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ORIGINAL SCIENTIFIC PAPER

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RECEIVED: OCTOBER 2016

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REVISED: NOVEMBER 2016

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ACCEPTED: NOVEMBER 2016

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DOI: 10.1515/ngoe-2016-0023

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UDK: 005.72:334.012.61-022.56

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JEL: L20, L26, M10

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**Citation:** Delić, A., Đonlagić Alibegović, S., & Mešanović, M. (2016). The Role of the Process Organizational Structure in the Development of Intrapreneurship in Large Companies. *Naše gospodarstvo/Our Economy*, 62(4), 42–51.  
DOI: 10.1515/ngoe-2016-0023

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OE**

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NAŠE GOSPODARSTVO  
OUR ECONOMY

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Vol. 62 | No. 4 | 2016

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pp. 42–51

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# The Role of the Process Organizational Structure in the Development of Intrapreneurship in Large Companies

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## Abstract

Modern companies' business environments have become increasingly complex, dynamic, and uncertain as a consequence of globalization and the rapid development of information communications technology. Companies are urged to increase their flexibility in order to keep their competitiveness in the global market. The affirmation of intrapreneurship becomes one of the basic ways for achieving higher adaptability and competitiveness of large companies in the modern business environment. In this context, the choice of an organizational solution that improves the development of entrepreneurial orientation and increases employee entrepreneurship and innovativeness becomes an important task for large companies. Research studies and business practices have indicated that various types of modern organizational forms enable the development of intrapreneurship. Therefore, the main aim of this paper is to identify dominant characteristics of organizational solutions and analyse their influence on the development of intrapreneurship in large companies in Bosnia and Herzegovina (BiH). The research results indicate that current organizational characteristics are not favourable for the development of intrapreneurship in large BiH companies and that improvement is necessary in order to create an enabling environment for intrapreneurship and innovativeness. Based on these findings, recommendations for appropriate organizational changes are presented that might result in a more intensive development of intrapreneurship in large BiH companies.

**Keywords:** Intrapreneurship, organizational structure, process organizational structure, large companies, Bosnia and Herzegovina Federation

## Introduction

The globalization process has generated the growth of competition in the international market, the necessary implementation of flexible adaptation to ever-demanding customers, the constant development of new products and services, and

their related innovations in the segment of business processes and organizational practices. In order to successfully meet the requirements set forth by transition on the one hand and globalization on the other hand, large companies in Bosnia and Herzegovina (BiH) need to provide the conditions for the more intensive development of intrapreneurship.

*Intrapreneurship*, *inner entrepreneurship*, and *corporate entrepreneurship* are terms frequently used as synonyms denoting the presence and dynamics of entrepreneurship in existing large companies, manifested in the entrepreneurial activities of employees aimed at the creation of added value evident in the improvement of existing and creating new products and services. The employees in large companies can become intrapreneurs only if the organizational design is created that would enable them to act in an entrepreneurial way. Scientific research and business practice show that organic forms, such as the process of organizational structure, have the characteristics that enable all employees—regardless of the level or division of the company to which they belong—to engage in entrepreneurial activities. Hence, they are considered a more appropriate infrastructure for the development of intrapreneurship than the bureaucratic/mechanical forms.

## Literature Review

### Importance of intrapreneurship development in large companies

Due to its flexibility and entrepreneurial orientation, small and medium companies are more successful in managing modern business challenges than large companies that are more passive and often prone to doing business by following traditional rules. For large companies to become more competitive, they need to affirm the entrepreneurial orientation of their employees and make more efforts in the development of intrapreneurship. Drucker (2005) stated that a company's size is not an obstacle to success in entrepreneurship and innovation as large companies have more resources (employees, knowledge, financial assets, and equipment) for the development of innovations than small and medium companies. Drucker also stated that conventional business logic is wrong to emphasize the fact that entrepreneurial behaviour and innovations are something spontaneous, natural, and absolutely creative.

