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ORGANIZATIONAL ASSUMPTIONS FOR DEVELOPMENT OF INTRAPRENEURSHIP IN COMPANIES ACROSS BOSNIA AND HERZEGOVINA

JEL classification: L26, M19

Abstract

Intrapreneurship holders are entrepreneurial employees who develop entrepreneurial activities within the existing enterprises, which in turn produces improved business performances. However, in order for entrepreneurial employees to act and release their creative energy, it is necessary to provide the specific organizational requirements. Specifically, the rigid traditional organizational structures and bureaucratic approach to job design, which is often inherent in large enterprises, are not suitable infrastructures for developing entrepreneurial climate in the organization. Consequently, the identification and analysis of the dominant type of organizational structure as well as the degree of centralization and formalization and the degree of specialization and application of teamwork in Bosnian companies, in light of ensuring organizational assumptions for the development of intrapreneurship in these companies, are only some of the goals of this paper. This analysis will be based on the results of the empirical research conducted back in 2011, which covered a hundred of Bosnian companies, and also on the results of the GEM research back in 2011. This paper will include both the presentation and debate on the basic obstacles to the development of stronger Bosnian intrapreneurship in companies, but also recommendations regarding the content of the organizational changes that should be undertaken for this purpose.

Keywords: intrapreneurship, organizational structure, job design, organizational change

1. INTRODUCTION

The process of globalization has generated the growth of competition in the international market, necessity of applying flexible adaptation to increasingly demanding consumers, continuous development of new products and services and related innovation in the field of business processes and organizational procedures. It is a general view, in both the theory and practice of management, that the development of intrapreneurship, which includes entrepreneurship of large and existing enterprises, is becoming the core nucleus of the construction and preservation of competitive advantages of these companies. The key intrapreneurship holders are entrepreneurially orientated employees who develop entrepreneurial activity within the existing company, which has a positive impact on the effectiveness and efficiency of business. It has also been observed that entrepreneurially orientated employees have positive entrepreneurial attitudes and aspirations to start their own businesses, which has a positive impact on the economic development of the country. One of the key hypotheses for the entrepreneurial behavior of employees is the building of an appropriate organizational design that will allow the expression of their creativity and innovation and ensure the implementation of innovative ideas.

2. DEFINITION AND IMPORTANCE OF INTRAPRENEURSHIP

The term intrapreneurship is associated with the name of Gifford Pinchot, who started describing managers of large corporations who began to realize in the early 1980s that entrepreneurial ideas positively impact company's profitability. Intrapreneurship means the development of entrepreneurial spirit and business culture, but it also includes assistance to innovative entrepreneurs in developing their business ideas, whereby they have company's infrastructure at their disposal, which makes a certain advantage compared to the self-employed. Intraentrepreneurs are "dreamers who work." They are the ones who take responsibility for creating innovation of any kind within the organization. They can be creators or inventors, but they are always dreamers who understand how to turn an idea into a profitable reality. (Pinchot, 1985, p.ix)

According to Nielsen, Peters and Hisrich, intrapreneurship includes internal development of relatively small and independent organizational units aimed at creation and internal review, and, in case of success confirmation, it also includes introduction of new services, technology or methods (1985, p. 181). Burgelman conceptualizes definition of corporate entrepreneurship as a process of "extending the competence of the company and the corresponding set of opportunities through the internal generation of new combinations of resources" (Burgelman, 1984, p.154). According to Covin and Slevin, the term intrapreneurship includes expanding the competence of enterprises, which in turn increases the potential opportunities, conditioned by new combinations of the already existing resources in the enterprise (Covin, J. G, Slevin, D. P, 1991, p. 7). For Zahra, intrapreneurship implies the sum of innovations, renewals, and entrepreneurial efforts (whereby innovation involves the introduction of new products and processes or establishing a new organizational structure). Renewal means revitalization of business operations, including the change of the basic purpose of the business. Entrepreneurial efforts are related to the expansion of activities into new areas and increased activity in the existing or new markets (Zahra, SA, 1996, p. 115). Morris and Kuratko claim that the use of "the term corporate entrepreneurship indicates that the basics do not change but only the context. However, they further state that there is a change in the basis of the organization but only when the concept is changed towards the direction of intrapreneurship (Morris and Kuratko, 2002, p. 62).

