while making proactive, strategic decisions. Indeed, the mediating effect of organizational citizenship behaviors between charismatic leadership and entrepreneurship has been proven for H5. Meanwhile, a significant relationship exists between organizational citizenship behavior and corporate entrepreneurship, as well as between charismatic leadership and organizational citizenship behavior (both at $p < .001$ level). Thus, H3 and H4 are statistically supported according to the path analysis. Moreover, adopting an ethical climate in an organization positively moderates the relationship between charismatic leadership and corporate entrepreneurship; the higher the adoption levels for principled-local climate focus, the greater the effects of charismatic leadership style on corporate entrepreneurship motive, which supports H2. Indeed, charismatic leadership plays a significant role in promoting entrepreneurship, and encouraging leaders to be charismatic through management education programs needs to be supported.
Figure 2. Diagram for testing the research model’s hypotheses.

All the mediating conditions set by Baron and Kenny (1986) have been found to be satisfied for this survey’s dataset. In Step 2 of the mediating analysis process, the chi-square ($\chi^2$) value has been calculated as 780.276. In Step 3, after including the direct effect of the variable of charismatic leadership on the corporate entrepreneurship, this relation has been found insignificant ($p > 0.1; t = 0.657; \chi^2 = 780.085$). This result indicates a mediating effect of OCB on the relationship between CL and corporate entrepreneurship. $\chi^2$ values have been realized to be quite similar (i.e., $780.276 - 780.085 = 0.191$), which proves a full mediating effect to exist on this relationship (see Table 4).

Table 4

<table>
<thead>
<tr>
<th>Analysis Results of t-Values for the mediating effect of H5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paths</td>
</tr>
<tr>
<td>Charismatic Leadership $\rightarrow$ Corporate Entrepreneurship</td>
</tr>
<tr>
<td>Charismatic Leadership $\rightarrow$ Organizational Citizenship Behavior</td>
</tr>
<tr>
<td>Organizational Citizenship $\rightarrow$ Corporate Entrepreneurship</td>
</tr>
</tbody>
</table>

$^{**}$ Significant relation at $p < .001$ level; n/a means not applied at that step; N.S. means path relation was not supported statistically.
Finally, the metrics moderation method is used in order to test whether any positive moderating effect exists for principled-local ethical climate (PLEC) on the relationship between charismatic leadership and corporate entrepreneurship (i.e., H2). To apply this method, an interaction term was included in the AMOS research model diagram and used as a moderator variable. The interaction term is generated as a single-item variable calculated by multiplying the sum of the items making up ethical climate (PLEC) by the sum of the items making up charismatic leadership (Bortolotti, Danese, & Romano, 2013; Frazier, Tix, & Barron, 2004).

Therefore, the third path analysis (see Figure 2) has been performed with the interaction term (i.e., $CL*EC$) acting to represent the moderating effects in the path analysis. The interaction term $CL*EC$ has a significant association with corporate entrepreneurship ($p < 0.1; t = 1.93$); this indicates a moderating role. Therefore the proposed hypothesis H2 is statistically supported in this study.

**Discussion**

This study attempts to survey the interaction of managerial factors’ effects on corporate entrepreneurship in the Turkish business environment. In this context, the study has taken the charismatic leadership, organizational citizenship behavior, and ethical climate into consideration as the managerial factors of an individual organization. When we designed the research model, we considered these multi-dimensional factors crucial for successfully implementing corporate entrepreneurship in an organization.

For instance, principled-local ethical climate (PLEC) is a significant factor for people who work in a company; in this manner, each individual can follow the written rules and organizational culture when doing their jobs in the company. This helps standardize employee behaviors in a company using managerial perspective. Also, the previous literature findings support this conclusion. Promoting leaders’ ethical acts and prohibiting/penalizing their unethical acts may constitute a powerful ethical atmosphere inside an organization (Mulki, Janaamilo & Locander 2008). Dozens of researchers have understood the positive correlation between leadership and organizational ethical climate (Aronson, 2001; Otken & Cenkci, 2012).

