



## THE RELATION BETWEEN ORGANIZATIONAL STRUCTURE AND ENTREPRENEURSHIP IN SPORT AND YOUTH OFFICES

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### **Abstract:**

The purpose of this research was to investigate the relation between organizational structure and entrepreneurship in Kurdistan province's sport and youth offices. The research method applied in this study is a descriptive-correlative method and furthermore, the study is considered as an applied research. This study elaborates on the relationship between organizational structure and entrepreneurship in Kurdistan province's sport and youth offices and the required data are performed through field studies. The population of the study includes the entire experts, managers, authorities and associates of Kurdistan province's sport and youth offices. Data collection instruments include Stephan and Robin's organizational structure questionnaire plus Lurch's organizational entrepreneurship questionnaire. For data analysis, descriptive and inferential statistics including tables, dispersion index, K-S test, Pearson's correlation coefficient test and linear regression have been used. Results manifested that a significant negative relation exists between organizational structure and its dimensions and entrepreneurship in sport and youth offices of Kurdistan Province. In addition, it was revealed that organizational structure and the component of formality are able to anticipate entrepreneurship.

**Keywords:** organizational structure, organizational entrepreneurship, Kurdistan province's sport and youth offices

### **1. Introduction**

Nowadays, in many countries entrepreneurs have facilitated their economic development. Not only entrepreneurs make new inventions for realization of their

desired commercial advantages, but also they lead to other innovations and inventions as well (Amishi et al. 2009). In fact, entrepreneurship culture includes creativity and innovation, set of values, attitudes, norms and behaviors which form one's identity. Creative and entrepreneur people adopt a different view towards their surrounding phenomena and in this way, they are able to initiate entrepreneurial activities in order to develop new products or services for their society.

Among the attributes of an entrepreneur person, it can be referred to creativity, innovation, risk taking, toleration of ambiguity, failure toleration, courage, internal control, self-confidence, flexibility, prudence and independence (Zivdar, 2009). In this regard, most definitions of entrepreneurship include innovation, opportunity and perspective or outlook. Sports related entrepreneurship covers different organizational, personnel and team levels. In fact when generate innovation and creativity they are considered as entrepreneurs. Similarly, in terms of sports entrepreneurs are players, owners of sport teams, sport representatives and owners of sports related businesses and industries (Morvy et al. 2010). From their view, sports related entrepreneurship includes a group of people, organizations or communities who work together in teams for fulfillment of opportunities.

Sports are considered as a very important and basic factor for securement of a society's health and exhilaration and are effective on national productivity and economical bloom. With respect to extensive dimensions of sports, it can be identified as one of the fastest economic, social and political sections of the world. Many of sports events are filled with job opportunities and achievements. In other words, increased entrepreneurial processes in sports and sport events are creating a form of new job opportunities (Vakili, 2013). By identification of contexts of entrepreneurship in sports, we can provide entrepreneurs with new opportunities which can be made use of towards obtaining social and economic development (Elham, 2014).

The industry of sports provides the necessary contexts for entrepreneurship through creation of demand for sports products and services. On the other hand, through creation and development of sports related businesses in terms of production of sports equipment, entrepreneurship helps with advancement and growth of sports. In order to develop entrepreneurship in sports, first we are required to recognize effective structural and contextual elements and afterwards, plans must be developed for creation of effective structures and contexts in sports entrepreneurship according to different sports entrepreneurial objectives. Nevertheless, recognition of elements, determination of objectives and planning in sports industry are tasks of sports managers (Vakili, 2013).

Nowadays, sports is considered as one of the most valuable and extensive types of entertainment in international markets. The special culture which is dominant in extensive sport concepts reveals the unique characteristics of financial economy in this section (Izadian et al. 2008). In fact, most sport events include a large variety of job opportunities and achievements. In other words, increased entrepreneurial processes in sports and sport events create a variety of new job opportunities (Farahani, 2006). In fact, throughout the whole globe, sport is considered as an industry with most of its products being exercising, physical fitness and free-time related activities. These activities, products, services etc. have provided a great variety of productions and customers for the industry of sports (Khalil Zadeh et al. 2013).

