

Evaluation of Organizational Structure Effect on Entrepreneurial in Tehran Municipality

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ABSTRACT

The current study considers organizational structure effect on entrepreneurial of Tehran municipality in 2009. It's main goal is the recognition of organizational structure role and entrepreneurial improvement. The current research method is correlation-descriptive, and the statistical community of this research is 120 people of managers and experts. The used instrument was questioner and interview and it's scoring is by likert method. The questioner validity was calculated by kronbach Alph that it was obtained 0/86. In current research, the organizational structure effect with indexes of complexity, formality and concentration was considered as independent variable on entrepreneurial.

The methods of data analysis include both method of descriptive and inferential statistics that after data representation to SPSS software, the meaningful and direct relationship among independent and dependent variable was obtained by Pearson correlation test and finally it was observed regarding to regression test that the complexity has most important role in establishment of entrepreneurial.

KEYWORDS: Organizational structure, complexity, concentration, formality, entrepreneurial.

INTRODUCTION

Today world is world of organizations are main bases of current community that human are main operators of these organizations.

Passing of industrial revolution times, the instrumental attitude to human force lost it's concept, and employees of professional organizations have changed to main operators of work flow and organization parties. So, not only employee, but also managers should learn the methods that lead to self-leadership (ghoreshi, 2009,3). The organizations know their life continuity warranty in finding of new solutions and methods contrast with problems.

So, they tend to innovation and creation of new method and roles. Entrepreneurial is considered as one of improvement instrument and existence of entrepreneur humans (individuals) in organizations is bed of success establishment.

One of successful organizations goals is creation, maintenance and reinforcement of entrepreneurial until can influence on their productivity, motivation, job satisfaction and performance; so for obtainment to growth, improvement and acquisition of competitive advantage and contrast with threats and reinforcement of opportunities, existence of organizational structure according to entrepreneurial is necessary.

Problem expression

Expectations of changing societies propose new needs. The common concepts, empowerment, team work, innovation, entrepreneurial and like these is proposed as routine problems of organizations.

The lack of confidence of environmental condition has caused that organization could not compete with large companies that have high flexibility, speed and innovation. In such condition, life and survival of these type of organizations is based on basic change in structure and specially managerial structure and providing condition that grow the creative and entrepreneur people in organization more. (Razaiyan, 5, 2005).

Regarding to necessity of modern governmental management approaches fulfillment in managerial systems of countries, Iran managerial system should perform (run) the properties of this approach that is properties of entrepreneur government in organizations including private and public, profit-making and non-profit-making organizations.

But because of existence of some obstacles, there is no possibility of entrepreneurial properties fulfillment in individuals and specially managers and still bureaucratic properties govern on structural space of country organizations and or if entrepreneurial category is run some of them, has not had considerable growth. Tehran municipality is not excluded of this and it seems that because mechanical structure of this organization, entrepreneur forces, they involve lack of movement and motivation

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for growth of entrepreneurial space. The studies show that many hierarchies, numerous job titles, lack of giving the authority over subordinates, existence of unclear jobs description, lack of written and codified regulations for entrepreneurial and ... are obstacles of creativity and innovation improvement in municipality, and growth and advancement of behavioral and personal characteristics of entrepreneurs like taking-risk, tending to growth and self-confidence and soon require correction of structural indices of this organization (complexity, formality and concentration). In fact, in this research, the researcher seeks to answer this question that in Tehran municipality as target community, how much does the organizational structure influence on entrepreneurial? With this aim that the current obstacles in entrepreneurial path way are identified and by presentation of practical approaches, it is taken step toward structure improvement and processes of that organization.

Research goals

The main aim of doing this research is recognition of organizational structural role on entrepreneurial.

Sub main aims

- Relationship determination among organizational complexity and entrepreneurial.
- Relationship determination among organizational formality and entrepreneurial.
- Relationship determination between organizational concentration and entrepreneurial.

Theories and research theoretical framework

Regarding to two main variables of this research, theoretical disciplines are discussed as theoretical discipline of organizational structure and theoretical discipline of entrepreneurial. The organizational structure is framework of governing relationships on jobs, systems, operational processes and individuals and groups that try to achieve the goal. Also, it is a set of methods that divide job to determined duties and provide coordination among them (mintzberg, 1979,2) shine (1985) believes that the structure is tangible part of culture and do important duties; so, it is the structure of key element of organizational culture (sabri, 2005, 117).

