

SURVEYING THE RELATIONSHIP OF BETWEEN  
ORGANIZATION STRUCTURE DIMENSIONS AND  
ENTREPRENEURSHIP IN SOCIAL SECURITY  
ORGANIZATION OF ARDEBIL PROVINCE

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**ABSTRACT**

This study focuses on Organizational Structure and Entrepreneurship of Iranian Social Security Organization (SSO) in Ardabil Province. Data has collected from 154 workers of SSO in Ardabil Province by two researcher-made questionnaires with study of variables. Questionnaires reliability was 0.784. To analyze the data resulted from collected questionnaires deductive and descriptive statistical methods are used, and to display some statistical data we used column diagram and in deductive level to test the hypothesis of the research we used Spearman correlation. The analysis showed that the dimension of organizational structure in Social Security environments is effective based on the tendency towards entrepreneurship. In this study we examined the effect of three dimensions of complexity, centralization and formalization on entrepreneurship took shape. The results show that organizational structure has negative

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influences in tendency towards an entrepreneurship. According to our analysis, less organizational structure in the most influence on Social Security Environment had a tendency towards an entrepreneurship.

*Keywords: Organizational Structure, Entrepreneurship, Formalization, Complexity, Centralization*

## INTRODUCTION

Organizations have face with speed, intensity and depth of changes in internal and external conditions. In the meantime, it is most important tasks the goals of the organization, employee, management attitudes, strategies and activities of senior managers. Besides these matters, it should be reminded that culture plays an important role in sync with the organization is responsible for various changes. Entrepreneurial culture among the employees and managers in organizations with a unified and coordinated and thus achieve organizational goals and respond to changes in the environment, one can see that the main role is responsible for all matters entrepreneurial culture. (Heller, 2003) Entrepreneurs and entrepreneurial companies take steps to keep pace with the changes and try to discover the opportunities created through these changes and take advantage of them. Consistent with the cultural context that involves changes to the price change and it is embrace, which can be admitted if necessary, put aside traditional approaches and practices and new approaches to choice (Eyal&Inbar, 2003). One of the important issues and new academic field is entrepreneurship. Entrepreneur of the structure and culture of entrepreneurship is seen as a necessary condition for organizational success and to accomplish this, should the entrepreneurship of organizational structure, there is a close relationship. Large organizations such as in social security review and provide coherence and coordination between them. As the first and most successful entrepreneurial organizations, the organization must implement a variety of organizational factors on the structure and culture of organization, each with its own characteristics. Social security organization's entrepreneurship is solving the scientific community, governments and businesses, creating development and innovation, academic research to supply the product market, offering a range of new technologies and innovation are the boundaries of human knowledge (Alimardani&Ghahramani,

2009). In this paper, we Survey the Relationship between organization structure dimensions and entrepreneurship in social security organization of Ardebil Province.

## LITERATURE REVIEW

### 1- Organizational Structure

The structure is shown by organization charts, job descriptions, procedures and regulations. organizational structure is associated with work flow and given pattern. In addition to organizational structure can provide the link between social and psychological sub-systems (Rezayian, 2007).

Organizational structure is determined, fundamental mission, fundamental management, the overall mission, the communication and the decision (Feghahifarahmand, 2003). It has three dimensions as has been laid down by Robins they are:

- Formalization: The standard refers to the amount of jobs within the organization. The most important formalization techniques are selection process, requirements, roles, procedures and policies, and practices for employees to prove their loyalty and their commitment to obey. (Rabinz, 2008)
- Complexity: The breakdown of the organization implies that there are three separate horizontal and vertical resolution based on the geographic areas studied. (Esmi, 2009)
- Centralization: Power density for a formal decision to focus on individual, unit or organizational level to be focused and to allow employees to participate in decisions that cites at least. (Talebbidokhti&Anvari, 2004)

Organizational structure is reflected in the organizational chart. Organizational chart is a visible symbol of the entire organization's activities and processes. On the other hand, the culture of entrepreneurship, creativity and innovation set of values, attitudes, norms and behaviors that constitute the identity of individual entrepreneurs. Entrepreneurs who are trying to look different with different modes of behavior in the face with phenomena around and around, to take entrepreneurial activities and new product and service provide to the community. Characteristic of entrepreneurs, who can be creative, innovate, take risks, tolerate ambiguity conditions, failure tolerance, perseverance, self-control, confidence, flexibility, foresight and independence and ... cited (Rezayian, 2007).