Thus, according to Drucker (2005, p. 82), entrepreneurship in the modern business environment is neither “an innate characteristic” nor the result of “natural creative processes”—it is “hard work and effort”, which is why Drucker claimed that large companies also need to be able to simultaneously

do three important things: improve, expand, and innovate. Therefore, large companies wanting to achieve a competitive advantage over small and medium companies need to consciously and systematically implement the entrepreneurial concept and act in an entrepreneurial way, as today rigidity and price-based competitiveness have given way to the introduction of new and more superior products in the market. Intrapreneurship development enables large companies to ensure competitiveness on this new basis.

### Definition of intrapreneurship

The term *intrapreneurship* was introduced into the economics literature in the 1980s. In 1985, Pinchot's *Intrapreneuring: Why you don't have to leave the corporation to become an entrepreneur* used the term *intrapreneurship* as a compound developed from the term *intraorganizational entrepreneurship*. No unique definition of intrapreneurship has yet been developed. We might say that the number of definitions of the term is directly linked to the rapid interest in this phenomenon by theoreticians who, in numerous studies since the 1980s, have given their own definitions and interpretations. However, all these definitions share a common denominator emphasizing that the concept of intrapreneurship is different from classic entrepreneurship in the sense that the entrepreneurial process is active within the existing company (Kuratko & Hodgest, 1995, p. 94).

Intrapreneurship is a process of creating new ventures within the existing companies in order to improve business results and strengthen a company's competitive position (Milovanović, 2009, p. 191). Zahra (1991) defined intrapreneurship as a set of formal and informal activities aimed at creating new business ventures in the existing companies in the form of new products, services, and process innovations that would enable the opening of new markets. According to this author, the implementation of intrapreneurship also affects a company's self-renewal, which includes redefining the key ideas and postulates serving as a company's base, as well as the implementation of strategic and organizational changes within the company.

Nielsen, Peters, and Hisrich (1985) identified the inner development of relatively smaller and independent organization units whose goals are to create, self-examine, and introduce new services, technologies, or methods. In other words, intrapreneurial activities, based on new combinations of the existing resources, increase a company's market potential and strengthen its competitiveness (Covin & Slevin, 1991, p. 7). Based on these definitions, we can conclude that intrapreneurship is entrepreneurship of large companies whose main goal is to develop innovations and create added

value. The main goal of intrapreneurship can be realized by creating the appropriate organizational structure that enables employees' entrepreneurial activities.

### **The role of organizational structure in the development of intrapreneurship**

Large companies can develop intrapreneurship provided that they establish an appropriate organizational structure that might improve employees' entrepreneurial activities. The identification of the organizational characteristics that enable and improve employees' entrepreneurial activities has been the subject of research conducted by many authors in the field of organization and management. The results of these studies as well as the business practices showed that a more shallow organizational structure with fewer hierarchical levels is convenient for the development of intrapreneurship. A limited number of organizational levels are related to decentralization and a wider range of control as well as whether authority and greater autonomy for employees enable them to act in an entrepreneurial way. According to Ireland, Kuratko, and Morris (2006), a higher level of decentralization fosters the horizontal and lateral interaction of employees, which facilitates cooperation, the expression of creativity, and the development of new ideas. The research focusing on organizational structure, conducted from the 1960s to the late 1980s, showed that a relatively decentralized structure allows for generating more creative ideas, which results in more innovation in an organization (Burns & Stalker, 1969; Kanter, 1983; Thompson, 1961). In addition, it has been established that a higher degree of participation in decision making positively affects the development of employees' innovativeness (Cohn, 1981; Hage & Aiken, 1970; Kim, 1980). Regarding formalization as a dimension of organization structure, researchers have concluded that a lower level of formalization largely fosters innovative processes in an organization (Kanter, 1983; Van de Ven, Angle, & Poole, 1989). Studies have further indicated that a higher level of organizational complexity means a higher level of organizational innovativeness (Hage & Aiken, 1970; Van de Ven, 1986).

Zahra (1993) asserted that high-quality communication between managers and their subordinates encourages the development of entrepreneurial spirit, while the over-use of control mechanisms prevents it. However, some weaknesses exist related to the lack of control mechanisms in organizations, which can result in employees' dysfunctional behaviour. Hence, Zahra suggested that the "levers of control" framework includes such a level of control that prevents anarchy but also leaves enough space for

generating creative ideas. A decentralized organization facilitates horizontal, vertical, and lateral communication within an organization, along with the exchange of creative ideas and the promotion of entrepreneurial spirit (Carrier, 1996). Nielsen et al. (1985) argued that the development of entrepreneurial spirit in an organization requires support from top management, which should create a positive culture encouraging and sustaining new ideas (Altinay & Altinay, 2004, pp. 334–336).