In same way, organizational citizenship behavior, which handles employee behavior in the group, is another important factor. Organizational citizenship behavior includes employee behaviors such as being friends and getting along with subordinates, peers, and supervisors (i.e., altruism/courtesy); employees actively
contributing and striving for efficiency in group efforts at the workplace (i.e., civic virtue); and employees endeavoring to do their assignments properly (i.e., conscientiousness). These dimensions are important in making employees feel good and peaceful at the workplace, which allows them to show their creative aspects and contribute to the company’s objectives. Civic virtue has actually been observed as the most problematic dimension of this research model. When we investigated the analysis results on validating the measurement items, the most notable finding for organizational citizenship behavior is that Turkish white-collar workers seem to act self-centered and lazily in the workplace. Therefore when managers design an internal-entrepreneurial business model, they should consider finding ways to motivate their employees to be friendlier towards their colleagues and to assure they volunteer in contributing to organizational changes.

Finally, charismatic leadership is another critical factor in directing the group’s followers and orienting them to achieve the success of the company. Charismatic leadership has a significant and positive impact on the number of entrepreneurs across countries (Hemmes, Urbano, & Alvarez, 2013; Zbierowski, 2016). To ensure this, a charismatic leader should have the following attributes: be able to inspire followers by generating new useful ideas and acting as a soundboard for the followers, being ready for environmental changes, and benefiting from the opportunities presented by environmental changes. Conger and Canungo (1994; 1998) cited charismatic leaders to by nature be entrepreneurial and change-oriented. Charismatic leaders are good prototypes for their coworkers; this type of leader makes others feel trust (Keklik, 2012). Thus without a functioning leadership, no managerial environment can be established well in a company for workers’ corporate entrepreneurship activities.

Based on the original research model, this survey’s findings presents the effect of charismatic leadership on corporate entrepreneurship to make a stunning impact in a proper business environment provided by employees’ organizational citizenship behaviors where a principled-local ethical climate (PLEC) is present in the organization. Otherwise, missing one of these critical elements most likely prevents the efficiency of corporate entrepreneurship extensions. Many firms that manage to deliver positive profits even in the most competitive environments must thank internal entrepreneurs due to their employees’ ability to drive change and develop innovation in the workplace (Vranceany, 2014). Dozens of researchers have understood the positive correlation between leadership and organizational ethical climate (e.g., Aronson, 2001; Otken & Cenkci, 2012).
Future studies can analyze the relationship among other leadership styles like transformational leadership, corporate entrepreneurship, and ethical climate. The mediator effect of ethical leadership among leadership styles and corporate entrepreneurship may also be researched. The sample data could be extended to cover all other industrial regions in Turkey. The research model could have been richer by including the other sub-dimensions of organizational citizenship behaviors (i.e., individual initiative; loyalty; voice); their effect on corporate entrepreneurship and ethical climate could also be analyzed. Moreover, the effect of ethical climate on the relationship between corporate entrepreneurship and organizational performance could be looked at.

References


###Appendix

Bu Ölçekte: (1) Kesinlikle Katılmıyorum,  
(2) Katılmıyorum  
(3) Kararsızım,  
(4) Katılıyorum  
(5) Kesinlikle Katılıyorum 

seçeneğini temsil etmektedir.

<table>
<thead>
<tr>
<th>İşahlaki</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Şirketimde işahlı resmi ve yazılı olarak belirtilmiştir</td>
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<td></td>
</tr>
<tr>
<td>2. Şirketimde işahlı zorlayıcı bir kural olarak yer alır</td>
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<tr>
<td>3. Şirketimde işahlına yönelik ilkeler yer alır</td>
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<td></td>
</tr>
<tr>
<td>4. Şirketimde işahlına yönelik ilkeler zorlayıcı bir kural olarak yer alır</td>
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</tr>
<tr>
<td>5. Şirketimde işahlına uygun olmayan davranışların hoş görülmeyeceği açık kurallarla belirtilmiştir</td>
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<tr>
<td>6. Şirketimdeki bir elemanın şirket kazancından ziyade, kişisel kazançla sonuçlanan ve işahlına uygun olmayan davranışlarda bulunmuş ise anında kınanır</td>
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</table>