Corporate entrepreneurship flourishes when organizational structure has a relatively small number of levels. The key reason for this is that a limited number of levels results in a wider range of control, which in turn creates opportunities for employees to act entrepreneurially. With fewer managerial levels, power and responsibilities are decentralized, and this encourages the horizontal or lateral interactions among employees. The characteristics of the organizational structure that have been described make the creation of ideas and innovation at lower organizational levels easier and in the same time build a unique and creative management style (Ireland et al., 2006, p. 14).

Gibb believes that entrepreneurially designed organizations through their activities encourage and develop entrepreneurial potential at all levels by the following: creating and strengthening the sense of ownership, increasing the sense of freedom and control, tolerating uncertainty, developing an attitude for taking responsibility and understanding things in detail, building commitment over time, encouraging individuals to build relevant networks of stakeholders, encouraging and rewarding the process of learning directly from stakeholders, avoiding strict boundaries and systems that promote them, encouraging strategic thinking at the expense of formal planning, encouraging personal contact as the basis for building trust, etc. (Gibb, 1988).

3. FUNDAMENTAL CONCEPTS OF ORGANIZATIONAL DESIGN

The word *design* has its roots in the English language, which in its original sense means: blueprint, shaping, designing (Janicijevic, N., Petkovic, M., Bogicevic, B., pp. 53-54). The establishment of the concept of Organizational Design in management started in the 1960s. Namely, in their effort to emphasize the difference in the conditions under which organizations conduct their activities as well as to emphasize the complexity of the process of creating an organizational structure for a variety of conditions, modern management theoreticians introduced the concept of organizational design whereby they assessed the work on the organization design as one of the most important managerial activities.

Having reviewed the literature in the domain of organizational theory and management, we can come across numerous definitions of organizational design. However, what they all have in common is that "organizational design is presented as a process, consisting of a set of managerial activities in order to create a model of organizational structure that is consistent with the context of the organization" (Janicijevic, N., Petkovic, M., Bogicevic, B., 2002, p. 54). According to J. Greenberg and R. A. Baron, "Organizational Design involves the process of coordination of structural elements of the organization in the best possible way" (Greenberg, J. Baron, R. A, p. 542). In a broader sense, Organizational Design includes the process of creating an organizational structure that includes decisions on defining roles and positions, number of implementers, number and size of organizational units, lines of authority, way to integrate and coordinate the work of organizational units, control mechanisms and methods of decision making in organizations (Janicijevic, N., Petkovic, M., Bogicevic, B., 2002).

Decisions on the Organizational Design are of critical importance to a company, since by designing an adequate structure, the company becomes capable of creating the value for shareholders, employees, and consumers, and it also opens up new possibilities for the realization of high-performance of an organization, such as: effectiveness, efficiency, development, and even survival. Considering that organizations nowadays operate in a constantly changing environment, it is essential that their design allows them to adapt to these changes, otherwise their survival is questionable.

Parameters of Organizational Design¹

According to H. Mintzberg, the dimensions of the organizational structure can be structural and contextual (Daft, 1995, pp. 15-17). Structural dimensions describe the internal characteristics of the organization. In this context, the essence of Organizational Design consists of manipulating a series of parameters that determine labor division and achieve proper coordination. According to the author, the main parameters of the organizational design are as follows:

Specialization indicates the degree to which tasks of the organization are divided into separate businesses. In other words, work specialization defines a number of tasks in a given workplace, along with the level of authority and responsibility necessary to perform the activities that the job involves (Mintzberg, 1979). Provided that the specialization in the organization is emphasized (as is the case with the bureaucratic organization), every employee shall perform only narrowly defined jobs. On the contrary, a low level of specialization in the organization means that employees shall perform a wide range of tasks (as is the case with the entrepreneurial and innovative organization) (Daft, 1995, p.15). "Job enrichment," which is one of the trends in contemporary organized enterprises, is related to the expansion of the volume of work based on vertical and horizontal dimensions.

Formalization of Behavior is related to the standardization of work processes by means of the imposing operating instructions, job descriptions, policies, procedures, regulations and the like. Therefore, formalization refers to the degree to which work tasks, status, and roles can be standardized. However, the principle is that a highly formalized standardization of work tasks, status, and roles leaves a minimum of discretionary rights at lower levels (in terms of the organizational hierarchy). The higher the degree of formalization, the more rigid organizational structure becomes. That is what creates the basis for the emergence of informal organizational structure. As a result, the structures that rely on any form of standardization aimed at coordination can be defined as bureaucratic, while those that do not rely on the formalization of the primary coordinating mechanism are defined as organic. It is interesting to observe that the degree of formalization in an organization can be measured by the number of written documents that describe the behavior and activities of the organization. On the one hand, a large organization with strictly formalized mode of business activities will have a huge number of written documents. On the other hand, small and young organizations do not usually possess written documents but if they do, it is usually a small number (Sehic, Dz., Rahimic, Z., p. 139.)