### 2- Entrepreneurship

Entrepreneurship is the act and art of being an entrepreneur or "'one' who undertakes innovations or introducing new things, finance and business acumen in an effort to transform innovations into economic goods". This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity. The most obvious form of entrepreneurship is that of starting new businesses (referred as Startup Company); however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity. When entrepreneurship is describing activities within a firm or large organization it is referred to as intra-preneurship and may include corporate venturing, when large entities spin-off organizations (Scott, 2003). Entrepreneurial activities are substantially different depending on the type of organization and creativity involved. Entrepreneurship ranges in scale from solo projects (even involving the entrepreneur only part-time) to major undertakings creating many job opportunities. Many "high value" entrepreneurial ventures seek venture capital or angel funding (seed money) in order to raise capital to build the business. Angel investors generally seek annualized returns of 20-30% and more, as well as extensive involvement in the business (Osnabrugge & Robinson, 2000).

Entrepreneurs are the engine of economic development have always been of interest to scientists and researchers so that the International Research Institute to monitor the growth rate in developed countries based on their expression levels of entrepreneurship. Entrepreneurs are creative people and in terms of open and flexible to behave quite differently and its ability to efficiently use hand turns to entrepreneurship and renewal. They have many of the same character traits as leaders, similar to the early great man theories of leadership; however trait-based theories of entrepreneurship are increasingly being called into question such as; disciplined, Confidence, Open Minded, Self-Starter, Competitive, Creativity, Determination, Strong people skills, Strong work ethic and Passion (Lundström & Stevenson, 2005).

Since employees are able to operate in terms of organization structure and organization structure will determine their function of the extent and scope of responsibilities and authorities therefore may be difficult in terms of functional and structure rules inflexible no-normal obstacle to their entrepreneurship and creativity. In fact organization structure and its constituent elements that allow the culture to support entrepreneurial activities and the creative and again at the other end of the spectrum, it can block any kind of structure to entrepreneurial. (Niazazary, 2002) In this

regard, several studies in the field of research have been done and here is to mention some of this research.

Farjadi research (2010), Entitled “The relationship between organizational structure and entrepreneurial culture in Higher Education and Research Institute of Management and Planning”. Results showed that there is significant relationship between the elements of organizational structure and entrepreneurial culture in the organization. There is significant and inverse relationship between Formality and complexity variables.

Rysal (2002) in a research with title “Effective factors in the entrepreneurial culture of government agencies in Indonesia” observed that is effective the organizational structure and its elements, Specialization, creativity, training, support from top managers of employees in the establishment of entrepreneurial culture in the organization.

Hatten and Doland (2006), research with title “The relationship between organizational structure and entrepreneurial culture in technical and vocational training centers in Australia”. Results showed that there is a significant relationship between organizational structure and entrepreneurial culture and Component flexibility is a significant positive relationship with entrepreneurial culture. And Formalized components and the complexity and concentration have a significant negative relationship with the entrepreneurial culture and from among them flexibility, complexity, and can support more entrepreneurial culture are Formalized, respectively.

Begley and Boyd (2007), research with title “The relationship between organizational structure and entrepreneurial culture at the University of British Darham”. Results showed that there is significant relationship between organizational structure and entrepreneurial culture in universities, and there is significant negative relationship formalized and complexity and entrepreneurial culture. There is no relationship between the focus and entrepreneurial culture. There is a significant positive relationship between flexibility and career-oriented entrepreneurial culture. Variables of flexible, career-oriented, entrepreneurial culture changes predicted to be formalized and complexity.

## RESEARCH OBJECTIVES

The Main purpose of this study is understand and determines the effect of organizational structure on entrepreneurship at Social Security Organization of Ardabil Province.

To achieve the above objective we determine under Secondary objectives:

- Understanding and determine the effect of organizational structure on Entrepreneurship in Ardabil Province of Social Security Organization.
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### RESEARCH HYPOTHESES

In this paper have one main hypothesis and tree secondary hypotheses. The statistical way of analysis of hypotheses is two ways,  $H_1$  is acceptance of hypothesis and  $H_0$  is rejecting of hypothesis. In other words, it means that  $H_1$  has positive meaning and  $H_0$  has negative meaning.

