

RELATIONSHIP BETWEEN ORGANIZATIONAL STRUCTURE AND EMPLOYEE BEHAVIOR

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ABSTRACT

This conceptual paper aims to draw attention to the relationship between organizational structure and employee behavior in public and private organizations. Previous studies identified this relationship and most of them focused on the hard aspects of organizations, while the soft issues stand less researched (Naqshbandi, & Kaufr, 2013). However, this study concluded that organizational structure is positively related to employee behaviour. Further studies focussing on the influence of organizational structure on organizational commitment concluded that all kinds of organizational structures are related to organizational commitment in both sectors, except the hierarchy of authority, whereas participation has the largest correlation with organizational commitment in private firms (Al-Qatawneh, 2014). The current study seeks to analyse the important role of strategic management arrangements in achieving organizational goals. The purpose of this study is to analyse the influence of internal driving factors in the form of employee behavior, organizational structure and the role of management in achieving organizational mission. This study confirms the theoretical importance of laying the foundation of strategic management as a basis for internal coordination and creating a supportive working climate in the workplace (Fauzi, et al. 2021).

Keywords: Employee behaviour, Organizational structure, Productivity, Performance, Organizational commitment.

INTRODUCTION

Katsikea et al. (2011) stated that organizational structure is an important topic to be researched. As it is known, every organization uses organizational structure as a control mechanism for employee's behaviour at work to ensure that tasks are performed effectively and efficiently to attain organizational goals. It is a systematic thought in which activities are organized, divided, and coordinated to help management to control employee behaviour in organizations.

Ahmady et al. (2016) defined organizational structure as an extrinsic factor which influences employee's behaviour from the outside, through formal limitations set by division of labour, authority distribution, grouping of units, and coordination. Therefore, employee behavior in organizations is the result of the impact of its organizational structure.

This review article aims to analyse and detect whether organizational structure dimensions have any relationship with employee behaviour in public

and private organizations. This review paper is structured as follows. First, it explains about the organizational structure; employee behavior; relationship between organizational structure and employee behaviour in organizations.

ORGANIZATIONAL STRUCTURE

There are different models of organizational structure. Schine (1971, 1988) identifies three models of organizational structure that are useful and common in many organizations.

1. **Hierarchy Dimension:** It shows relative ranks of organizational units by similar method of organizational chart;
2. **Functional Dimension:** It shows different works performed in organization; and
3. **Inclusion Dimension:** It shows the close or far distance of each person in the organization to the central core of organization. The proper combination of these models shows formal structure as manifested in the organizational

chart. There are many organizational models, and they cannot be easily explained by organizational charts (Foruhi, 2004).

Organizational theorists proposed two types of organizational structures: **Physical structure**, relationship between physical elements and organization such as building and geographical places of the organization; and **Social structure**, relationship between social elements as people, position, and unit in organizations. Social structure also has subtypes which are simple structure, functional structure, multidivisional structure, matrix structure, hybrid structure, network structure, and bureaucracy (Ahmad et al., 2016).

Furthermore, Ahmady et al. (2016) explains that organizational structure can be affected by goals, strategy, environment, technology and organization size. These variables are key and content-based that indicate the entire organization and its position between the organization and its environment. So that any organization requires limited configurations that are suitable for smooth running, according to the nature of the organization.

Foruhi (2004) asserted that any organization should follow three principles of organizational structure which are: determines formal relations and reporting in organization, shows the number of levels in the hierarchy, and defines the span of the control of managers; determines the position of people as working in group in a unit, and divides the units in the entire organization; and includes the design of systems by which all units are coordinated and effective relation in organization is guaranteed.

EMPLOYEE BEHAVIOR

There is a wide variety of employee behaviors in any organization that can occur within the workplace. Employee behaviors have various sequences of actions carried out by employees in the organizations (Hanna et al., 2004). Some of these behaviors may be positive that are actions of employees on behalf of the organization, employees and customers (Bowen & Shoemaker, 1998) and/or negative behavior that may destroy a productive work environment and generate stress, provoke minor illnesses and even cause depression among employees (Helen, 1993). These negative behaviors become epidemic and spread to others like the diseases, which is costly to the organization's productivity and eventually takes its toll on employees' health and performance.

There are several types of employee behaviors which are: Citizenship Behavior (CB), employees think out of the box to reach the top within the shortest time and show genuine behavior to fellow workers with no harm; Counterproductive Work Employees' Behavior (CWEB), employees has a tendency to harm their organization, speak ill of their organization and abuse fellow workers, often do unproductive work which spoil the entire organizational culture with counterproductive behavior like thefts, leaking confidential information and data tampering (Martinko et al., 2002).