The structure include hard component in on side and soft component in other hand. The hard aspect includes tangible components of hierarchal departments groups, and the relationships between departments and groups create the soft aspect (wang & ahmed, 2003, 52), and entrepreneurial is a process that lead to creation of satisfaction and new demand.

Entrepreneurial is a process of value creation by formation of unique set of resources in order to use oppourtunities (Ahmedpour, 1999). Entrepreneurial is ability of establishment and creation of a view from nothing and basically is a human creative action.

This point of view requires calculated taking-risk, who and what finance, and then try to decrease the possibility of failure (Kuratko & Hohgetts, 2001, 30).

According to Tomason, entrepreneurial is situation identification and use of oppourtunities (Daryani & Moghimi, 2006, 46-48). Many authors and experts theorize about entrepreneurial. Effort for entrepreneurial making- sense began from economic schools and then entered to psychological, sociological an management areas that each of them had strictly influenced on entrepreneurial in period of time.

“Shompiter” believes that “entrepreneurial” is not physical, and each social environment can put on entrepreneurial by its special method (Mghimi, 2004, 86). So, an organization can provide an environment that all of members can participate in doing of entrepreneurial affairs in it. An organization creates such environment in institution, is a entrepreneur organization.

Organizational entrepreneurial is a process that in it, innovated products or processes are emerged by induction and creation of entrepreneurial culture in a previously established organization, and organizational innovation refers to innovation of goods or services, too, that it is emphasized improvement and innovation in technology in it (Hassan Moradi, 2006, 48-49).

The organizational entrepreneurial is a process that entrepreneur under support of a organization, does it's entrepreneurial activities (Fyzbaksh, 2003, 21). Corel wall & Perlman mention 3 basis points about structural aspects of entrepreneur organizations: 1) the organic structure does not mean the responsibilities, in each successful organization, the responsibilities should explicitly be cleared that who is responsible of control and who is responsible of evaluation and ... also employees ability (power distribution in organization) and giving authority over entrepreneur organizations does not mean chaos, and in fact, they believe that organic structure should be controlled. 2) Bureaucratic essentially is not bad. All of organizations need to a trustable and productive system for prediction of something, So, moderate and suitable control can gradually keep the organic structure. Also, it is possible that in a price competitive market for business that has get to maturity, in order to increase the efficiency and more cash capture for innovation and organization residues, mechanical structure establishment is necessary in part of organization.

In fact, an entrepreneur organization, in parts needs to high efficiency or efficiency, should establish mechanical structure and in parts that needs to innovation of product and services, should establish organic structure. 3) it should not be simplified the organizational structure, because it is a tool for discover, identification and application of new ideas, but it should be attended that the structure is not only factor of final answer to problem, but many factors like reward system, organizational culture, power distribution and so on interfere in organization entrepreneurial (Samad Aghayi, 1999, 102-105). Different experts have presented various scientific and functional frameworks for establishment of entrepreneurial organization, that in this discussion, it could be referred to organizational entrepreneurial model of core wall and Perlman:

This model shows the organizational entrepreneurial frame work that is basis of strategic management approach. Data from internal and external environment of organization is origin of organizational entrepreneurial process, and these information are data of strategic points evaluation and when a strategic plan was determined, it should be performed (run). Individual, group and organizational factors that are essential for a entrepreneur organization, should be estimated and run in a strategic plan, and results from strategic plan are used for control and evaluation.

The change in this plan can be done for increase of performance and efficiency in each step of process (Hassan Moradi, 2006, 67). Also, in Akhels & Neck organizational entrepreneurial model is considered effect of individual entrepreneurial behaviors and entrepreneurial organizational structure of organizations conceptually. In other word, this model shows the organization ability for survival in and environment full of innovation, also, interaction among employees behavior and organization structure that mainly are necessary elements (components) for organization entrepreneurial success, and also; the entrepreneurial capacity frame work that empowers and organization for it's reconstruction and long-term survival (Echols & Neck, 1998, 2). Also, Antonic and Histrich considered 8 aspects for organizational entrepreneurial regarding to considerations that they did. They believes that organizational entrepreneurial must be viewed as multi aspect concept (8 aspect) that is different but related.

(Antonic & Histrich, 2003, 3). These aspects (dimensions) are:

1. establishment of independent companies or departments.
2. new business
3. innovation in products and services
4. Innovation in process
5. self- renewal
6. taking- risk
7. pioneerness
8. offensive competition

Researcher has used from Robinz idea for variable of organizational structure and from Dubrin Andrew et al idea for entrepreneurial variable, that indices of independent variable include complexity, formality and concentration, and indices of dependent variable include long- term attitude, self- reliance, pioneer in innovation focus of internal control and taking- risk and seeking- success.

