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Organizational Structure

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Abstract

Conceptualization of organizational structure is the manifestation of systematic thought. The organization is composed of elements, relations between elements and structure as a generality composing a unit. Structure is high combination of the relations between organizational elements forming existence philosophy of organizational activity. Systematic view of organization to structure shows that structure is composed of hard elements on one side and soft elements on the other side. The review of literature views structural relations from various aspects. Organizational structure is a way or method by which organizational activities are divided, organized and coordinated. The organizations created the structures to coordinate the activities of work factors and control the member performance. Organizational structure is shown in organizational chart. The present study is descriptive and library method is used for data collection.

1. Structure

Structure refers to the relations between the components of an organized whole. Thus, structure concept can be used for everything. For example, a building is a structure of the relationship between foundation, skeleton, ceiling and wall. The body of human being is a structure consists of the relations between bones, organs, blood and tissues (Jo. hatch, 2014). Organizational structure is the framework of the relations on jobs, systems, operating process, people and groups making efforts to achieve the goals. Organizational structure is a set of methods dividing the task to determined duties and coordinates them (Monavarian, Asgari, & Ashna, 2007). Organizational structure is a

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method by which organizational activities are divided, organized and coordinated. The organizations create the structures to coordinate the activities of work factors and control the members' actions (Rezayian, 2005).

2. Organization structure definition

Minterzberg (1972): Organizational structure is the framework of the relations on jobs, systems, operating process, people and groups making efforts to achieve the goals. Organizational structure is a set of methods dividing the task to determined duties and coordinates them. Hold and Antony (1991): Structure is not a coordination mechanism and it affects all organizational process. Organizational structure refers to the models of internal relations of organization, power and relations and reporting, formal communication channels, responsibility and decision making delegation is clarified. Amold and Feldman (1986): Helping the information flow is one of the facilities provided by structure for the organization (Monavarian, Asgari, & Ashena, 2007).Organizational structure should facilitate decision making, proper reaction to environment and conflict resolution between the units. The relationship between main principles of organization and coordination between its activities and internal organizational relations in terms of reporting and getting report are duties of organization structure (Daft, Translated by Parsayian and Arabi, 1998).

2.1. Conceptualization of organizational structure

Conceptualization of organizational structure is the manifestation of systematic thinking. Organization consists of elements, relations between elements and structure of relations as a generality composing a unit. Structure is high combination of the relations between organizational elements forming existence philosophy of organizational activity. Systematic view of organization to structure shows that structure is composed of hard elements on one side and soft elements on the other side. At the end of hard dimension, there are tangible elements as groups and hierarchy organizational units. The relations between these units and groups show soft element in organization structure. At the end of soft continuum dimension, judgment of organization people to structure can be observed. The review of literature views structural relations from various aspects. According to the study of Schine (1971, 1988) regarding the identification of three dimensions: Hierarchy, functional and inclusion, it is a unique study. Three dimensions of his study are as followings:

- Hierarchy dimension: It shows relative ranks of organizational units by similar method of organizational chart.
- Functional dimension: It shows different works performed in organization.
- Inclusion dimension: The close or far distance of each person in organization to central core of organization. The proper combination of mentioned dimensions shows formal structure as manifested in organizational chart. The reality is that there are many organizational forms and they cannot be easily explained by organizational chart (Foruhi, 2004).

3. Dimensions of organizational structures

Organizational structure is manifested in organizational chart. In planning organizational structure, there are three principles:

1- Organizational structure determines formal relations and reporting in organization and it shows the number of levels in the hierarchy and it defines the span of the control of managers.
2- Organizational structure determines the position of people as working in group in a unit and it divides the units in the entire organization.
3- Organizational structure includes the design of systems by which all units are coordinated and effective relation in organization is guaranteed.