On this basis, organizational structure is considered as a way or method for dividing, organizing and synchronizing organizational activities. Organizations create structures for synchronization of activities of each element as well as actions of each participant (Arabi, 2007; P15). The fundamental fact is that there exists a mutual relation between business strategies and organizational structure. Considering this interactive relation, the more organizational structure is consistent with the organization's business strategy, more effectively implementation of strategies take place.

Organizations must provide the contexts for dominance of entrepreneurial atmosphere and spirit throughout the entire organization so that people are able to undertake entrepreneurial activities individually or in groups. For this very reason, different organizations tend to propagate entrepreneurial activities among their employees. One of the most important factors for facilitation of entrepreneurship in an organization is having a structure consistent with objectives and goals. An organization with entrepreneurial intentions should benefit from a flexible and entrepreneurial structure. Necessary contexts for entrepreneurial activities do not form in vacuum; rather organizational structure should provide the necessary contexts for emergence of such an atmosphere (Sadie, 2012). Therefore, recognition of those factors which play a significant role in development of an entrepreneurial atmosphere is a major issue which should be considered in every organization.

Different scholars have provided different definitions for entrepreneurship. According to the view held by Shanp and Vankataraman (2000), entrepreneurship is a process which explores, evaluates and exploits the opportunities for production of future products and services. In fact, they view entrepreneurship as development of new economic activities based on new services or products. From the view held by Hisriche, Peters and Shepherd (2005), entrepreneurship is defined as the process of creation of new services or products accompanied by risk taking and financial awards. Turner (2005) defines entrepreneurship as a subject including belief, searching,

opportunity exploitation and maximization of values. Tina Selig (2003) believes that entrepreneurship is a managerial style that includes pursuit of opportunities irrespective of already in control resources (quoted by Seifi et al. 2003).

Furthermore, researchers consider organizational entrepreneurship as a growth strategy and an effective instrument for obtaining competitive advantage (Dess, 2009). Findings of previous studies manifest that there exists a tight relation between inter organizational elements and creation of an entrepreneurial atmosphere (Hansby et al. 2002). On this basis, this research has investigated one of the most important inter-organizational elements namely as organizational structure and its dimensions. Organizational structure along with objectives, technology and human resources is considered as a main pillar in every organization. Organizational structure points to the formed and regulated aspects of existing relations among components of an organized system. Recognition and investigation of organizational structure is the initiative of every type of exploitation of organizational resources, becoming able to recognize opportunities, providing new combinations of existing resources and ultimately, providing the contexts for organizational development. Baron (1998) conducted a study and showed that desirable reduction of formality and focus in bureaucratic processes leaves positive effects on creativity and efficiency among the personnel (Quoted by Gohari Pour, 2010). Landers et al. (2003) carried out a study and claimed that in organizational posts with reduced focus level, people tend to share more ideas and information and therefore, result in creation of creative views. Reza Zadeh (2004) carried out a research and revealed that a negative significant relation exists between organizational structure (formality, complexity and focus) and organizational entrepreneurship. Omid (2007) carried out a research and claimed that there are no significant relations between complexity of organizational structure and creativity among staff managers; however, a negative significant relation exists between formality, focus and education and creativity among staff managers of the department of physical education.

Although most organizations and governmental systems including department of education, department of science, research and technology, labor department, armed forces and etc. all have a deployed and independent activity in terms of physical education and sports, but in general all affairs related to physical education and sports in Iran are the responsibilities of sport and youth office (Husseini et al. 2007). The department of sport and youth is the main prosecutor of sports in Iran and has major impacts in this field in a way that, dynamicity of this office is followed by growth and efflorescence of sports and ultimately, macro development of the whole country (Asadi et al. 2009). With respect to importance of sports entrepreneurship and development of

sports for every community, a necessity is felt for recognition of negative and positive effective elements on entrepreneurship in this domain. Therefore, recognition of opportunities and problems faced by entrepreneurs in sports helps us towards effective establishment of general business plans, planning for establishment of entrepreneurial activities, assessment of globalization challenges such as quality of produces sports related goods, anticipation of market changes and optimized implementation of technology for obtaining competitive marginality.