RESEARCH METHODOLOGY

Research method is a step by step, legal, systematic and accurate method for problem identification, data gathering, data analysis and reliable inference about them (skaran, 2002, 6).

This research is descriptive and because it will be measured the relationship among variables, is invariable correlation and also is functional by aim.

In this research, it has been used the librarian method for data gathering in section of theoretical basis, so by study of books, articles and other studies of researchers, the required information were gathered. Also, since the current study is descriptive, it has been used the questionnaire for desirable data gathering with questions test like many of similar descriptive studies, and for acquisition of primary data for analysis, it has been used the questionnaire that all questions are closed.

Therefore, a questionnaire was regulated with 50 questions (that for questions related to organizational structure was used Robinz questionnaire, and for entrepreneurial questions with idea of advisor teacher and use of standard questionnaires available) that has been used 5-point Likert spectrum and researcher entered in data gathering step by assignment of score as 5=very much, 4= much, 3= mean, 2= rare, 1= rarely to points. For confidence of questions narrative, it has been used experts opinion and content and superficial support of questions, also for determination of questions durability, the questionnaires were experimentally distributed among 25 individuals of statistical community after preparation and support of teachers that this amount indicates durability of questions. The questionnaires were finally run after consideration and attainment of confidence of questionnaire narrative and durability.

In current study, the organizational structure has been regarded as independent variable and entrepreneurial has been considered as dependent variable, that it was used descriptive statistics method including consideration of demography data of community by age, gender, education and inferential statistics including Pearson correlation and regression. Because in current study, it is considered the relationship between organizational structure and entrepreneurial. In this research, the questionnaire includes two parts, in first part, entrepreneurial was considered, and in second part, the questionnaire of organizational structure was considered in 3 parts including complexity, formality and concentration. Finally, after data gathering between organizational structure variables and entrepreneurial, it was taken regression test ...

The statistical community of this research has formed the experts and managers of Tehran municipality in 120 people that because being limit of statistical community, entire community has been regarded as sample. So, there is no sampling in this research and has been used by census method.

Main hypothesis

1. There is a meaningful relationship between organizational structure and entrepreneurial.

Sub main hypotheses

1. There is a meaningful relationship between organizational complexity and entrepreneurial.
2. There is a meaningful relationship between organizational formality and entrepreneurial.
3. There is a meaningful relationship between organizational concentration and entrepreneurial.

RESEARCH RESULTS

Consideration of responders demography shows that 70% responders of this research was formed by men with most frequency and women formed only 30% based on responders percent by education, 57/5% responders have bachelor degree with most frequency, 20% M.A degree, 17/5% master of diploma and finally remaining 5% have doctorate degree.

So 77/5% statistical sample of this research were high education people (bachelor and M.A).

Based on age average table, 47/5% response have age average among 30-40 year with most frequency, 15% among 20-30 year, 20% among 40-50 and 17/5% have higher than 50 year. So, many responders of this research are formed by people having age among 30-40 year with amount of 47/5%.

Description of organizational structure components

Questions related to organizational complexity

In first question that is related to number of managerial classes, most number is related to "high" point with 60%. In second question that consider consider the job titles of organization, most amount it related to "high" point (65%) and least amount belongs to "little" and "very little" points. In question 3, related to number of physical locations, responders believe that the number of organization locations is high that it was supported with 50%. In fourth question, about department distance from organization head quarter (central office), 45% people believe that distance is moderate, and the last question that is related to amount of employed forces in sub departments of organization, this amount with 45% determine distance amount moderately.

Questions related to organizational concentration

Regarding to sixth question, related to description of regulated and written job and based on above table, 50% responders believe that the organization has description of written and regulated job. Regarding to seventh question, in consideration of above table 50% by choice of moderate point believe that the methods and approaches are regulated and written in organization. In eight question, amount of standard government in organization has been moderately estimated 45%. Regarding to ninth question. 35% responders believe that managers in decision- making apply the regulations low (little), and in tenth question, the results of findings show that following of operational approaches by employee is done 55%.

The questions related to organizational formality

In question 11, related to giving authority and power over subordinates, based on above table, 45% responders believe that giving authority over is given by authorities to subordinates and following it, the support is done. Considering to question 12, 55% people partially believe that it is used the point of view of authorities in provision and regulation of laws. The finding results in question 13 show that 50% people believe that management acts without regarding of others, for decision- makings, independently.