Organizational structure can be affected by goals, strategy, environment, technology, organization size. These variables are key and content-based and indicate the entire organization and its position between the organization

and environment. Content variables can be important as they show organization and the environment in which there are structural variables. Structural variables indicate internal features of an organization and present a basis by which the organizations can be measured and their structure features can be compared with each other. The content variables affect structural variables. Complexity, formality and centralization are important examples of content variables. Content variables affect structural variables and by their combination, different types of structural designers are created (Rabinz, Translated by Parsian and Arabi, 2012).

4. Different types of organizational structures

  The organization theorists consider mostly two types of structures: Physical and social structures. Physical structure refers to the relations between physical elements of organizations as buildings and geographical places in which the works are done (business). In organization theory, social structure refers to the relations between social elements as people, positions and organizational units (e.g. departments and sectors).

4.1. Different types of social structures

Simple structure: This is a set of flexible relations and due to limited separation, it has low complexity. The members of such organization can design organization chart with focusing on leaders and there is no need to formality. Considering the duties or management order is done by mutual agreement and coordination and supervision are direct and informal.

Functional structure: The organization with increased complexity is managed based on simple structure. Normally, functional structure is used as a tool to fulfill the increasing needs of separation. This is called function as in this structure, the activities are classified based on logical similarity of work functions. The functions that are created based on dependent duties and shared goals. In functional structure, re-work of activities is limited and this structure is efficient. The aim of this plan is maximizing saving of specialization scale.

Multidivisional structure: In organizational development path, if functional structure is developed, it is turned into multidivisional structure as a tool to reduce the decisions responsibility by top manager. Multidivisional structure is a set of separate functional structures reporting a central center. Each functional structure is responsible for management of daily operation. The central staff is responsible for supervision and management of organization relation with environment and strategy.

Matrix structure: This structure is created with the aim of creating a type of structure composed of functional and multidivisional structures. The aim of matrix structure is combining the efficiency of functional structure with flexibility and sensitivity of multidivisional structure not only based on product logic, customer or geographical region, but also based on functional logic in multidivisional structure. In matrix organization, functional specialized employees work in one or some project teams. This delegation of activities to employees is done via negotiation between functional and project managers and sometimes with the presence of people of teams or potential members.

Hybrid structure: In hybrid structure, one part is dedicated to the type of structure and another part to another type of structure. The reason of formation of hybrid structures is combination of advantages of two structures by designers or the organization is changing. As in hybrid structure, by moving from one section of structure to another structure, the relations basis is changed and hybrid forms can be unclear. On the other hand, hybrid structure enables the organization in which the best and flexible structure is used.

Network structure: The networks are formed when the organizations are faced with rapid changes of technology, short life cycles of product and dispersed and specialized markets. IN a network, required assets are distributed among some network partners as there is no unified organization in a network to generate the products or services and the network is producer or supplier. In a network structure, the partners are associated via customer supplier relations and a type of free market system is created. It means that the goods are traded among network partners as in a free market, they are traded (Jo. hatch, Translated by Danayifard, 2014).

Bureaucracy: Generally, determining criterion, forming, unifying the work methods as called standardization is key concept or foundation of machine bureaucracy. If you're visit banks, chain stores, tax offices, health office, firefighting, these institutions and offices rely on standardization of methods and work methods for coordination and good supervision. The features of machine bureaucracy are as:

- High volume of uniform and continuous executive works
- Dealing with regular and formal regulations
- The presence of separated units with definite classified duties
- Centralization of power and taking decisions via commanding hierarchy
- Having complete administrative structure by defining the boundary between staff and queue activities (Rabbinz, Translated by Parsayin and Arabi, 2012).

4.2. Structural forms

Structural forms are divided into theoretical and practical. Theoretical forms are generic and abstract divided into organic and mechanistic.

Content variables (goals and strategy, environment, technology and size) determine the type of mechanistic and organic structure. Of the combination of structural variables, organic or mechanistic form is created.In organic structure we have:

- Less horizontal differentiation
- High collaboration and participation (both horizontal and vertical).
- Flexible tasks
- The works are not formal and the communications are informal.
- Decision making system is not centralized.

