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The Effect of Organizational Culture and Readiness to Change on Organizational Entrepreneurship: The Role of Competence

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Abstract:

Research aims: The purpose of this study is to reveal/investigate how the organizational culture changes the readiness of human resources through entrepreneurial competence to run an organization. At present, the organization's existence is very competitive with other organizations, making human resources a strategic resource owned by the organization. Therefore, organizations must be able to respond to many events that cause changes in the environmental forces that influence them.

Design/Methodology/Approach: The type of research is quantitative research. This study used a questionnaire as the survey technique. The analysis of this research was carried out by conducting a classic assumption test, including the multicollinearity test, heteroscedasticity test, and normality test. Furthermore, the data were analyzed employing multiple linear regression analysis, namely the coefficient of determination test (R^2), simultaneous significance test (F), and the test of the significance of individual parameters (T). Intervening variables were tested with path analysis and multiple tests.

Research findings: This study's results revealed that organizational culture, readiness for change, and competence positively and significantly influenced organizational entrepreneurship. Organizational culture and/or readiness for change with competence as an intervening variable also positively and significantly influenced organizational entrepreneurship. Organizational entrepreneurship was influenced by 64% by organizational culture and readiness for change in human resources. Meanwhile, the remaining 36% was explained by other variables outside this study's model.

Theoretical contribution/Originality: The novelty of this research is that organizational entrepreneurship is a reference for business independence in an organization.

Practitioner/Policy implication: Organizational entrepreneurship exists in organizations that have business entities for organizational independence.

Keywords: Organizational Culture; Readiness for Change; Competence; Organizational Entrepreneurship

Introduction

Human resource is a strategic resource owned by an organization. The existence of organizations nowadays is quite competitive with each other. An organization should be able to respond to phenomena caused

by significant environmental power changes. An organization's sustainability is also influenced by independence. One form of independence is entrepreneurship activities (Huang & Yu, 2011). Entrepreneurship in an organization creates either internal or external entrepreneurial roles. Internally, the organization does not depend on others and is confident with its motivation, capability, quality, and ability to increase purchasing power. Externally, an organization can employ to decrease the rate of social unemployment (Yazi, 2020).

In Indonesia, there are both profit and non-profit organizations. Non-profit organization inevitably requires business units for running the management, including the human resources (Olshan, 2017). As the leading actor, human resources must possess competencies for actualizing their roles. Human resources competencies are established by five fundamental characteristics, as stated by (Spencer & Spencer, 1993), involving motivation, character, attitude, knowledge, and skill. Another concept has been expressed by Suparno (2001) that competence is a sufficient ability to accomplish a specific task, or in other words, having the required skill and ability. This statement has been strengthened by an argument (van Ossel et al., 1998) that competence is human's characteristics that deal with performance effectivity, such as how humans behave or think.

The competence possessed by human resources will influence the cultural climate within an organization. The organizational culture begins from the founding father's visions and missions. To achieve the visions and missions, competent human resources are required. Organizational culture, according to Schein (1992), in his publication entitled *Organizational Culture and Leadership*, is suggested as the basic assumption patterns created, explored, or developed by certain groups as trials and errors to overcome the problem of external adaptation and internal integration and are implemented sustainably through the whole structure of the organization as the problem-solving method. Therefore, all cultural elements, including science, values, behavior/habit, learning, etc. need to be developed for the sake of the existence of the organization (Hjorth & Holt, 2014)

The role of human resources in organizational entrepreneurship is as important as the required competence within the entrepreneurship itself. Based on the former research (Diwanti, 2018), "it is justified that the Badan Usaha Amal Nasyiatul Aisyiyah (BUANA) in Kendal Regency has organizational entrepreneurship potential that can be seen from the business development and variety." The readiness for change towards the human resources' competence showed that those variables were mutually influential. The research would be the initial data to see the effect of organizational culture, readiness for change, and competence on organizational entrepreneurship. Another research conducted by Moghaddam et al. entitled *Organizational Entrepreneurship and its Impact on the Performance of Governmental Organizations in the City of Mashhad* exposed no entrepreneurship orientation or entrepreneurial management in the government organization of Mashhad City. It was due to the absence of organizational entrepreneurship (Hidayat, 2020).