In 14 question, 50% employees has expressed that the managers have authority in regulation of their department programs moderately. By the last question, related to role of front line leaders in estimation of their department performance, 45% employees have estimated the role of front line leaders in creation of a project moderately.

Most of degree average is related to concentration variable of organizational variables with 3/51 amount.

After that complexity variable with 3/47 in second degree, and finally (at last), the formality variable with 3/16 place in third degree.

The results of degree average sum of variables related to entre preneurial shows that most of degree average is related to long- term attitude variable with 3/16 amount that is; the employees are interested to future and organization programs and are familiar with current and desirable status of organization. These of employees who have shown most rendition to self- reliance to work, believe to team work and creation of new ideas in works, and other variables place after that. In one word, variables of internal control center and taking- risk and seeking- success place in same degree with amount of 3/10.

Testing of research main hypothesis

There is a meaningful relationship between organizational structure and entrepreneurial in municipality of Tehran 22 region.

Table (1). The results of Pearson correlation test between organizational structure and entrepreneurial.

	Organizational structure	entrepreneurial
Organizational structure	Pearson correlation coefficient	1
	Meaningfulness	.526(**)
	Number	100
entrepreneurial	Pearson correlation coefficient	.526(**)
	Meaningfulness	1
	number	100

Based on meaningfulness of correlation test in above table that is less than 0/05, we conclude that H_0 hypothesis is rejected and against hypothesis is supported. In other sense, there is a meaningful relationship between organizational structure and entrepreneurial in municipality of Tehran 22 area, and value and direction of this correlation (0/526) shows a positive and moderate relationship between organizational structure and entrepreneurial.

Testing of research sub main hypotheses

There is a meaningful relationship between complexity and entrepreneurial in municipality of Tehran 22 area.

Table (2). The results of Pearson correlation test among complexity and entrepreneurial.

	entrepreneurial	complexity
complexity	Pearson correlation coefficient	1
	Meaningfulness	.685(**)
	Number	120
entrepreneurial	Pearson correlation coefficient	.685(**)
	Meaningfulness	1
	number	120

Based on meaningfulness of correlation test in above table that is less than 0/05, we conclude that H_0 hypothesis is rejected and against hypothesis is supported. In other sense, there is a meaningful relationship between complexity and entrepreneurial in municipality of Tehran 22 area, and value and direction of this correlation (0/685) shows a strong and positive between complexity and entrepreneurial in municipality of Tehran 22 area.

There is a meaningful relationship between formality and entrepreneurial in municipality of Tehran 22 area.

Table (3). the results of Pearson correlation test between formality and entrepreneurial.

	entrepreneurial	formality
formality	Pearson correlation coefficient	1
	Meaningfulness	.509(**)
	Number	120
entrepreneurial	Pearson correlation coefficient	.509(**)
	Meaningfulness	1
	number	120

Based on meaningfulness of correlation test in above table that is less than 0/05, we conclude that H_0 hypothesis is rejected and against hypothesis is supported. In other sense, there is a meaningful relationship between formality and entrepreneurial in municipality of Tehran 22 area in confidence level of 95% that the value and direction of this correlation (0/509) shows a moderate and positive relationship between formality and entrepreneurial in municipality of Tehran 22 area.

In other word, by increasing of formality, entrepreneurial (attention, maintenance and expansion of entrepreneurial in organization) improves and expands.

There is a meaningful relationship between concentration and entrepreneurial in municipality of Tehran 22 area.

Table (4). The results of Pearson correlation test among concentration and entrepreneurial.

concentration	entrepreneurial		concentration	
	Pearson correlation coefficient	.546(**)	1	
	Meaningfulness	.000	.	
entrepreneurial	Number	120	120	
	Pearson correlation coefficient	1	.546(**)	
	Meaningfulness	.	.000	
	number	120	120	

Based on meaningfulness of correlation test in above table that is less than 0/05, we conclude that H_0 hypothesis is reject and against hypothesis is supported. In other word, there is a meaningful relationship between concentration and entrepreneurial in municipality of Tehran 22 area that the value and direction of this correlation (0/546) shows a moderate and positive relationship between concentration and entrepreneurial.