An organizational structure that includes all of the mentioned characteristics to enable and speed up employees' entrepreneurial activities aimed at the development of innovations in a company is the process organizational structure.

### **Basic characteristics of the process organizational structure**

Hammer and Champy's (1993) *Reengineering the Corporation: A manifesto for the business revolution* introduced the concept of reengineering into the theoretical debates in the field of organizational change management and to the business practice of many companies that wanted to significantly improve their business performances by implementing business process reengineering (BPR). Hammer and Champy defined the main cause of the business crisis on the global market in the 1990s as the inability of American companies to adapt to the challenges of the most important forces of the environment, which these authors called the 3Cs: customers, competitors, and change. According to Hammer and Champy, the ability to overcome the main difficulties of the current business practice, the difficulties that result from the traditional and therefore outdated reflections on business, can be found in a totally different reflection on business, which should be based on the orientation to the business processes. These authors further identified business process as a series of business activities that, in the process of transforming input into output business items, create specific value for customers (Delić, 2012; Hammer & Champy, 1993).

The traditional way of organizing a company is evident in the functional organizational structure, which includes grouping equivalent, similar, or inter-dependent tasks in such a way that all the tasks of a given function are linked and grouped together in an appropriate organizational unit. However, this type of organization in contemporary business conditions does not secure a company's adaptability to changes in the environment, and it hinders the development of intrapreneurship. In other words, this type of structure includes a large number of organizational levels, formally and vertically

directed (mainly from the top to the bottom of the organizational pyramid) communication, a low level of cooperation among functional divisions, unclear results of the activities of organizational units, slow decision making, long material and information flows, etc. Unlike the traditional structure, whose main cohesive elements are organizational units in which certain business functions are performed, the main cohesive elements of the process organizational structure are business processes. Harrington (1991), Martin (1995), and Davenport (1993) identified the business process as a series of logically related activities that use a company's resources to satisfy customers' needs for products or services of the appropriate quality and price in the appropriate time period, while realizing a certain value (Bosilj Vukšić & Kovačić, 2004, p. 9).

The main characteristics of the process organizational structure can be established by means of analysing the organizational focus, structural elements, operational processes, people, and communication (Hernaus, 2006, pp. 95–96). The focus of the process organizational structure is oriented to business processes, which are adjusted to a company's mission that is clear to employees, thereby making their work and tasks more rational. Their tasks are not strictly specialized, and employees have a relatively high level of autonomy while performing them, which leads to measurable outcomes and results in companies meeting more of their customers' or clients' needs.

The process organizational structure also includes process teams made up of individuals with complementary skills and knowledge. Their tasks are not formalized, but are rather wide and flexible while their common action creates a synergy effect and consequently leads to multiple benefits for the company (Love & Gunasekaran, 1998, as cited in Hernaus, 2006). In the process-oriented organization, managerial responsibility is divided among the "owners" of the process, who are responsible for the process itself (Hernaus, 2006, p. 169). Managers in the process-oriented organization are actually coaches and mentors to their employees. Actually, managers in this type of organization provide support to their subordinate employees by directing them, coordinating their activities, bi-directionally communicating, and integrating their dispersed knowledge and skills, thereby enabling them to show their creativity and innovativeness and proactive entrepreneurial activity.

Operational processes at a company are interrelated by means of simplified work and communication channels, which make organizations more synchronized and integrated. The process organizational structure simplifies the ways tasks are performed while resources are treated as a common input, thereby avoiding unnecessary competition among organizational units. Control is performed only as a means of

prevention and is directed to the decrease of variation rather than to the detection of those responsible and the correction of errors, which gives greater freedom to employees to carry out independent, creative, and innovative actions.