Based on the research by Nurjanah (2015), the unit business of BUANA Kendal had to several reasons: BUANA Kendal had a varied unit business, extensive network, such as the sector of Regional Government and Private Instances, and eminent program so-called I-CreatedI (Independence, Creativity, and Innovation) (Nurjanah, 2015). All these factors have brought BUANA into one of the persistent and developed units businesses since 1963 until nowadays. This phenomenon suggests that the human resources' readiness for change and competence in BUANA have established a sustainable organizational culture climate. Unlike the previous research, this research focuses on the effect of organizational culture and human resources' readiness for change on organizational entrepreneurship management.

Literature Review and Hypotheses Development

Organizational Theories

Classic organization theory argues that the organization's effectiveness and efficiency can only be achieved by formulating organizational principles (Diwanti & Andika, 2020). Another organizational theory is the human interaction theory, by which it is suggested that harmonious relationships within an organization can occur if there is good communication (Diwanti et al., 2020). The organizational study, as mentioned in the book of the Organizational Theory of the Magister Management Universitas Muhammadiyah Yogyakarta, states that an organization is an organized unit that enables its members to achieve a specific goal unless done individually (Diwanti, Andriyani, & Herawati, 2019)

Organizational Entrepreneurship Theory

The term 'entrepreneurship' was initially derived from the French 'entreprendre' (Rahman, 2020), which means running, performing, and striving. This French word was then adopted into English as 'entrepreneur' (Block, Fisch, and van Praag, 2016). In the theory of Kirzerian Entrepreneur, Kirzer highlights human performance, persistence, seriousness, and determination in entrepreneurship; thus, the failure and success of entrepreneurship depend on one's effort and persistence. In addition, research conducted by Arthur Victoria, Lisbon University, Portugal, in 2017 revealed that the history and development of organizational entrepreneurship around the world are considered different because there are distinctions in the discipline subjects and objects, whether from the view of the economy, psychology, sociology, administration, or social, which involves not only individual but also the environment (Hendro, 2011)

The operational definition of Baron and Kenny (1986) stated that organizational entrepreneurship is the perception of individuals/employees in seeing organizational activities motivating employees to develop, developing organizational resources, and achieving organizational performance in maintaining the organization's existence. In this study, entrepreneurship was measured using a scale with indicators: (1) Motivation that drives the organization. (2) Opportunity to try. (3) Optimization of the organizational resources. (4) Organizational performance

Organizational Culture Theory

There are several definitions related to organizational cultures, such as the one expressed by Gibson, Ivancevich, and Donnelly (1996) that organizational culture is a unique value system, a specific belief owned by the members within an organization. According to Rivai, Gani and Murfat (2019), culture or civilization is the human's complexity of knowledge, beliefs, morals, competencies, and habits as community members. In addition, Hofstede and Fink (2007) explained that culture is the interaction of habitual characteristics that influence a group of people within the environment, in which there is a dimension regarding individuality, collectivity, authority distance, avoidance of uncertainty, and masculinity. The factors that encourage employees to work at the object are the need for power, affiliation, and high achievement, with the most dominant factor being the need for affiliation, followed by the need for achievement and power (Maryati, 2018)

The operational definition of organizational culture is from Robbins and Coulter (2016). Organizational culture values are implemented in seven indicators as follows: (1) Innovation and courage in taking risks. (2) Attention to work details. (3) Results-oriented. (4) Work oriented. (5) Team oriented. (6) Active and competitive attitude. (7) Work stability.

Human Resources' Readiness for Change

Organizational change is a planned transformation in the organization structure, technology, or people involved (Permatasari, 2017). Three essential points become the consideration of change: awareness of the current inappropriate condition, the need for aspect innovation, and the recent problem. There are five requirements in the change process: it should be quick, offer potential creative breakthrough, based on response against a specific necessity, understandable, and resourceful. Organizational change takes place as the consideration of the stakeholders. The sources of change could be from the organization itself, such as visions, missions, new philosophy, new strategy, or current human resources' condition (Sugandini et al., 2018).