Table (5).the results of Regression model coefficients

Model	source	Standardized coefficients		Non standardized coefficients	t	meaningfulness
		Coefficients	Estimate error	Minor correlation coefficient		
1	Constant value	4.273	.169		25.27	.000
	Complexity	.324	.051	.539	6.330	.000
2	Constant value	3.471	.194		17.94	.000
	Complexity	.308	.044	.513	7.069	.000
	formality	.235	.038	.449	6.186	.000
3	Constant value	3.272	.203		16.13	.000
	complexity	.319	.043	.531	7.498	.000
	formality	.214	.038	.410	5.682	.000
	concentration	.104	.040	.188	2.608	.011

In this section, using of obtained information of statistical considerations, we determine the percent of participation of each of independent variable indices on entrepreneurial. Based on this, complexity independent variable has most role on establishment of entrepreneurial with minor correlation coefficient 0/539; after that formality variable with minor correlation coefficient 0/188 play role in establishment of entrepreneurial. It is necessary to explain that there is a positive relationship between complexity variable and entrepreneurial establishment in multivariate regression, and there is a positive and direct relationship between variables of formality and concentration with entrepreneurial establishment. In this research, one main hypothesis and 3 sub main hypotheses were analyzed using of descriptive and inferential statistics methods that the results of hypotheses test show the support of all statistical hypotheses.

Suggestions

In this section, based on known relationship between hypotheses and obtained findings from research hypotheses, it is tried to identify complex and opaque points and it is represented suitable and practical strategies based on current literature.

Based on important hypothesis of research, there is a strong and effective relationship between organizational structure and entrepreneurial, so, authorities should consider that for establishment and expansion of entrepreneurial components, organizational structure is more important than technology and like that. So, it is suggested that by establishment of different team works that consider all of organizational aspects and help to managers in identification of structure, could take positive step in field of entrepreneurial in organization. For attainment to this goal, the following suggestions can be effective:

In guidelines, methods and current regulations attitude based on employees entrepreneurial attitudes (attention to employees self-autonomy, attention to long- term views and their strategic suggestions, and ...)

Change in control style; that is, the close control to ward self- control in employees (in cases that the close control can be omitted and it can be used intangible control.

Strength of human resources system infrastructures specially in part of selection and employment, specially in managerial posts.

Based on first sub main hypothesis of research, attention to complexity of organizational structure and it's aspects in entrepreneurial establishment has been attended. So, the correct programming of managers for representation of suitable structure by managerial levels, current job titles in organization, the number of physical locations that organization members are working in it, distance average of different departments from central office, the number of working (serving) forces in different departments and infrastructure establishment and ... is felt the necessary tools for getting to this. So one of organizational structure effective factors is programming and strategy regulation by managers in organization.

So, it is necessary that the managers coordinate the organizational structures by regulation and performance of strategy until by it, the suitable structure place in the field of basic goals of organization.

Based on second sub main hypothesis of research, formality will have important role in establishment and expansion of organizational entrepreneurial. So, it seems necessary to note the following points:

Managers can indicate long- term goals and regulated strategies in current jobs by presentation of written jobs description in organization.

Since the standardization of works perhaps causes to establish the obstacle in entrepreneurial route, but it can be understood by more accurate consideration, the presentation of correct standards based on structural systematic studies (that of course these studies should be done in all of organizational aspects) can be considered very important. So, it is suggested that activities standardization is done based on organizational goals and very accurate and in this regard, the flexibility of activities in the field of organizational goals is *راهگشای* of entrepreneurial establishment in organization.

For establishment of an environment in organization that the groups can participate in representation of modern methods of performance, and indicate entrepreneurial indices, it is suggested that formulation of regulations and laws is done as holding of presence sessions and representation of group ideas and by reduction of department distances that employees of those department distances that employees of those departments have the spirit of participation and coordination, and also by correct regulation of laws is tried for formality of organizational processes that can indicate (express) the entrepreneurial displays.

Based on third sub main hypothesis, if amount of activities centralization in organizational structure increase, entrepreneurial will increase in organization, too. Participation of employees in all of managerial levels raises from strong culture and giving value to employees and their organizational personality. In one hand, giving authorities over cause to use the experiences optimally. Centralization, without regarding of organization potential materials, can be harmful for attainment to organizational benefits. So it is suggested that for increase of organizational entrepreneurial amount, with participation of employees in level giving authority over, it is recognized that attainment to goals is easier. In other word, by giving necessary authorities over employees, sense of responsibility and their possession in organization is increased.

Employees involvement in decision- making and use of their experiences for regulation of it's department programs, provision and participative regulation of methods and regulated operational guidelines, made (created) this attitude in employees that personal and organizational goals are in same direct, and advance of each of them means advancement of other, and consequently employees think that the organization belongs to them, and apply their last effort for its goals that this, itself, is main reason of innovation creation in organizational performance and creation of desirable bases for entrepreneurial.

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