### Karızmatisık Liderlik

1. Topluluka karşı heyecan verici bir konuşmacıdır  
2. Bir gruba karşı sunum yaparken çok kâbiliyetli görülmektedir  
3. İlham vericidir veتشكil çalışanların yaptıklarının önemini açıkça belirterek motive edebilmektedir  
4. Vizyona sahiptir ve gelecek teşvikleri hakkında fikirler üretabilir  
5. İlham verici stratejik ve örgütsel amaçlar ortaya koyabilir  
6. İşletmenin geleceği hakkında sürekli olarak yeni fikirler üretir  
7. İşletmenin amaçlarını gerçekleştirmesinde karşıya çıkabilecek olan sosyal ve kültürel çevredeki engelleri önceden görebilir (Kültürel öngörüler, köklü destekler vb.)  
8. Kendi amaçlarını gerçekleştirmesini engelleyebilecek örgüt içerisindeki engelleri ve güçleri önceden görebilir  
9. Örgütteki üyelerin limitlerini görebilir  
10. İşletmenin amaçlarını gerçekleştirmesine destek olacak yeni çevresel fırsatları önceden görebilir (İyi yöndeki fiziksel ve sosyal fırsatlar vb.)  
11. Yatırımcıdır ve amaçlarına ulaşmak için yeni fırsatlar yaratır

### ÖrgütSEL VATANDAŞLIK DAVRANİŞI

1. İş yükü ağır olan arkadaşlarına işlerinde yardımcı olurum  
2. İş ile ilgili sorunu ve problemini olan diğer çalışanlara görevli olarak zaman ayırırım  
3. Kuruma yeni katılan kişilerin işlerine uyum sağlamalarına yardımcı olurum  
4. Herhangi bir sebeple işinin başında bulunmayan arkadaşlarının yerini alarak onlara yardımcı olurum
5. İş arkadaşlarının haklarını çiğnemem
6. İşile ilgili önemli bir adım atmadan önce üstümü mutlaka bilgilendiririm
7. Çalışanlar arası çatışmaları önlemek için gereklı girişimlerde bulunurum
8. Herhangi bir karar alırken bu karardan etkileneceği düşünüldüğün kişilerin fikirlerini alır onlara danışırım
9. Kurumdaği değişikleri yakından izler ve diğerleri tarafından kabul edilmesinde aktif rol oynarım
10. Kurumun imajına olumlu katkı sağlayacak tüm faaliyettene yönelik olarak katılırım
11. Kurum içi toplantılarında düzenli olarak yer alır ve tartışmalara aktif olarak katılırım
12. Kurumdaği gelişmelere rahatlıkla ayak uydururum
13. Çay-kahve ve yemek aralarını asla uzatmam
14. İşime belirlenmiş mola saatleri dışında ara vermem
15. İşinde her zaman için dakiğimdir
16. Kimse izlemese bile daima şirket kural yönetmelik ve prosedürlerine uyarım

İÇ GİRİŞİMÇİLİK

Yenilikçilik
1. Rakiplerle karşılaştırıldığında, firmam genellikle faaliyetlere öncülük eder ve rakipler bu faaliyetleri takip eder.
2. Rakiplerle karşılaştırıldığında, firmam genellikle yeni ürün/hizmet, yönetim teknikleri ve üretim teknolojilerine öncülük eder.
3. Genelde, firmamızın üst yönetiminde yeni ürün fikirler ve ürünleri sunmada diğerlerinden önce olma eğilimi vardır.
4. Genelde, firmamızın üst yönetimim Ar-Ge çalışmalarına, teknolojik liderliğe ve yeniliklere çok büyük önem verir.
5. Son 5 yılda çok fazla yeni ürün/hizmet hatları pazara sunuldu.
6. Ürün veya hizmet hatlarında değişiklikler genellikle çok etkileyici olmaktadır.

Proaktiflik
7. Yüksek kazanç ihtimali olan çok riskli projeleri almaya yönelik güçlü bir eğitim söz konusудur
8. İş çevresinin yarışı gereği, firmanın hedeflerini gerçekleştirmek için kapsamlı ve cesaretli adımlar atamak gerektdir.
9. Firmam belirsizlik içeren kararlarla karşı karşıya kaldığında, her zamanı gibi fırsatlardan en üst düzeyde yararlanmak için cesaretli bir tavr sergiler.

Risk Alma
10. Firmam, her zamanki gibi, ”rakiplerini ezici” rekabetçi bir tutum sergiler.
11. Firmam çok saldırgan rekabetçidir.