In mechanistic structure:

- The units are differentiated at horizontal level.
- The relations are exact and inflexible.
- Communication channel is formal
- Decision making system is centralized.

Different types of practical organizational structures are organic and mechanistic structures in a range and include partial and practical structures. The practical structures are divided into two groups:

1- Different types of practical structures based on five sections of organization.
2- Different types of practical structures based on grouping the activities of organization

Different types of practical structures based on five sections of organization, Minterzberg believes that each organization is composed of five main section:

- The operative core is the workers who actually carry out the organization's tasks (goods or services).
- The strategic apex is top management and its support staff.
- The middle line is the managers between operating core and top management of organization.
- The techno structure is analysts, with the duties of standards in organization.
- The support staff is the people who have support staff duty and help in linking with organization activities.

Each of five principles can control the organization. Based on the principle controlling the organization, the organization structure is designed specifically (based on this principle). Thus, based on the view of Minterzberg, there are five types of organization structures and each of them belongs to the principle in organization (Rabbinz, translated by Parsian and Arabi, 2012).

4.3. New structures

From the early 80s, top managers of many great organizations attempted to present new structures and increase effectiveness of organization as:

- Team structure: The barriers are eliminated, the decisions are not centralized and the team takes the required decisions.

- Virtual organizations: It is a small and central organization providing its main resources form other organizations. A virtual organization is centralized in terms of structure and rarely has it specialized units.

- No boundary organizations: In these organizations, commanding chain is eliminated and there is no control and the teams with high autonomy are replaced by centers (Rabbinz, Translated by Parsian and Arabi, 2012).

5. Structural models

Structural models give the main importance to organizational structure but key elements are consistent with the main features of each formal model. Bowlman and Dill believe that structural view is based on 6 hypotheses:

1- The organizations exist to achieve the predetermined goals.

2- For each organization, structural form based on specific set of conditions is designed.

3- An organization is effective if, the environment confusion and individual priorities are restricted by reasoning norms.

4- Specialization, enables high level of specialization and individual performance.

5- Coordination and control are necessary for effectiveness.

6- Organizational problems arise from unsuitable and inefficient structures and can be solved by re-structuring or development of new systems.

Structural assumptions of Bowlman and Dill include bias of goal, reasoning, power and referring to the systems consistent with the main goals of formal models. Beker and Koagan propose structural model with 4 levels as:

- Central level including the national and local power as having general planning, determination of resources and supervision on standards.
- The institution defined in law and association and it includes all schools and Universities.
- The main unit corresponding with educational groups and faculty members in educational groups and display units in schools.
- Individual level including teachers, students or employees of support. However, Beker and Koagan consider mostly the teachers as they play the main role in forming curriculum and academic policies.

These structural models define operating and prescriptive methods, prescriptive method is associated with supervision and maintaining the values in the system. Operating method refers to the applied duties in various levels in the system. The relations among the levels can be classified into prescriptive or operating and the relations require evaluation or judgment, in operating relations, it is associated with the resources allocation, responsibilities and duties. Beker and Koagan consider the nature of four levels as open. Their structural models are not hierarchy. The schools and universities are described as vertical and hierarchy. For example, Owts emphasized on the hierarchy nature of school structures and improved the chief power. The high teacher power is delegated to the top teacher and via the chiefs of sectors, the periods are transferred… (Implicitly) and agreement regarding the ability of top managers to direct school management is express without any disagreement (Boush, translated by Shahidi et al., 2013).

6. Determining factors of structure

Pitter Draker: Structure is a tool to achieve short and long-term goals of organization. Thus, any discussion should be regarding goals and strategy in structure.