The operational definition of readiness for change is from Cohen et al. (2005). Readiness to change was measured from employee perceptions whose indicators are: (1) Adaptability to change. (2) Management support. (3) Motivation in readiness to change. (4) Improved competence.

Human Resources' Competence Theory

Mangkunegara (2005) asserted that competence is one's fundamental factor that makes him/her particularly distinguished capability. According to Law number 13 of 2003, competence is an individual work performance comprising knowledge, skills, and attitude based on a particular standard. Alvi et al. (2014) and Spencer and Spencer (1993) also stated that competence is of an individual's personality, which is relatively deep and stable and can be perceived and measured from his/her behavior in a workplace under

any circumstance. What has been done, what has been achieved, and what an individual has obtained work achievement in a workplace could originate from the individual's characteristics influenced by one or by the combination of the five different competence types (Mahadalle, & Kaplan, 2017).

The operational definition of human resources competence from Spencer and Spencer (1993) defined competence as the characteristic of individuals in the organization in carrying out their duties as reflected in the indicators: (1) Motivation for self-development. (2) Nature. (3) Attitude. (4) Skills. (5) Knowledge.

Research Methods

This research was quantitative or usually called number calculation (Creswell, 2010). In this research, there would be the effect of each variable: organizational culture (X1), human resources' readiness for change (X2), competence (Z), and organizational entrepreneurship (Y). This research used a survey technique in the form of a questionnaire, with population sampling as the primary data collection. It was to provide a causal explanation between variables through hypothesis testing. The location of this research was in BUANA (Badan Usaha Amal Naswiatul Aisyiyah) of Kendal Regency, Central Java, specifically addressed at Gedung Dakwah Muhammadiyah Jl Pemuda 42-46 Karanggeneng Pegulon Kendal Central Java. The population of this research involved 100 personnel of the business unit organization, including its leaders and members. The returned questionnaires were 79. The data were obtained from questionnaire distribution to the respondents. Meanwhile, the secondary data were obtained from BUANA, either from the customers, journals, books, or other relevant sources. The assumption test was employed as the research analysis, comprising multicollinearity test, heteroskedastic test, and normality test. The data were then analyzed using multiple linear regression analysis, including the determination coefficient test (R^2), simultaneous significance test (F), and individual parameter significance test (T). In contrast, the intervening variables were tested utilizing path analysis and the Sobel test (Huberman & Miles, 1992).

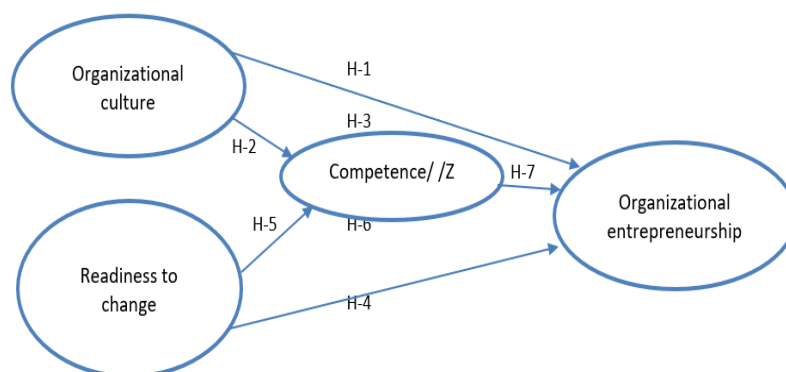


Figure 1 The Conceptual Framework

Results and Discussion

General Overview of the Respondents

Age data were required to find out the respondents' age range since it might affect their decision to respond to the questionnaire. Based on respondent data, 40 respondents were aged 26-35 years. It means that 50.6% were of productive age, which supports the organization's entrepreneurial activities towards the aspired independence. Women Review in 2012 explained that one of the industries that many women entrepreneurs involved in Indonesia was the home industry. The home industry is a production system that produces products through a value-added process from certain raw materials, which are carried out at home and not in factories. The majority of business categories run by women entrepreneurs in Indonesia are food-related businesses. Food-related business is processed food that already has added value, either from cooking, packaging, or selling.