In this regard, the necessary fact is that there exists a mutual relationship between business strategy and organizational structure. With respect to this interactive relation, the more the consistence between organizational structure and business strategies; the more effectively the selected strategy is executed.

Although that many researchers have performed studies regarding the relation between structure and strategy, none of previous studies have elaborated directly on the interactive relationship between the former and latter factors based on focus and control degree. Focus and control are used for categorization of different types of strategies and structures. In fact, no previous studies have considered this type of categorization based on these two mutual factors. In this research, the author tries to investigate previous similar studies before establishing a general categorization for the relation between organizational structure and entrepreneurship in Kurdistan province's sport and youth offices. For this categorization, we have made use of two referential strategic points including focus and degree of control. In addition, results of this study can be applied for the department of sport and youth of Kurdistan Province, Iran so that the findings of the study are used for optimization of performance according to the amount of type of need.

## **2. Methodology**

The present research is an applied descriptive-correlative study and its population includes the entire experts, managers, authorities and associates of sport and youth offices of Kurdistan province as 250 individuals. According to the Morgan Chart, a number of 148 individuals were selected as the sample of study. Data collection instruments included Stephen and Robins' questionnaire of organizational structure and Lurch's questionnaire of organizational entrepreneurship. Furthermore, descriptive statistics have been made use of in order to categorize raw scores, design tables, determine the distribution of abundance, drawing cylindrical diagrams and calculation of dispersion indexes including average, standard deviation, analysis of demographic features and obtaining response means. Additionally, Kronbach's alpha coefficient test

was used for determination of reliability of questionnaires. In addition, normality of data distributions was determined through K-S test. With respect to normality of data, the tests of person's correlation coefficient and linear regression were used for analysis of statistical data. It is worth mentioning that the entire statistical analyses have been performed with SPSS v.23.

### 3. Experimental findings

Descriptive results have shown that 121 subjects were male and 27 were females. In addition, results of the K-S test have shown that research variables are normal. There exists no relationship between organizational structure and organizational entrepreneurship in Kurdistan Province's sport and youth department.

**Table 1:** Investigating the relation between organizational structure and organizational entrepreneurship

Variable	Entrepreneurship		
	Det. Coeff.	Sig.	Corr. Coeff.
Organizational Structure	0.0539	0.020	-0.23

Table 1 shows that the obtained significance value is smaller than 0.05; on this basis the null-hypothesis is rejected and instead, the reverse hypothesis is accepted. In other words, with a 95% confidence, it can be said that a significant negative relationship exists between organizational structure and organizational entrepreneurship in Kurdistan Province's sport and youth office. On the other hand, the obtained determination coefficient shows that 0.0539% of the changes in organizational structure are anticipated by entrepreneurship. By this, it is meant that the simpler the organizational structure becomes, the more probable the organizational entrepreneurship becomes.

Organizational structure and its correlated dimensions are not suitable anticipators for organizational entrepreneurship in Kurdistan Province's sport and youth department.

Results of table 2: anticipation of organizational entrepreneurship by organizational structure and its correlated dimensions and its correlated dimensions. On the other hand, adjusted determination coefficient value shows that 10% of total changes in organizational entrepreneurship are anticipated by this model.

**Table 2:** A relatively good significant relation holds between organizational structures

Model Summary				
Model	Standard Estimation Error	R 2 Adj Adjusted Determination Coeff.	Determination Coefficient	Multiple Correlations Coeff.
1	0.227	0.10	0.11	0.34
Anticipator Variables: Organizational Structure, Complexity, Focus And Formality Dependent Variable: Organizational Entrepreneurship				

**Table 3:** Regression ANOVA results

Model	Sum Of Squares	Average Squares	Freedom Degree	F	Sig
1	1.450	0.483	3	9.341	0.001
Regression	10.688	0.052	206		
Remaining	12.138		209		
Total					

Table 3 indicates that the value of F test is significant at an error level smaller than 0.01. it means that our regression model combined of 4 anticipator variables and one dependent variable is a suitable model and that the sum of these anticipator variables are able to determine the changes in the variable of organizational entrepreneurship.