- Strategy: The process of determining fundamental long-term goals, taking method and allocation of required source to achieve goals. Strategy refers to final results and tools.
- Size: Kimberley states that organization magnitude has four elements:
1- physical capacity of organization (the number of beds in hospital, number of production lines, number of University classes)
2- The existing employees in organization: The most common criterion (part-time staffs, seasonal business, industry type)
3- Organization input and output (number of customers, students and sale)
4- Materialistic and financial resources

The size of an organization is effective on its structure.

- Technology: It refers to the information, equipment, techniques and process to turn the inputs to outputs. Woodward Research: He mostly focused on production technology and the companies were classified based on one of three types of production technology, mass and process.

- Environment: The forces effective on organization performance and organization has less control on them or has no control on them.
  General environment: All effective conditions on organization but their dependency was not clear to organization (economic, cultural, political, social, legal conditions, etc.).
  Specific environment: It is a part of organization environment as associated directly with organization to achieve the goals. Specific environment of each organization is unique and is changed by changing the conditions (customers, suppliers, competitors, law making institutions, state, etc.) and the specific environment of an organization is changed based on its selective domain.

- Control power (strategic selection): Under the best conditions of four previous factors (strategy, size, technology, environment) only 50 to 60% of change in structure are explained. Based on this view, at any time, the structure of an organization is the result of measurements of power owners of the organization in selection of the structure by which its control is maximized.

The structure of an organization is the result of power conflict between internal organization coalitions with specific benefits and each requires a structure and their benefits are fulfilled better instead of general benefits of organization (Arabi, 2007).

7. The formalization tool of organization

The most important formalization tool of organization is as followings:

- Organizational structure charter
- Organization guide (Rezayian, 2005)

7.1. Organization chart:

It is one of the documents regulated after organization formalization. To describe organizational structure, units of an organization are used and it includes organizational unit and role. It is as hierarchy and if necessary, the roles of organizational units in low details level are added (Shams & Mahjurian, 2010).
- To show organizational units, rectangle box is used (sometimes circle, etc.).
- The most important organizational unit is at the top of chart and distance of each unit form the highest unit indicates the power of the unit.
- The lines between organization units show their organizational relations.
- IF the communication line between two units indicates applying a part of power, it is shown by assumptive line (---).
- If we make a difference between queue units form staff units, the staff units should be drawn beside commanding line (organizational hierarchy)(Rezaian, 2005).

7.2. FHD chart

- This model is used to describe a set of duties or functions of an organization.
- Any organizational unit or organizational position has a series of d units but these duties are not performed practically until a process in organization is associated with these duties.
- It is possible that there are ten separated duties for an organization position but practically, only one or two duties are used by a set of executing processes of organization (Shams, Mahjurian, 2010).

7.3. The system architecture chart

This model is used to describe the relations between one subsystems with other information subsystems, information resources in a complete system. An information system is recognized by some of smaller subsystems (Shams, Mahjurian, 2010).

- Organization guidance: IN some of bigger organizations, to introduce formal organization structure, organization guidance is used consisting of some information as:
- Organizational goals
- Policies and procedures
- Charts
- Job definition of main executive managers
- Some guidance about the duties of executive managers (Rezaian, 2005).

8. Re-engineering

Re-engineering of organizations is a set of tasks performed by an organization to change the process and internal controls to be changed from vertical traditional structures and hierarchy to horizontal structures based on group and surface structure as all processes are used for attracting the satisfaction of customers. The items in a successful re-engineering:

1- What should be changed?
2- How this change is made.
3- By which tool, the change is made.
4- Why this change is made.
5- When the changes are occurred.
6- Where the change is made (Tafreshi, Yusefi, Khadivi, 2002).

9. Conclusion

As the current society is with millions of organizations and institutions, it is required that they are organized in the form of limited configurations. The configurations as suitable for organizing all organizations and institutions are classified in various models and forms. Some of the structures are organic, dynamic but others are mechanized and static. Each of them have their unity compared to other models (Rabbinz, Translated by Parsain and Arabi, 2012).

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