Table 1 Respondents by Age

Number	Age Range	Total	
		Number	(%)
1.	19-25	21	26.6%
2.	26-35	40	50.6%
3.	36-45	18	22.8%
Total		79	100%

Table 2 Respondents by Working Period in Nasyiatul Aisyiyah

Number	Working Period	Total Respondents	
		Number	(%)
1.	1-10	65	82.3%
2.	11-20	14	17.7%
Total		79	100%

The working period data in Nasyiatul Aisyiyah were required to find out the respondents' experiences, skills, and competencies relevant to the research since it might affect the respondents' decision to respond to the questionnaire.

Based on respondent data, 65 respondents, or about 82.3%, were together in the organization's business unit for about 1-10 years. It indicates that this long duration strengthened the internalization of member loyalty to develop the business unit independently and together.

Validity and Reliability Tests

After an analysis had been conducted, the results revealed that all question items were valid. It was proven by the $r_{\text{-count}}$ value, which was higher than the $r_{\text{-table}}$ value, and all the questions instrument had significance value less than 0.05. Therefore, all question items could be used as the research instrument measurement tool. In this research, all questions instrument indicated Cronbach's Alpha $> r_{\text{-table}}$; thus, each variable used was reliable.

Multicollinearity Test

Table 3 Multicollinearity Test Equation 1

Variable	Tolerance	VIF
Organizational Culture	0.289	3.457
Human Resources' Readiness for Change	0.289	3.457

Table 4 Multicollinearity Test Equation 2

Variable	Tolerance	VIF
Organizational Culture	0.252	3.965
Human Resources' Readiness for Change	0.253	3.954
Competence	0.351	2.849

This test is to find out whether there is a high correlation between independent variables. If there is a high correlation, a multicollinearity problem takes place. In this research, the VIF value was below 10, and the tolerance value was higher than 0.10. Therefore, there was no multicollinearity problem in this research.

Heteroscedasticity Test

Table 5 Heteroscedasticity Test Equation 1

Variable	Significance
Organizational Culture	0.881
Human Resources' Readiness for Change	0.176

Table 6 Heteroscedasticity Test Equation 2

Variable	Significance
Organizational Culture	0.114
Human Resources' Readiness for Change	0.679
Competence	0.123

As shown in the table, the significance value was higher than 0.05, indicating no heteroscedasticity. It also indicates that there was no heteroscedasticity on the regression model. Therefore, the regression model was feasible to predict the tested variables.

Normality Test

Table 7 Normality Test Result Equation 1

	Unstandardized Residual
Asymp.sig.(2-Tailed)	.620

Table 8 Normality Test Result Equation 2

	Unstandardized Residual
Asymp.sig.(2-Tailed)	.461

Normality test is used to learn whether the dependent and independent variables in the regression model have a normal distribution. In this research, Asymp. Sig. (2-tailed) had a value of ≥ 0.05 . Therefore, the data were distributed normally.

Multiple Regression Analysis
Determination Coefficient Test (R^2)

Table 9 Determination Coefficient Test (R^2) Equation1

R	R Square	Adjusted R Square	Std. Error of the Estimate
.806 ^a	0.649	0.640	2.431

The value of Adj R Square was 0.640. It means that the organization's entrepreneurship was affected by organizational culture and the human resource's readiness for change by 64%. Meanwhile, the remaining 36% was explained by other variables outside the models used in this research.

Table 10 Determination Coefficient Test (R^2) Equation 2

R	R Square	Adjusted R Square	Std. Error of the Estimate
.894 ^a	0.800	0.792	1.706

The value of Adj R Square was 0.792. It denotes that entrepreneurship was affected by 79.2% by organization culture, the human resource's readiness for change, and competence as the intervening variable. Meanwhile, the remaining 20.8% was explained by other variables outside the models used in this research.

The study results showed that the contribution of the three variables, namely organizational culture, readiness for change, and competence, was 79.2% of the organizational entrepreneurship variable. It signifies that organizational entrepreneurship is a form of independence that business units aspire to maintain their existence or organizational survival.