The process organizational structure emphasizes the integration of its employees' skills and knowledge, which leads to the development of their skills, the acquisition of new knowledge, and the expansion of competencies. Employees are awarded based on their own contribution to the realization of the process. In addition, the awards are given not only for individual successes, but also for team successes, which encourages employees to act proactively at both the individual and team levels.

The process organizational structure is characterized by intensive and high-quality horizontal communication. This type of structure does not recognize strict boundaries among the organizational units, typical of traditional organizational forms, thereby enabling the faster flow and sharing of information among employees. In addition to mutual communication, employees communicate with customers to collect information about their needs and wishes. The information collected is interesting to all the functions and is mutually shared. Consequently, employees develop innovations aimed at improving the existing and creating new products and services in order to meet customers' needs. We can conclude that the process organizational structure motivates employees' entrepreneurial activity as it enables them to express their innovativeness, search for creative problem solutions, take risks, and be proactive—all with the purpose of using entrepreneurial opportunities and more efficiently satisfying customers' needs.

## Research Methodology

### Research subject, hypotheses, and goals

The subject of the empirical research presented and interpreted in this paper is the development of intrapreneurship in large companies in Bosnia and Herzegovina Federation (FBiH), influenced by the implementation of the process organizational structure. The general goal of the research is to establish the relationship between the process organizational structure and the development of intrapreneurship in large companies in FBiH. According to the research subject and general goal, the central research hypothesis is formulated as follows:

H1: The process organizational structure has a positive effect on the development of intrapreneurship in large companies of FBiH.

## Research sample and methods

A questionnaire was designed for this empirical research, and it was used as the main instrument for collecting primary data. The questionnaire included three parts. The first part was related to the general facts about a company and subjects, the second part included the questions related to the analysis of the level of entrepreneurial orientation and employees' entrepreneurial activity, and the third part covered the questions aimed at the identification of the level to which the structure of large BiH companies resembles the process organization. The empirical research was conducted in all 10 cantons in the territory of FBiH (i.e., Sarajevo, Tuzla, Zenica-Doboj, Central Bosnia, Herzegovina-Neretva, West Herzegovina, Una-Sana, Bosnia-Drina, West Bosnia, and Sava Region). The main research sample included 54 large companies, of which 28 were in the manufacturing industry and 26 in the service industry. The data were analysed using descriptive statistical analysis and a canonical correlation analysis by means of appropriate software support (IBM SPSS, MS Excel, etc.).

## Findings and Discussion

### Analysis and interpretation of the research results

Of the 54 total participants, 28 were male and 26 were female. In terms of their education, 40 participants (74.07%) had a university degree, 4 (7.41%) had a two-year college degree, 4 (7.41%) had completed high school, and 6 (11.11%) had a master's degree. The survey included 22 participants (40.74%) in middle-level management, 14 (25.93%) in top

management, 9 (16.67%) in charge of non-managerial/administrative tasks, 6 (11.11%) belonging to the lower/operational level of management, and 3 (5.56%) who were heads of certain business processes.