Complexity shows the number of activities or subsystems within the organization. It can be measured by using three dimensions: vertical, horizontal, and spatial (Sehic, Dz., Rahimic, Z., 2006, p. 139). Horizontal differentiation of elements refers to the degree of differentiation between the units based on the direction towards the workers, nature of the work tasks performed, and the level of education and codified knowledge, mostly expressed in a recognizable profession. The organization will have a greater horizontal complexity if a higher number of different jobs which, according to profession characteristics, require specialized knowledge and skills can be identified within the organization. Vertical differentiation refers to the depth of the organizational hierarchy,

¹ See Sehic, Dz., Delic, A., Strategic Management and Organizational Effectiveness, Off Set Tuzla, 2012, p. 111- 133., based on the papers of H. Mintzberg: *The Structuring of Organizations*, Prantice Hall 1979.; *Power in and Around Organizations*, Prentice Hall, 1983.; *A Typology of Organizational Structure*, published as the third chapter in D. Miller and P. Friesen: *Organizations: A Quantum View*, Prantice Hall, 1984. and *Derving Configurations*, published as the 6th chapter in *Mintzberg on Management: Inside Our Strange World of Organization*, Free Press, 1989.

or in other words to the number of levels in the hierarchy, and stands in interrelation with horizontal differentiation. Spatial differentiation involves location and dislocation, and these include distance (spatial distance, both within a country and between countries) and numbers (of the located and dislocated parts of an organization).

Hierarchy of authority is to do with the relationship of subordination and superiority in the organization. The hierarchy reflects the range of management or in other words the number of subordinates with whom one manager can effectively operate.

Decentralization is related to the diffusion of decision-making power in the organizational hierarchy. When all the power is concentrated at the top of the organizational hierarchy, then its structure is centralized. When power is largely dispersed to lower levels, one can talk about a relatively decentralized organization. It is possible to distinguish between vertical decentralization – delegation of formal power through the hierarchy to the line managers - from horizontal decentralization - the extent to which the formal or informal power is dispersed outside the hierarchy line to non - managers /operators, analysts and support staff / (Mintzberg, 1979).

4. ORGANIZATIONAL DESIGN AND INTRAPRENEURSHIP

Identification of organizational characteristics that enable and facilitate innovative processes and corporate entrepreneurship in the company has been the subject of study for numerous authors in the field of organization and management. The results of these studies generally reveal a positive association between higher levels of innovation and organizational design that has an organic character (Burns & Stakler, 1961, Pierce & Delbecq, 1973, Tornatzky et al., 1983). It has been proved that a relatively decentralized structure allows generating a larger number of creative ideas, resulting in a higher number of innovations in the organization (Burns & Stakler, 1961, Thomson, 1961; Kanter, 1983). Kim, Cohn, Hage, and Aiken, are some of the authors who also identified a positive association between innovation and a higher level of participation in decision-making (Cohn 1981, Hage & Aiken, 1970; Kim, 1980). When it comes to formalization as a dimension of organizational structure, the authors came to the conclusion that a lower level of formalization will considerably encourage innovative processes in the organization (Kanter, 1983, Van de Ven, 1989). Studies have also shown that a greater degree of organizational complexity means a higher level of organizational innovation (Hage & Aiken, 1970; Van de Ven, 1986). Therefore, we can conclude that numerous studies, in the period from the 1960s to the 1980s, resulted in the findings that organic structure (decentralized, informal, complex) positively affects the process of innovation, and consequently strengthens intrapreneurship (Russell & Russell, 1992 , pp. 642-643).

The association between characteristics of organizational design and intrapreneurship has been the subject of research since the 1980s and its outcome was the identification of numerous structural attributes that influence the entrepreneurial orientation of organization (see Carrier, 1996, Zahra, 1993, Russell, 1999). Considering that the environment in which contemporary enterprises operate is becoming increasingly complex and dynamic, it is essential to seek a new way of thinking to the management of organization. Most authors agree that the development of entrepreneurial orientation is one of the key assumptions of not only the development but also the survival of companies that operate in the modern business environment. Hence, the choice of organizational design with features that facilitate the development of entrepreneurial orientation becomes one of important tasks in the enterprise (Simons, 2000; Slevin & Covin, 1990).