Another view of organizational entrepreneurship focuses on behavior as the defining criterion. Entrepreneurial behavior is generally associated with Schumpeter's idea of being an entrepreneur. There are two key elements to entrepreneurial behavior. The first is the ability to recognize opportunities. A variant of opportunity recognition is the ability to create opportunities. The second element of entrepreneurial behavior involves the exploitation or commercialization of opportunities. Taken together, the essence of combining entrepreneurial behavior is discovery or creation with exploitation. The main characteristic of the approach to entrepreneurial behavior is neutrality in the organizational context. Entrepreneurial behavior can emerge in any organizational context, from small businesses to large companies, from new startups to established companies, and from non-profit organizations to government agencies.

Simultaneous Significance Test (F Statistic Test)

Table 11 Simultaneous Significance Test (F Statistic Test) Equation 1

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	830.474	2	415.237	70.266	.000 ^b
Residual	449.121	76	5.909		
Total	1279.595	78			

The value of F_{count} 70.266 was higher than the value of F_{table} 3.97, and the Sig. value of 0.000 was smaller than 0.05. The results indicate that organizational culture and the human resource's readiness for change simultaneously had positive and significant effects on organization entrepreneurship.

Table 12 Simultaneous Significance Test (F Statistic Test) Equation 2

	Sum of Squares	df	Mean Square	F	Sig.
Regression	871.621	3	290.540	99.829	.000 ^b
Residual	218.278	75	2.910		
Total	1089.899	78			

The value of F-count 99.829 was bigger than the value of F-table 3.12, and the Sig. value of 0.000 was smaller than 0.05. The results signify that organizational culture, the human resource's readiness for change, and competence simultaneously positively and significantly affect organization entrepreneurship.

Individual Parameter Significance Test (T Statistic Test)

Table 13 Individual Parameter Significance Test Result for Equation 1

Variable	T	Sig.
Organization Culture	3.341	0.001
HR Readiness for Change	3.300	0.001

The Effect of Organizational Culture on Competence

The value of the organization culture variable was 0.001. The result indicates that the significance value was less than 0.05, and the t_{count} value of 3.341 was higher than the t_{table} of 1.664. Therefore, it can be concluded that H_1 was accepted, meaning that organizational culture had a positive and significant effect on competence. The result is similar to Sungadi's (2018) research that there was a significant effect of both X and Y variables, which showed a matching indicator with the data processing result. The result is supported by the fact that visionary indicators, including visionary leadership, action-oriented, visionary thinking, describing the future, being open-minded towards change, and ability to accept new perspectives on organizational culture about competence, become the need of organization in the future.

The Effect of Organizational Change on Competence

The value of the human resources' readiness for change was 0.001. The result illustrates that the significance value was less than 0.05, and the t_{count} of 3.300 was higher than the value of the t_{table} of 1.664. Therefore, it can be concluded that H_2 was accepted, meaning that the readiness of organizational change had a positive and significant effect on competence.

Muafi's (2018) research entitled *The Effect of Organizational Change Readiness on Organizational Learning* examined whether organizational change readiness might affect organizational learning and use, including competence (BISMA Journal of Business and Management Volume 3, No. 2, February 2011). This study constructed a multifaceted model based on three constructs of organizational change: a) readiness; aggressive attitude towards change, passive attitude towards change and readiness; b) attitude in coordination with change, c) examining its effect on organizational learning, including knowledge creation and expansion. Empirical results showed that organizational change readiness had a positive effect on organizational learning.

Table 14 Individual Parameter Significance Test Result for Equation 2

Variable	T	Sig.
Organization Culture	2.026	0.046
HR Readiness for Change	2.002	0.049
Competence	6.219	0.000

The Effect of Competence on Organization Entrepreneurship

The value of the competence variable was 0.000. The result indicates the significance was less than 0.05, and the t_{count} value of 6.219 was higher than the t_{table} of 1.664. Therefore, it can be concluded that H_3 was accepted, meaning that competence was positive and significant toward organization entrepreneurship. The result is similar to a research result (Bauman & Lucy, 2021) conducted to learn the factors of entrepreneurship competence (character) affecting the success of micro-businesses.

In the Poerwadarminta dictionary, a character is defined as psychological, moral, or ethical qualities that distinguish a person from others. With the above understanding, it can be said that character building is the process of carving or sculpting a soul so that it is "shaped" unique, interesting, and different or distinguishable from others (Suryana & Bayu, 2011).