### Employees' attitude towards innovativeness as an assumption of the development of intrapreneurship

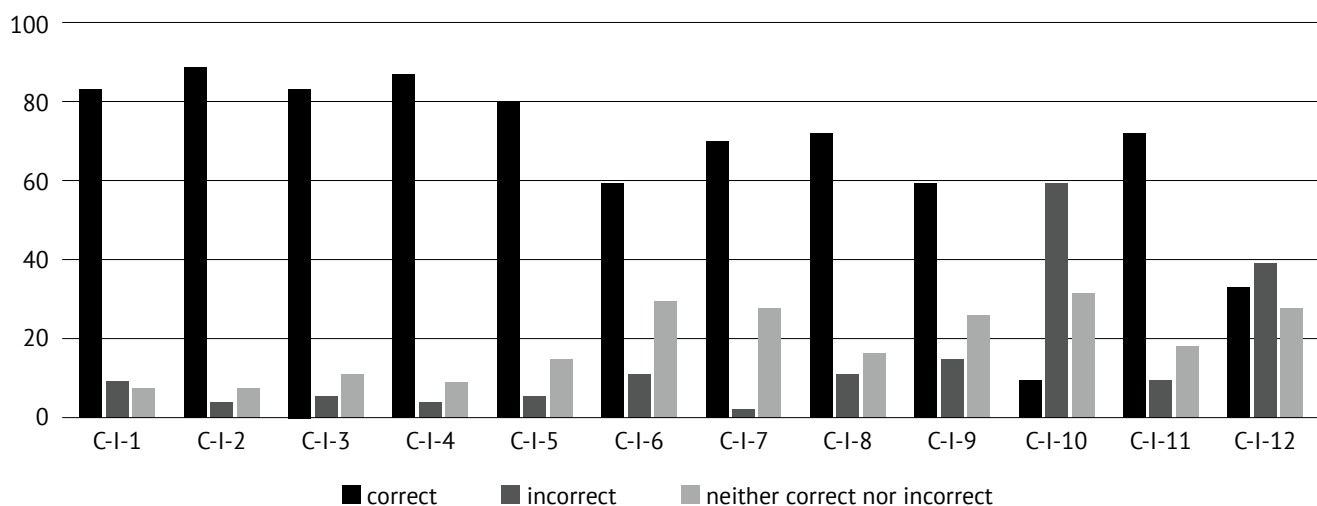
Figure 1 shows the results of the empirical research related to employees' orientation towards the development of innovations, which is one of the assumptions for the development of intrapreneurship in BiH companies.

The questionnaire included the following statement: While defining the strategic orientation and realizing business activities, the company's management focuses on research and development, technological leadership, and innovations in the company. The research results showed that the largest number of participants (83.4%) believed this statement to be correct; 9.3% disagreed while 7.4% thought it was neither correct nor incorrect when it comes to their respective companies.

The second statement in this field was related to management's interest in manufacturing and/or providing new products and/or services. The results indicated that the majority of participants (88.9%) agreed that the company's management was oriented towards innovation in the production or provision of services. Some 3.7% of participants did not agree with this statement while 7.4% were undecided.

The results for the statement that the management encourages employees to think and behave in an original and innovative

**Figure 1.** Employees' attitude towards development of innovations



way showed that 83.4% of participants agreed with this statement, 11.1% were undecided, and 5.6% disagreed.

Eighty-seven percent of participants agreed with the statement that the management, along with employees, initiates innovations in working methods and business processes in order to improve them. Some 9.3% of participants thought that this statement was neither correct nor incorrect for their respective companies, while 3.7% disagreed with this statement.

A number of participants (79.7%) agreed with the statement that the company's management shows extreme openness to new ideas and suggestions given by employees. For 14.8% of participants, this statement was neither correct nor incorrect. Only 5.6% thought that this statement was incorrect.

The statement that work is designed in such a way that employees are able to act innovatively was agreed with by 59.2% of the participants. As many as 29.6% of them were undecided while the remaining 11.1% disagreed with this statement.

The results of the empirical research indicated that 70.4% of the participants believed that they have the ability to recognize various opportunities for development of innovations while they perform their everyday tasks. Some 27.8% of participants did not have a clear opinion on this matter while 1.9% were not able to recognize opportunities for development of innovations while at work.

Furthermore, the majority of participants (72.2%) agreed with the statement that employees have a high level of autonomy in developing innovations. Other employees had a somewhat different opinion: 16.7% were undecided while 11.1% neglected the high level of autonomy.

A number of participants (59.3%) agreed with the statement that managers hold constant meetings with their employees in order to make decisions about accepting creative and innovative solutions. Some 25.9% of participants were undecided while 14.8% disagreed with this statement.

The participants were asked to express their opinion on whether managers tend to criticize employees if they value employees' ideas and suggestions as "bad". The research results showed that 59.2% of participants disagreed with the statement that managers are prone to such criticism, 31.5% did not have a clear opinion on this matter, and 9.3% agreed with this statement.

The research results also showed that 72.2% of participants thought that the company's management encourages radical innovations in a company. Some 18.5% of participants were

undecided while 9.3% gave a negative opinion. However, the results related to the statement that managers are focused on innovations and changes within the existing activity showed that managers were still not so prone to implementing radical changes. In other words, 38.9% of participants disagreed with the statement that management is not prone to innovations that include the company's leaving the existing field of activity. Some 33.3% of participants believed that management is not inclined to such radical innovations while 27.8% were undecided.