A high degree of formal control and rigid organizational structures restrain entrepreneurial behavior and limit individual performance in organizations (Morris & Trotter, 1990, Morris et al., 1993). Similarly, Zahra believes that quality communication between managers and their subordinates encourages, while excessive use of control mechanisms prevents development of entrepreneurial spirit (Zahra, 1993). According to Zahra and Carrier decentralized organizational structure facilitates horizontal, vertical and lateral communication within the organization and in the same way eases the exchange of creative ideas and the promotion of entrepreneurial spirit (Carrier, 1996). However, Simons pointed at the weakness of the lack of control in organizations, which can result in employees' dysfunctional behavior. That explains why this author proposes a framework entitled "levers of control", which implies such a degree of control that simultaneously prevents anarchy but also leaves enough space for the generation of creative ideas. Hisrich and Peters believe that the development of an entrepreneurial spirit in the organization requires the support of top management, who must create "positive culture" in which new ideas are encouraged and supported (Altinay & Altinay, 2004, pp. 334-336).

Having reviewed the literature on organizations and entrepreneurship one can conclude that the effect of the structural dimensions on the development of an entrepreneurial culture in the organization has drawn the attention of numerous authors. Most research in this field shows that there is a negative correlation between a high level of formalization and complexity of the organizational structure on the one hand, and a high level of development of entrepreneurial culture in the organization, on the other hand. Similarly, a positive correlation has been observed between a high level of decentralization and a high degree of development of entrepreneurial culture in the organization. (see Hatton & Roland, 2006; Farjadi, 2010; Asgari, Thaleghani & Pirbavafa, 2012, pp. 2249-2253).

Two components of the entrepreneurial process have been identified: opportunity identification and opportunity exploitation - as overlapping processes (eg, Bhawe, 1994; Davidsson, 2004; Sarasvathy, 2001). K. Poudel and S. Thacher argue that the two overlapping processes give rise to two paradoxes - the paradox of uncertainty and the paradox of inertia - and resolving these two paradoxes requires an entrepreneurially optimal organizational structure (Poudel & Thacher, 2010, p.3). Specifically, the rigid organizational structure facilitates the process of opportunity exploitation, while flexible/organic structure provides opportunity identification. Hence, it is necessary to examine the dimensions of the organizational structure and choose the organizational design (the so called entrepreneurial structure) that will facilitate the resolution of this paradox. In the analysis of organizational structure, usually three of its dimensions are taken into account: centralization, formalization and complexity. However, in their analysis of the attributes of the enterprise structure, Poudel and Thacher have introduced the third dimension - communication in the organization (although this has been partially covered by formalization as a structural dimension).

According to these authors, the richness of communication channels has a positive effect on opportunity identification as well as on opportunity exploitation. On the other hand, centralization makes opportunity identification process harder, but facilitates the process of business ideas exploitation. Similarly, the impact of standardization of processes and procedures has positive impact exploitation, and a negative impact on the identification of entrepreneurial ideas /as it limits the creativity of employees/ (see Poudel & Thacher, 2010, pp.15-35)

5. THE RESULTS OF EMPIRICAL RESEARCH

The basic set of this study comprises of a hundred companies across Bosnia and Herzegovina, from various sectors, which are geographically dispersed throughout the whole country. The main instrument for collecting data for research purposes was a questionnaire. Questionnaires were distributed to the top managers of companies, and there was an open opportunity where general managers or any members of the top management team had a choice to fill in the questionnaires themselves. The questionnaire was designed in accordance with the content elements of the underlying research, where, in most cases, the form of closed questions was chosen, such as: a) multiple choice questions with a number of enumerations, b) multiple choice questions of intensity. For multiple choice questions of intensity, Likert scale was applied. A total of 86 questionnaires were filled and returned, that is 86%, which is satisfactory in terms of representative quality of the survey sample. By an insight into the structure of the collected empirical data, we come to a conclusion that 36 companies, according to the criterion of the number of employees, belong to the category of medium-sized and large companies, while the remaining 50 companies that were included in the survey belong to the category of small and micro enterprises. Since small and micro enterprises do not have a sufficiently developed organizational structure, a more detailed analysis of the structural features, which are important for the development of intrapreneurship, was carried out in 36 medium and large enterprises. The results of this analysis will be presented further below.