Research by Sirivanh, Sukkabot and Sateeraroj (2014) entitled *The Effect of Entrepreneurial Orientation and Competitive Advantage on SMEs' Growth: A Structural Equation Modeling Study* uncovered empirical results that the entrepreneurial orientation positively affected competitive advantages, and competitive advantages and entrepreneurial orientation positively affected SME's growth with statistical significance. The following illustrates how the study classified factors that directly and indirectly influenced the growth of small and medium enterprises. Such factors included entrepreneurial orientation and competitive advantage (competence aspect).

The Effect of Organizational Culture on Organization Entrepreneurship

The value of the organizational culture was 0.046. The result shows that the significance value was less than 0.05, and the t_{count} value of 2.026 was higher than the t_{table} of 1.664. Therefore, it can be concluded that H_4 was accepted, which means that organizational culture positively and significantly affected the organization's entrepreneurship. The result is similar to the research conducted by Bullough et al. (2021). The research result showed that mothers' role in encouraging entrepreneur mentality on children in the family included the mother's suggestion, independence, bravery, creativity, responsibility, honesty, and patience. These were done by smooth motion through giving advice, role modeling, and giving orders. Contributing and inhabiting factors could come from internal or external factors of the family. The contributing factors were optimized, and the inhibiting factors were handled well so that the process of developing a culture to encourage entrepreneurship in the family could run well through family support mechanisms and other supporting parties.

Organizational culture has an influence on all aspects of structural components and permeates organizational rules, objectives, and policies; hence, there is a direct relationship between culturally relevant issues and the number of entrepreneurship or lack of entrepreneurship in organizations (Asghar, 2011).

Empirical results from another supporting research were conducted by Yildiz (2014) entitled *The Influence of Organizational Culture on Corporate Entrepreneurship*. This study used a survey conducted on employees of leading multinational companies in the automotive sector in Turkey. The analysis uncovered that power distance, one of the organizational culture factors, had a positive effect on the entrepreneurial innovation of companies. In addition, masculinity had a negative effect on new ventures. The study demonstrated the strategic importance of organizational culture by presenting evidence of the relationship between organizational culture and entrepreneurial dimensions.

The Effect of Human Resource's Readiness for Change on Organization Entrepreneurship
The value of human resource's readiness for change was 0.049. The result denotes that the significance value was less than 0.05, and the value of the t_{count} of 2.002 was higher than t_{table} 1.664. Therefore, it can be concluded that H_5 was accepted. It signifies that human resources readiness had a positive and significant effect on organization entrepreneurship. Research by Hashem (2019) entitled *organizational enablers of business process reengineering implementation an empirical study on the service sector* mentions the main organizational factors that contribute to the successful implementation of business process reengineering (BPR) in the Egyptian banking sector. These include management commitment, information technology (IT) infrastructure, people management, change readiness, centralization, and formalization.

A study conducted by Weldearegay (2018) entitled *The Determinants of Resistance to Change Management Process: The Case Of CBE, Addis Ababa District*. The results disclosed that organizations had to change to adapt to the new demand of their environment (human resources).

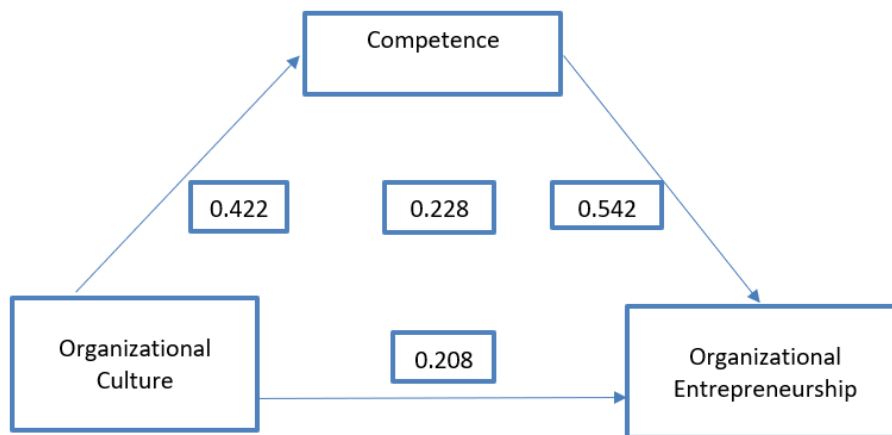


Figure 2 Model Illustration 1 Path Analysis Equation

The indirect influence of organizational culture on organization entrepreneurship mediated by competence