King (2004) states that negative employees' behavior has ruined many businesses and cost employers millions of dollars every day. It also has the consequence of driving away customers, damaging employees' morality and increasing their turnover rates. Employees' behaviors are important in a service company as they connect the organization with its customers, and they represent a critical factor in developing effective working relationships in organizations (Grönroos, 1990; Gwinner et al., 1998).

RELATIONSHIP BETWEEN ORGANIZATIONAL STRUCTURE AND EMPLOYEE BEHAVIOR

Previous studies have explored the relationship between organizational structure and organizational culture. Finding indicates that both of them impact each other, hence, there is a causal relationship due to which the agreement of the two components of organization leads to better performance and impact employee behavior. This is done by generating hypotheses about the agreement of particular types of organizational culture and particular types of organizational structure (Janicijevic, et al., 2013). This study highlights that there is a relationship between organizational culture and employee behavior in an organization. Whereby, this relationship has a reason that needs to be tested in future research.

In a study conducted by Dedahanov et al. (2017), investigated the mediating role of innovative behavior on the relationship between organizational structure, and organizational innovation performance. Findings indicate that innovative employees' behavior does not mediate the relationship between integration and organizational innovation performance. Whereby, the empirical findings revealed that organizational structure is associated with less innovative employee behavior. This finding led to the conclusion that organizational

structure mediates the relationship among employee innovative behavior and is supported and consistent according to previous research (Gilson & Shalley, 2004; Damanpour, 1991; Tang et al., 2013). Thus, employees' innovative behaviour was a crucial underlying mechanism that explained the associations between organizational structure and employee behaviour. Furthermore, the study suggests that, future studies might investigate the impact of other different organizational structures on employee behavior and investigate the applicability of this model in the organizations to examine their relationship at large.

Jaehoon et al. (2017) examined the issue of organizational structure and employee innovative behaviour in organizations. In this study, results indicated that centralization and formalization structure in organizations were negatively related to empowerment. Empowerment was positively related to employees' behaviour. The study recommended that formalized organizational structure make managers enhance employee empowerment. There are a lot of limitations in this study that should be addressed in the future. Hence, concluded that, the future comparative study should be done to examine organizational structure on employee behaviour in several countries.

Eliana et al. (2020) examine how organizational structure influences the work environment for innovation. This study suggests the need to conduct further studies focusing on the influence of organizational structure on employee innovative behaviour to test the relationship in a large area for a large sample.

Currently, there is a study by Fauzi et al. (2021) which investigated the impact of organizational structure on organizational commitment in selected private and public organizations. The results indicate that structural dimensions positively influence organizational commitment on employee behaviour. These findings are consistent with previous research (Subramaniam et al., 2002; Auh & Menguc, 2007; Nahm et al., 2003). Furthermore, structural dimensions, formalization, standardization, and participation do not differ between employees from private and public organizations. Hence, this result is inconsistent with Zeffane (1994). Whereby, these relationships did not change significantly in either of the sectors with regard to the dimensions of organizational structure. Theoretically, the findings of this research contribute to the knowledge of the

relationship between organizational structure and organizational commitment of employee behaviour in organizations. The results suggest that future studies should examine the relationship between organizational structure and employee behaviour in the organization and focus upon whether the results of this study are similar across public and private sector organizations in different countries (Fauzi et al. 2021).

Moreover, a related study by Amoako, et al. (2022) investigated the effect of organizational leadership, organizational structure, and employee behaviour, specifically technological capabilities. The finding indicates that organizational structure and employee technological efficacy/ competence behaviour have a positive and significant influence on the successful implementation of the system in the organization. Conversely, organizational structure did not have a significant influence on the success. Hence, internal marketing plays a critical role in aligning organizational goals, expectation and employee's capabilities behaviour. The study concluded that organizational structure would translate into the acquisition of relevant skills in which organizational structure has direct and indirect relationship to employee behaviour in organizations that need to be investigated further.

CONCLUSION

Today, organizational structures are changing swiftly from virtual organizations to other flexible structures. Concept of structure can be used for other things. 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 determine duties and coordinates them and play a crucial role in driving employee behaviour in organizations. Results of the previous review shows that organizational structure leads to employees either negative or positive behaviour and may impact customer's overall satisfaction. Hence, this study concluded that there is a correlation between these variables, which is in line with many empirical studies. Moreover, the literature concluded that more research is needed to investigate the relationship between organizational structure and employee behaviour in an organization, looking at different factors at large.

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