**Table 4:** Results of coefficients of regression effects of anticipator variables on dependent variable

Model	Anticipators	Standard Coefficients	Non-Standard Coefficients		T	Sig
		Beta	Standard Error	B		
1						
	Constant		0.195	2.132	10.932	0.000
	Organizational Structure	0.224	0.070	-0.233	3.322	0.001
	Complexity	0.038	0.045	-0.026	-0.574	0.567
	Formality	0.344	0.043	-0.222	5.206	0.001
	Focus	0.058	0.040	-0.035	0.890	0.374

X<sub>1</sub>: organizational structure; X<sub>2</sub>: complexity; X<sub>3</sub>: focus; X<sub>4</sub>: formality; Y: organizational entrepreneurship

Table 4 shows that there exists a negative significant relationship between organizational structure and formality, however there are no other significant relations between any of the remaining variables and the variables of organizational performance. It means that the weaker the organizational structure and formality is, the more probable the entrepreneurship will become.

## **Discussion and conclusions**

Results of correlation test showed that there exists a negative significant relationship between entrepreneurship and organizational structure in Kurdistan province's sport and youth offices. This results is consistent with the results obtained by NikNahad(2014); Moosavi Rad (2012); Seifi et al. (2015); Alimardani et al. (2014); Arabioon et al. (2012); Yadollahi et al. (2010); Reza Zadeh et al. (2010); Yao et al. (2009); Pihe (2011) and Tucker and Cellcock (2008). Organizational entrepreneurship is a method for provoking and exploiting people in an organization. A way people think that they are able to do things better and differently. In this regard, development of entrepreneurship spirit within organizations can be beneficial towards overcoming the upcoming challenges. Training entrepreneurs within an organization requires a suitable context along propagation of entrepreneurship spirit (Robins, 2002).

In terms of structure, every organization must have formality and if that formality is clear for the personnel, different activities can be done. However, one must try to keep the amount of this formality in a relatively suitable condition so that it would not be transformed in excessive caution. On the other hand, since the office of sports and youth in Iran is a governmental organization and received a precise amount of budget, then formality of this organizational structure might have a negative effect on entrepreneurship in these offices. Entrepreneurship in sports organizations is dynamic and influences a number of managerial domains including business structure, crisis management, promotion of novice sports, executive management, creation of innovation, advertisement structures, social issues, continuous concerns and technological advances (Moosavi rad, 2011).

By adherence to principles and hierarchies, each organization tries to show its structural shape. In fact, through formation of organizational structure, organizations are able to elaborate on other activities including entrepreneurship. In Iran and especially in governmental organizations which are directly budgeted by the state, entrepreneurship is followed by several paper works and as many people have stated, this is effective in terms of negativity of the former relation.

Nowadays, both researchers and managers have felt the need for entrepreneurship. Organizational entrepreneurship results in occurrence of entrepreneurial activities within an organization. In fact, it is important for promotion of structure of organizations. Organizations can be categorized in a spectrum shape in terms of entrepreneurship, ranging from low to high. In governmental organizations, the main focus is on execution of government's plans and additionally, lack of adequate financial supports and several financial problems have led to reduction of focus on



entrepreneurship in sport and youth organizations. This can help the negativity of the aforementioned relation. In all conceptual models of organizational entrepreneurship developed by different researchers, organizational structure is considered as one of the main factors for advancement of entrepreneurship. As the structure of an organization becomes more regulated, employment, income and entrepreneurship become more suitable. Precise and valid plans are developed under the light of regulated structures. On the other hand, entrepreneurship results in efflorescence of organization. However, above content include points that show that organizational structure can be negatively effective on organizational entrepreneurship. In addition, results of regression test have shown that organizational structure and formality are able to anticipate entrepreneurship in Kurdistan Province's offices of sport and youth.

This result is also consistent with the results obtained by NikNahad (2014); Moosavi Rad (2012); Seifi et al. (2015); Alimardani et al. (2014); Arabioon et al. (2012); Yadollahi et al. (2010) and Yao et al. (2009). With a regulated structure and with a solid plan, we can make arrangements for those activities that need to be organized. With no doubt one of the most important plans is the issue of entrepreneurship. Successful entrepreneurship guarantees the future of organization and even the entire future efforts of the entire components and employees of the organization.

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