The direct effect of organization culture on organization entrepreneurship was 0.208. The indirect effect of organizational culture on organization entrepreneurship through competence was $0.422 \times 0.542 = 0.228$. The value of indirect effect > direct effect. Therefore, it can be concluded that the intervening competence could be the mediator between organizational culture and organizational entrepreneurship.

Sobel Test

Equation 1

$P4 = 0.422$, $Se4 = 0.134$, $P3 = 0.542$, $Se3 = 0.080$

The calculation of error standard of the indirect effect ($Se43$) is as follows:

The calculation of error standard of the indirect effect ($Se43$) is as follows:

$$\begin{aligned}
 Se43 &= \sqrt{P4^2 \cdot Se3^2 + P3^2 \cdot Se4^2 \cdot Se4^2 \cdot Se3^2} \\
 &= \sqrt{(0.422)^2 \cdot (0.080)^2 + (0.542)^2 \cdot (0.134)^2 + (0.134)^2 \cdot (0.080)^2} \\
 &= \sqrt{0.00113 + 0.00527 + 0.0001149} \\
 &= \sqrt{0.006529} \\
 &= 0.08080
 \end{aligned}$$

Therefore, the value of the t-test is as follows:

$$t = \frac{P43}{Se43}$$

$$t = \frac{0.228}{0.0808}$$

$$t = 2.83$$

The t-value obtained was 2.83, higher than the t_{table} with a significance of 0.05, which was 1.98. It means that the mediator parameter was significant. Therefore, it can be concluded that organizational culture had an indirect effect on organization entrepreneurship through competence. Similar to a research conducted by Hanifati and Pradhanawati (2017) entitled the Effect of Entrepreneurship Knowledge, Social Competence, and Business Environment towards Business Development, it generated information that the main factors in business development cover knowledge on entrepreneurship, such as the ability to have the initiative in creating business opportunity, knowledge on the role and responsibility of the business person, knowledge on business organization, ability to find information on entrepreneurship, motivation in running a business, and commitment towards the decision made.

What are the efforts that support the development of an organization's entrepreneurial identity? One process by which a significant number of new entrepreneurs are born is through the entrepreneurship education program that has been developed. Entrepreneurship education has encouraged the development of entrepreneurship as an academic field. The field of entrepreneurship education is quite well developed (Jones & Matlay, 2011), but there is still much discussion and debate as to what the results of entrepreneurship education do not or should produce (Pittaway & Thorpe, 2012) and how to program them. This program supports the development of the potential of newborn entrepreneurs.

The results of data processing related to the influence of organizational culture on organizational entrepreneurship through human resource competencies showed that the values reinforced by organizational pioneers through vision, mission, and goals underlie the movement made by entrepreneurs regarding the contribution of entrepreneurs to the organization.

For empirical results, a study carried out by Hanifati and Pradhanawati (2017) entitled The Effect of Knowledge of Entrepreneurship, Social Competence, and Business Environment on Business Growth explained that entrepreneurial knowledge, such as the ability to initiate business opportunities, knowledge of the roles and responsibilities of business actors, knowledge of business organizations, the ability to search for entrepreneurial information, having the motivation to run a business, and be committed to the decisions chosen were the main factors in business growth. Other studies also described the influence of organizational culture on entrepreneurship, such as the research conducted by Yildiz (2014) entitled the Effect of Organizational Culture on Corporate Entrepreneurship. The research revealed that entrepreneurial activity at the level of established organizations had been recognized as an essential element in organizational and economic development and performance. This study emphasized the importance of organizational culture and strategic variables by presenting evidence of the relationship between the dimensions of culture and entrepreneurship.