The results of the empirical research show that the functional organizational structure is dominant in the medium and large enterprises across Bosnia and Herzegovina. A relatively high degree of centralization is established in these companies. Specifically, 50% of the decisions were made by the company's top managers without the involvement and consultation of subordinates and in 62% of the cases, communication is achieved through top-down system. The situation is somewhat better in the field of engaging employees in the process of setting goals (in 39% of the companies, based on the sample it was determined that the employees are involved in the process of setting goals).

Table 1 The level of centralization/decentralization

The level of centralization/decentralization in your enterprise/company:	I totally agree	I agree	I agree to a certain extent	I disagree	I totally disagree
Decisions in your company are delivered by top-management, without the involvement and consultation with their subordinates.	22%	28%	31%	17%	3%
All decisions are made by managers and their subordinates are to follow them.	19%	39%	25%	8%	8%
Subordinates are not involved in the process of setting organizational goals.	3%	36%	22%	33%	6%
Tasks are usually assigned in writing.	11%	31%	28%	25%	6%
Communication takes place entirely from top to bottom (in terms of the organizational hierarchy).	31%	31%	28%	8%	3%

Lower level employees' suggestions are very rarely appreciated when solving a particular problem.	3%	19%	19%	42%	17%
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According to the results, a noticeably high degree of formalization in the companies has been noticed in the companies across the country. As it has been already pointed out by the theoretical knowledge and the results of research studies, a high degree of formalization in the organization exists when communication is largely carried out in writing and when writing reports are a preferred control mechanism. The formal control in Bosnian companies is largely based on a huge number of written documents governing the behavior of employees (with this statement 14% fully agreed, 31% agreed, and 39% agreed to a certain extent). It can be helpful to add that the control is based on frequent submission of written reports (only 14% of companies reported no agreement with this statement).

Table 2 Formal control in organization

Formal control in your enterprise/company is based on the following:	I totally agree	I agree	I agree to a certain extent	I disagree	I totally disagree
Compliance with rigid rules and accurately defined procedures.	19%	31%	33%	14%	3%
A large number of written documents which regulate behavior of employees.	14%	31%	39%	17%	0%
Frequently submitted written reports on the accomplished work tasks.	22%	39%	25%	14%	0%
Supervision of supervisors over all activities of their subordinates.	22%	50%	22%	3%	3%
Establishing a cost responsibility center (organizational units are responsible for the costs associated with their business operations).	11%	39%	25%	19%	6%
Establishing responsibility centers of income (organizational units are responsible for the accomplished income)	14%	31%	28%	22%	6%
Establishing responsibility centers of profit (organizational units are responsible for the profits they achieve).	6%	28%	36%	28%	3%
Establishment of investment responsibility centers (organizational units are responsible for the profit and refund on investment associated with an organizational unit)	11%	25%	33%	28%	3%
Evaluation of employees' performance in the company is carried out constantly and it is what determines the amount of salary and opportunity for advancement.	14%	33%	28%	19%	6%

On the other hand, empirical results show that there is a relatively high level of satisfaction with the job design in Bosnian companies. Generally, the results of the research in this field show a lower degree of specialization and a broader scope of work with the existence of a lower degree of monotony at work.

Table 3 Methods of job designing

Methods of job designing:	I totally agree	I agree	I agree to a certain extent	I disagree	I totally disagree
a) I believe that jobs are too narrowly defined and that employees should have greater authority.	3%	22%	36%	33%	6%
b) I believe the work performance of employees is far too dependent on the conducting of other employees / colleagues because of the current systematization of jobs, making them limited and slow in completing their work tasks.	0%	22%	33%	42%	3%
c) There is an apparent monotony and lack of enthusiasm among the employees who perform the same types of jobs in their workplace.	6%	17%	36%	33%	8%
d) I believe that employees are generally too busy at work because of new, daily challenges (solving complex problems and making difficult decisions.	0%	17%	31%	50%	3%
e) Employees receive feedback on the quality of work they have done.	19%	33%	28%	17%	3%
f) Employees are given a degree of freedom in choosing their own timing for a break /rest during working hours.	19%	33%	19%	19%	8%
g) A large number of jobs in your company is performed in a team.	25%	39%	33%	3%	0%
h) Employees have a high degree of freedom in making decisions related to performance of the tasks in their job description.	6%	28%	39%	28%	0%
i) Employees work in pleasant	28%	39%	22%	6%	6%

physical conditions.					
j) Jobs are designed in accordance with the person's psychophysical condition.	22%	33%	36%	8%	0%

The study results have revealed a positive relationship that Bosnian enterprises have towards teams and teamwork. It has been observed that team work is challenging for the employees (only 14% of the companies disagreed with this statement in the sample), that team work opens up the possibility of acquiring new knowledge and experiences (there was no agreement with this statement in only 3% of the cases), that the quality of communication becomes better through team work in the organization (only 3% disagreed with this statement).