Based on these results, it can be concluded that BiH companies are highly aware of the importance of innovations. This clearly suggests managers' strategic orientation to innovativeness, which is manifested in relatively developed conditions for employees to express their innovativeness. Such results can lead to a significant assumption for the development of intrapreneurship as support for building the competitiveness of BiH companies in the market.

### **Correlation between the process organizational structure and intrapreneurship**

A canonical-correlation analysis was used for determining the correlation between the space of the process organizational structure related to the system of independent variables and the space of employees' relation to innovations (as the basic assumption for the development of entrepreneurship) as the system of dependent variables. This analysis (see Table 1) resulted in 12 canonical dimensions (significant pairs of factors), two of which were statistically significant. The first obtained function is at the significance level and explains a very high correlation between the two sets of the analysed variables, which means that this function is explained with 89.72% of the total covariability of these two sets of variables. The second obtained canonical function is at the significance level but with somewhat lower values, indicating that its explanation of the correlation between the two sets of analysed variables is slightly lower when compared to the first canonical function. In other words, the second obtained canonical function is explained with 85.99% of the total covariability of these two sets of variables.

Tables 2 and 3 show the coefficients for the calculation of canonical results and the obtained structure of the canonical factors in the independent and dependent systems of variables.

According to the results related to the first obtained function (see Table 2), the process organizational structure is mostly defined by the variables related to the following opinions given by the subjects: Employees are appropriately informed

about the changes made to business processes and actively suggest solutions to their improvement (D-II-III-15=0.8710). Employees are provided with all the required information and have the appropriate knowledge and level of autonomy for undertaking entrepreneurial activities (D-II-III-12=0.8319). Employees in various organizational units work in process

**Table 1.** Canonical-correlation Analysis between the Space of the Process Organizational Structure and the Space of Employees' Relation to Innovations, as the Basic Assumption for the Development of Entrepreneurship

Canonical dimensions	R	R <sup>2</sup>	p
1	<b>0.9472</b>	<b>0.8972</b>	<b>0.0000</b>
2	<b>0.9273</b>	<b>0.8599</b>	<b>0.0060</b>
3	0.8144	0.6632	0.4591
4	0.7203	0.5188	0.8664
5	0.6513	0.4242	0.9639
6	0.5978	0.3574	0.9881
7	0.5389	0.2904	0.9961
8	0.4504	0.2029	0.9986
9	0.3791	0.1437	0.9987
10	0.2736	0.0749	0.9978
11	0.2377	0.0565	0.9801
12	0.2216	0.0491	0.8577

**Table 2.** Canonical Coefficients in the Space of the Process Organizational Structure as the System of Independent Variables with the Isolated Canonical Pair

Variables	Correlations	
	1	2
D-II-III-1	<b>0.6599</b>	0.2993
D-II-III-2	0.4651	0.2322
D-II-III-3	0.4978	0.0174
D-II-III-4	<b>0.5621</b>	0.3388
D-II-III-5	<b>0.7274</b>	-0.2166
D-II-III-6	<b>0.7255</b>	-0.2252
D-II-III-7	<b>0.7051</b>	-0.0723
D-II-III-8	<b>0.7643</b>	-0.0656
D-II-III-9	<b>0.6433</b>	<b>0.3540</b>
D-II-III-10	<b>0.5776</b>	0.0458
D-II-III-11	<b>0.7429</b>	0.0330
D-II-III-12	<b>0.8319</b>	0.0003
D-II-III-13	<b>0.7424</b>	-0.0488
D-II-III-14	<b>0.7579</b>	0.2488
D-II-III-15	<b>0.8710</b>	-0.0145
D-II-III-16	<b>0.7067</b>	-0.0588

teams (D-II-III-8=0.7643). At work employees constantly learn, improve their skills, and expand their competencies (D-II-III-14=0.7579). Control of business processes is made for prevention (D-II-III-11=0.7429). Employees take risks and independently find creative and innovative solutions for the realization of business processes (D-II-III-13=0.7424). The activities that do not contribute to the realization of business processes have been eliminated (D-II-III-5=0.7274). There are no strict boundaries between the organizational parts (D-II-III-6=0.7255). Employees are held responsible for achieving the goals of business processes (D-II-III-16=0.7067). Communication among employees is unimpeded regardless of their level and division (D-II-III-7=0.7051). The company's business processes, whose realization requires cooperation of various organizational units, run without difficulties (D-II-III-1=0.6599). Managers act as coaches and mentors to the employees, who are process team members (D-II-III-9=0.6433). Employees share information and resources of common interest for all business processes (D-II-III-10=0.5776). Tasks at the company are designed in such a way that they include the execution of a wide range of complex tasks (D-II-III-4=0.5621).