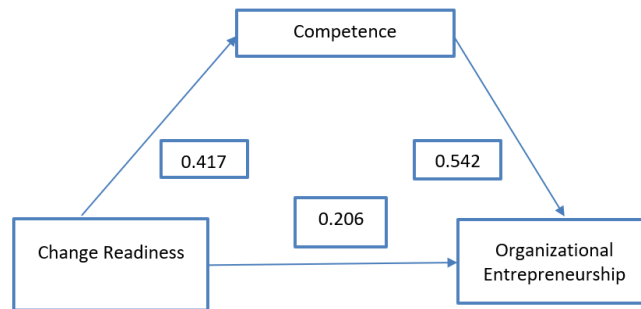


Figure 3 Model Illustration 2 Path Analysis Equation

The effect of change readiness on organizational entrepreneurship through human resource competencies

The direct effect of human resource's readiness for change on organization entrepreneurship was 0.206. The indirect effect of human resource's readiness for change on organization entrepreneurship through competence was $0.417 \times 0.542 = 0.226$. Therefore, it can be concluded that the value of indirect effect > the direct effect, meaning that the intervening competence could be the mediator between human resource's readiness for change and organization entrepreneurship.

The results of data processing related to the effect of change readiness on organizational entrepreneurship through human resource competencies indicated that in this case, the readiness of human resources is crucial to prepare for entrepreneurship, especially related to improving the quality of competence.

Equation 2

$$P4 = 0.417, Se4 = 0.135, P3 = 0.542, Se3 = 0.080$$

The calculation of error standard of the indirect coefficient of (Se43) is as follows:

$$\begin{aligned}
 Se43 &= \sqrt{P4^2 \cdot Se3^2 + P3^2 \cdot Se4^2 \cdot Se3^2} \\
 &= \sqrt{(0.417)^2 \cdot (0.080)^2 + (0.542)^2 \cdot (0.135)^2 + (0.135)^2 \cdot (0.080)^2} \\
 &= \sqrt{0.00111 + 0.00535 + 0.0001166} \\
 &= \sqrt{0.006583} \\
 &= 0.081138
 \end{aligned}$$

Therefore, the value of the t-test is as follows:

$$t = \frac{P43}{Se43}$$

$$t = \frac{0.226}{0.08113}$$

$$t = 2.78$$

The t-value obtained was 2.78, higher than the t_{table} with a significant level of 0.05, which was 1.98. It means that the mediator parameter was significant. Therefore, it can be concluded that the readiness of human resource change could indirectly affect organization entrepreneurship through competence. It is similar to a study entitled the Change of Human Resource Development in Organization Change by Susan Goldwathy and Walter, published in Singapura Institute of Management. The article explained the effect of the human resource development role in readiness for change and suggested that synchronizing the organization's efforts on a large scale using human resource development did not only work but could also improve the change efforts, which ended at organizational culture. The point is that the key factor in organizational change is the workforce involved and inspired and that the function of human resource development is to develop competence.

In this study, the effect of organizational culture and the readiness of human resource change on organization entrepreneurship with competence as the intervening variable revealed a significant and positive result with the existence of independent and dependent variable effect with human resource competence as the intervening variable. From the two variables tested, the organization culture variable affected more on organization culture.

The implication for the research is that the readiness of human resource change could indirectly affect organization entrepreneurship through competence. Competence is an individual work performance comprising knowledge, skills, and attitude based on a particular standard (Alvi et al., 2014). Besides that, the implication is also due to the working period in *Nasyiatul Aisyiyah*.

Conclusion

This study's results showed that the organizational culture built by the organization's pioneers has a common goal of realizing independence in business units whose members are active in the form of organizational entrepreneurship. Besides, readiness to change is owned by the organization in the face of adaptive environmental changes. Internalization of values towards change is supported by management in the organization. In this case, competence becomes a reinforcement in improving individual and group self-development in managed business units towards independence. According to Stevenson and Jarillo's (1990) conceptualization of organizational entrepreneurship, it is an entrepreneurial management approach that focuses on pursuing and exploiting opportunities without paying attention to existing resources.

Implications and limitations: Organizational entrepreneurship exist in organizations that have business entities for organizational independence. The benefits of this research will be strengthened and disseminated if it can be driven in every organization's entrepreneurial model in the community. However, so far, few organizations have carried out research institutionally.

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