- 1- There is a relationship between organizational structure and entrepreneurship in Ardabil Province of Social Security Organization
  - 1-1- There is a significant relationship between Formalization and entrepreneurship in Ardabil Province of Social Security Organization.
  - 1-2- There is a significant relationship between Complexity and entrepreneurship in Ardabil Province of Social Security Organization.
  - 1-3- There is a significant relationship between Centralization and entrepreneurship in Ardabil Province of Social Security Organization.

### METHODOLOGY

This study focuses on organizational structure and entrepreneurship of Iranian Social Security Organization (SSO) in Ardabil Province. Data has collected from 154 workers of SSO in Ardabil Province by two researcher-made questionnaires with study of variables. Organizational structure Questionnaire, an 18 item scale according to Robins (2000) theory and Entrepreneurship Questionnaire, a 12 item, all the reliability and validity of measures has examined. Questionnaires reliability was estimated by calculating Cronbach's Alpha via SPSS software that is shown in the table 1.

Table 1. Results of questionnaires reliability from SPSS software

Variables	Cronbach's Alpha
Organizational structure	0.82
Entrepreneurship	0.79
All	0.784

In order to analyze the data resulted from collected questionnaires deductive and descriptive statistical methods are used, and to display some statistical data we used column diagram and in deductive level to test the hypothesis of the research we used Spearman correlation coefficients. The analysis has performed with SPSS.

**ANALYSIS AND CONCLUSION**

**1- Descriptive Analysis**

The responder’s degree is 14.9 percent M.A or higher, 44.2 percent BA, 19.5 percent Associate degree, and 21.4 percent Diploma have degree. It means that the most of the employees have university degrees. (Table 2)

Table2- Responders degree

Responders degree					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	33	21.4	21.4	21.4
	Associate degree	30	19.5	19.5	40.9
	Bachelor	68	44.2	44.2	85.1
	Master's degree or higher	23	14.9	14.9	100.0
	Total	154	100.0	100.0	

Table 3 shows work experience of the responders. According to table 3, from the precedence point of view about 18 percent of responders have less than 5 years’ work experience, and 28 percent have between 6-10, 28 percent 11-15, 7 percent 16-20 and 19 percent do not answer to this question. It shows that people with more experience are less than 15 years.

Table 3- Work Experience of the responders

Work Experience					
		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	<5	28	18.2	22.4	22.4
	6-10	43	27.9	34.4	56.8
	11-15	43	27.9	34.4	91.2
	16-20	11	7.1	8.8	100.0
	Total	125	81.2	100.0	
Missin		29	18.8		

g					
Total		154	100.0		

Table 4 reports descriptive statistics including means and standard deviation for samples.

Table 4: Means and standard deviations for variables

Variable	mean	SD
Formalization	18.2922	3.34688
Complexity	17.8377	3.53964
Centralization	17.0519	4.00293
organizational structure	53.1818	9.24288
Entrepreneurship	37.6104	8.10576

## 2- Hypothetical Analysis

Table 5, which present the correlations of each of the eleven items of first main hypothesis “There is a relationship between organizational structure and Entrepreneurship in Ardabil province Social Security Organization”. The results show that organizational structure and their dimensions are all significantly and highly related with Entrepreneurship. Strong negative correlation was found between Complexity and Entrepreneurship ( $r=0/57$  and  $p\geq 000$ ). Also was found Strong negative relationship between all dimensions of organizational structure and Entrepreneurship.

Table 5- Pearson’s correlation coefficients and Sig. of variables

Independent Variables	Dépendent Variable	n	Pearson Correlation	Level of sig.
Formalization	Entrepreneurship	154	-0.57	.000
Complexity	Entrepreneurship	154	-0.538	.000
Centralization	Entrepreneurship	154	-0.518	.000
organizational structure	Entrepreneurship	154	-0.615	.000

Findings show that, we find that there is a negative relationship between organizational structure and Entrepreneurship of Iran’s Social Security Organization in Ardabil Province.



## CONCLUSION

Our purpose in this study was the dimensions of organizational structure on Entrepreneurship at Social Security Organization. Our analysis showed that the dimension of organizational structure in Social Security environments is effective based on the tendency towards Entrepreneurship. In this study we examined the effect of three dimensions of complexity, centralization and formalization on entrepreneurship took shape. Our results indicate that organizational structure has negative influences in tendency towards an entrepreneurship. According to our analysis, less complexity in the most influence on Social Security Environment had a tendency towards an entrepreneurship. The impact of centralization less and less complexity to recognize entrepreneurship were also significant, To terms with the move towards less formal and less centralization, the organization will be entrepreneurship.

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