According to the results for the first obtained function (see Table 3), employees' relation to innovations is largely defined by the variables pertaining to the following participant attitudes: While performing their everyday tasks, employees recognize various opportunities for development of innovations (C-I-7=0.8869). Employees have a high level of autonomy in developing innovations (C-I-8=0.8388). Managers hold constant meetings with their employees in order to make decisions about accepting creative and

**Table 3.** Canonical Coefficients in the Space of Employees' Relation to Innovations as a System of Dependent Variables with the Isolated Canonical Pair

Variables	Correlations	
	1	2
C-I-1	<b>0.6851</b>	0.4598
C-I-2	<b>0.6868</b>	<b>0.5680</b>
C-I-3	<b>0.5945</b>	0.3979
C-I-4	<b>0.7106</b>	0.2206
C-I-5	<b>0.6464</b>	-0.0528
C-I-6	<b>0.7976</b>	-0.2999
C-I-7	<b>0.8869</b>	0.0862
C-I-8	<b>0.8388</b>	0.1386
C-I-9	<b>0.8137</b>	0.0119
C-I-10	-0.2493	0.0179
C-I-11	0.1291	0.1652
C-I-12	0.3510	0.0230

innovative solutions (C-I-9=0.8137). Work is designed in such a way that employees are able to act innovatively (C-I-6=0.7976). The management along with employees initiates innovations in working methods and business processes in order to improve them (C-I-4=0.7106). The company's management is oriented towards innovation in the production or provision of services (C-I-2=0.6868). While defining the strategic orientation and realizing business activities, the company's management focuses on research and development, technological leadership, and innovations in the company (C-I-1=0.6851). The company's management shows extreme openness to new ideas and suggestions given by employees (C-I-5=0.6464). The management encourages employees to think and behave in an original and innovative way (C-I-3=0.5945).

The analysis of the corresponding canonical functions refers to the fact that the dominant structural form of BiH companies has certain characteristics of the process organizational structure. This has a positive effect on employees' innovative and entrepreneurial activities and the development of intrapreneurship, which confirms the central research hypothesis postulated in this paper.

## Conclusion

An appropriate organizational structure is one of the key assumptions for the development of intrapreneurship in large companies. Although knowledge about the importance of intrapreneurship exists, the systems built by the company often standardize their behaviour and encourage conservative actions. In addition, the rigid hierarchy hinders prompt reactions to changes in the business environment and the realization of new ideas, while prescribed rules and strict compliance slow down entrepreneurial ventures and limit intrapreneurs' creativity and innovativeness. Therefore, by constructing the appropriate organizational solution and through its constant improvement in creating the conditions for more intensive development of intrapreneurship, large companies can secure reliable support to build competitiveness in the global market. The appropriate structuring of an organization, which will ensure a company's flexibility, is treated as an important strategic issue nowadays. The results of the theoretical and empirical research indicate that the organic organizational design is convenient for business operations in a changeable and complex environment, typical of most contemporary companies. Such a design is characterized by a lower level of formalization and centralization, a higher level of horizontal rather than vertical complexity/flat structure, wider specialization, teamwork, etc. The process-oriented organizational structure is one of the contemporary organizational forms. Basically, it has an organic

character that has proved to be an appropriate infrastructure for the development of intrapreneurship. Bearing in mind the complexity of the contemporary business environment in general, along with the complexity typical of the conditions in which BiH companies operate (inherited "robust" organizational structure, legal and political uncertainty, bureaucracy, unfavourable economic situation, etc.), it is legitimate to ask the what the dominant characteristics of the organizational structure of large BiH companies are and whether these companies, in structural terms, are suitable for the development of intrapreneurship. The results of the research presented in this paper show that, in organizational terms, BiH companies have somewhat developed the process organizational structure to a certain point. The research results show that the process organizational structure affects the development of intrapreneurship in large BiH companies as it, owing to its characteristics, is the appropriate infrastructure for encouraging employees to act in an entrepreneurial way and create innovative products and services that would satisfy customers' needs.