Table 4 Attitudes towards team work

Attitudes towards team work	I totally agree	I agree	I agree to a certain extent	I disagree	I totally disagree
a) I believe that the work of employees would be more challenging if it involved a team.	25%	33%	28%	14%	0%
b) I believe that the intensive work performance in a team would produce a number of conflicts in the organization.	3%	17%	36%	39%	6%
c) When a business task is performed by a team, the individual members are prone to absenteeism, while others work hard.	11%	25%	31%	25%	8%
d) Team work expands the base of knowledge and experience.	22%	47%	28%	3%	0%
e) Teamwork increases efficiency in solving the problems we face.	19%	64%	17%	0%	0%
f) Team work means more effective distribution of work tasks.	17%	56%	25%	3%	0%
g) Work in a team motivates and stimulates team members to work harder.	11%	58%	25%	6%	0%
h) The individual performance within a team increases social pressure.	11%	33%	47%	8%	0%
i) Due to differences in personalities and approaches to solving problems among team members, team work is stressful and frustrating.	6%	11%	28%	50%	6%
j) Communication between employees is improved by team work.	19%	67%	11%	3%	0%
k) Teamwork increases business flexibility.	11%	56%	33%	0%	0%

l) Teamwork significantly reduces costs (reduction of mid-level management).	14%	39%	39%	8%	0%
m) A lot of time and energy is spent for the development of team community.	3%	11%	53%	28%	6%
n) The dominance of one group or fraction within the team regarding the other members reduces contribution of the whole team.	6%	25%	28%	39%	3%

6. CONCLUSION

Dynamic, complex and heterogeneous environment imposes entrepreneurial behavior on modern enterprises as a precondition for the construction and preservation of competitive advantage. Appropriate organizational design requires open communication channels, greater degree of decentralization, and smaller number of hierarchical levels, networking of various units, and flexibly designed jobs. Although the notion about the importance of intrapreneurship has already been developed, the systems that the company often builds standardize behavior and encourage conservative behavior. The rigid hierarchical structure makes it difficult to react quickly to changes in the environment as well as to implement new ideas. Regulations and rigid adherence to strict rules and procedures slows entrepreneurial endeavors and limits creativity and innovation of intraenterpreuters. Therefore, shaping entrepreneurial organization requires an organizational structure that has an organic character and allows for entrepreneurial orientation. Due to non-standardization in the way of functioning, entrepreneurial organizations have a strong culture whose basic norms and values motivate and guide employees to innovative behavior. Entrepreneurial culture is characterized by encouraging initiative in seeking and exploiting opportunities, teamwork, a high level of risk tolerance and failure, avoiding the use of rigid control mechanisms, low level of formalization, open communication, and a high degree of identifying employees' personal goals with the goals of the company. The results of the empirical research that are partially presented in this paper show that the companies in Bosnia and Herzegovina have a relatively high degree of centralization and formalization, which can be one of serious obstacles to the development of stronger intrapreneurship in the companies. On the other hand, a relatively satisfactory job design (wider specialization or expended volume of work), and a positive attitude towards inter functional cooperation and teamwork, opens the possibility for strengthening entrepreneurial behavior in Bosnian companies. The results of the GEM research in 2011 showed that developing entrepreneurial potential of employees who initiate business activities in enterprises, as an alternative way of exploiting business opportunities, is one of the key preconditions for the growth and development of Bosnian enterprises. According to the GEM recommendations for Bosnia and Herzegovina in 2011, what needs to be done is raising awareness of employers about the importance of activating the entrepreneurial potential of their employees through employee involvement in decision-making on innovation and expansion of business. By taking into account the results of the empirical study, whose results were partially presented in this paper along with the results of the GEM study, it can be concluded that managers in Bosnian companies should pay more attention to the implementation of organizational changes, which would be aimed at achieving the organizational preconditions for stronger development of intrapreneurship in these companies.

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