## Limitations of the present study and opportunities for future research

The research presented in this paper is rather limited as it was conducted with a relatively small number of participants and not on the entire territory of BiH, but only in one of its parts (FBiH). This is why it is difficult to generalize the research results and make assumptions for all BiH companies. In addition, there is the assumption that, because the sample included mainly managers, they might have wanted to create a more positive image of their respective companies while answering the questions. Therefore, the research results might not reflect the real position of the observed variables. The research results presented in this paper, related to the structural characteristics of BiH companies, are not that compatible to the results from similar studies. Namely, this research showed that, in organizational terms, BiH companies have certain characteristics of the process-oriented structure, while the results of other studies showed that the organizational structure of these companies is more rigid, formal, and with the characteristics of the traditional organizational forms (see, for example, Delić & Ahmetović, 2013; Umihanić & Delić, 2013). The observed differences in the findings from the mentioned research studies can partially be explained by the different samples in these studies. For example, in our study, a third of the sample comprised service companies, whilst in prior research the sample mainly included large production companies. Flexible structures are more typical of service companies than production companies. Furthermore, our research was based on large companies, which are prone to the introduction of process



organizational structure as a precondition for intrapreneurship development, as these enterprises are striving towards more flexibility in order to adapt to business conditions in today's dynamic and uncertain business environment.

Regardless of these limitations, the research results presented in this paper clearly indicate that BiH companies are aware of the necessity to adapt to the changed business conditions as well as the importance of intrapreneurship and the significance of the organizational structure for securing the

conditions under which employees would be able to show their creativity and innovativeness and act as entrepreneurs, which is most encouraging. Future research in this field should be conducted on the entire territory of BiH and with a larger sample, while the sample itself should include more operational employees. Also, the results should be compared to similar studies in the surrounding transitional countries so as to establish to which extent BiH companies, when compared to companies in these countries, are successful in facing contemporary business challenges.

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# Vloga procesne organizacijske strukture pri razvoju notranjega podjetništva v velikih podjetjih

## Izvleček

Posledica globalizacije in hitrega razvoja informacijske in komunikacijske tehnologije je, da je poslovno okolje sodobnih podjetij vedno bolj kompleksno, dinamično in negotovo. Podjetja so prisiljena povečati prilagodljivost, da bi bila na globalnem trgu še naprej konkurenčna. Afirmacija notranjega podjetništva postaja eden temeljnih načinov za doseganje večje prilagodljivosti in kompetitivnosti velikih podjetij v sodobnem poslovnem okolju. V tem kontekstu je izbira organizacijske rešitve, ki izboljšuje razvoj podjetniške usmeritve in povečuje podjetništvo in inovativnost zaposlenih, za velika podjetja pomembna naloga. Raziskave in poslovna praksa kažejo, da različni tipi sodobnih organizacijskih oblik omogočajo razvoj notranjega podjetništva. Temeljni cilj tega prispevka je torej identificirati prevladujoče značilnosti organizacijske rešitve in analizirati njen vpliv na razvoj notranjega podjetništva v velikih podjetjih v Bosni in Hercegovini. Izidi raziskav kažejo, da sedanje organizacijske značilnosti za razvoj notranjega podjetništva v velikih podjetjih v tej državi niso ugodne in da je potrebno izboljšanje, da bi ustvarili podporno okolje za notranje podjetništvo in inovativnost. Na osnovi teh ugotovitev so v članku podani predlogi za ustrezne organizacijske spremembe za intenzivnejši razvoj notranjega podjetništva v velikih podjetjih v Bosni in Hercegovini.

**Ključne besede:** notranje podjetništvo, organizacijska struktura, procesna organizacijska struktura, velika podjetja, Federacija Bosne in Hercegovine