

Justification of Organisations' Structure for Strategy Implementation

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ABSTRACT

This study focused on justification of organisation's structure for strategy implementation. The study sought to evaluate the implication of job enrichment and job specification in public sector organisations, analyze the justification for job specification and job description in public sector organisations, determine the implication of environmental influence on organizational structure, and determine the organisation's purpose, mission and objectives. The study was descriptive and was carried out primarily through interview of employees in three public sector organizations in Nigeria. Secondary data which were mainly qualitative were obtained through books and journals. Findings indicated that job enrichment increases worker's involvement and interest in their job while job simplification reduces efficiency and makes employees demotivated and unhappy. Job specification identifies the qualification of an individual to a particular job while job description identifies the tasks, duties, and activities required in a particular job. Job description could be used to develop a fair and comprehensive compensation and reward system. However, the study recommended that efficiencies can further be realized in as much as functional organizations integrate their activities vertically so that products are sold and distributed quickly at a low costs.

Keywords: Organisational structure, strategy implementation, job enrichment

INTRODUCTION

An organization structure consists of activities such as task allocation, coordination, and supervision, which are directed toward the achievement of organizational aims. It can also be considered as the viewing glass or perspective through which individuals see their organization and its environment. An organization can be structured in many different ways, depending on their objectives. The structure of an organization will determine the modes in which it operates and performs. Organisation structure allows the expressed allocation of responsibilities for different functions and processes to different entities such as the branch, departments, work-group and individual. Organisational structure affects organizational action in two ways: First, it provides the foundation on which standard operating procedures and routines rests. Second, it determines which individuals get to participate in which decision-making process, and thus, to what extent their views shape the organisation's actions (Mohr, 1982). Organisation structure may also be seen as organisation design which Hellriesel, Jackson and Slocum (1999) say involves determining the structure and authority relationships for an entire organization in order to implement the strategies and plans embodied in the organisation's goals. Organisation design is the sum of managerial

decisions for implementing a strategy and ultimately, achieving the organisation's goals (Hellriesel, Jackson and Slocum, 1999). Organisation structure may be defined as the established pattern of relationships among the components of the organization. Organisation structure in this sense refers to the network of relationships among individuals and positions in an organization. Organization structure is the formal system of task and reporting relationships that controls, coordinates and motivates employees so that they cooperate and work together to achieve an organisation's goals. Organisation structure is the framework that defines the boundaries of the formal organization and within which the organization operates. The structure of an organization reflects how groups competes for resources, where responsibilities for profits and other performance measures lie, how information is transmitted, and how decisions are made (Rue and Byars, 2000). Organisational structure refers to the division of labour as well as the patterns of co-ordination, communication, workflow, and formal power that direct organizational activities (Mcshane and Glinow, 2000). Organisational structure is a formal system of working relationships that both separates and integrates tasks. Separation of tasks makes clear who should do what and integration of tasks indicates how efforts should be meshed (Ezigbo, 2011).

The manager determines the work activities to get the job done, writes job descriptions, organizes people into groups and assigns them to superiors. He fixes goals and deadlines and establishes standards of performance. Operations are controlled through a reporting system. The structural organization implies the following-: the formal relationships with well-defined duties and responsibilities; the hierarchical relationships between superior and subordinates within the organization; the tasks or activities assigned to different persons and departments; coordination of the various tasks and activities; and a set of policies, procedures standards and methods of evaluation of performance which are formulated to guide the people and their activities. The arrangement which is deliberately planned is the formal structure of organization. But the actual operations and behaviour of people are not always governed by the formal structure of relations. Thus the formal arrangement is often modified by social and psychological forces and the operating structure provides the basis of the organization.

A basic structure distributes responsibilities among members of an organization. The purpose of structure is to contribute to the successful implementation of objectives by allocating people and resources to necessary tasks and designing responsibility and authority for their control and coordination. However, in some public sector organizations there is apparently inconsistent and arbitrary decisions, insufficient delegation of decision making, lack of clarity in job definition and assessment of performance, and competing pressures from different parts of the organizations; as a result of these, there are low morale and motivation of employees, conflict and lack of coordination, poor response to new opportunities and external change. The study is descriptive and was carried out primarily through observation and interview of employees in three public sector organizations in Nigeria: Nigerian Ports Authority, Nigerian National Petroleum Corporation (NNPC), and Nigerian Television Authority (NTA). Secondary data were obtained through books and journals.

Thus the study focuses on justification of structure for strategy implementation. The study has the following specific objectives

- (i) To evaluate the implication of job enrichment and job simplification in public sector organisations.
 - (ii) To analyze the justification for job specification and job description in public sector organisations.
 - (iii) To determine the implication of environmental influence on organisational structure.
 - (iv) To determine the organisation's purpose, mission and objectives
- Consequently, the study seeks to answer the following questions
- (i) What is the implication of job enrichment and job simplification in public sector organisations?
 - (ii) What is the justification for job specification and job description in public sector organisations ?
 - (iii) What is the implication of environmental influence on organizational structure?
 - (iv) How can an organisation's purpose, mission and objectives be determined?

COMPONENTS OF ORGANISATION'S STRUCTURE

Organisation structure influences the division of the tasks, grouping and coordination of activities, and overall accomplishment of the tasks. The components of organization structure are discussed below.

Division of Labour and Specialisation: This involves dividing duties into simpler, more specialized tasks. Duties assigned to managers and employees to perform depend on specialization and personal expertise. The division of labour which results in work specialization provides the following benefits to the organization. Performance of specialized job enhances the work efficiency. Hence, the employees' skills can be used in the most efficient way. Since the work cycles of the job are very short, the workers can attain perfection on that job quickly. It enhances productivity in the organization. Workers can be trained easily to perform the repetitive work. Training costs are reduced. It is easier to match workers with the specific job skills.

Standardisation: This refers to the uniform and consistent procedures that employees are to follow in doing their jobs. Written procedure, job description, instructions, rules and regulations are used to standardize the routine aspects of jobs. Standards permit managers to measure an employee's performance against established criteria. Job descriptions and application forms standardize the selection of employees (Hellriegell *et al*, 1999).

Co-ordination: Co-ordination comprises the formal and informal procedures that integrate the activities of separate individuals, teams and departments in an organization.

Delegation of Authority: Authority is power derived from the rights that came with a position and represent the legitimate exercise of power. Lines of authority link the various organizational components. Delegation of authority is the process by which managers assign to subordinates the right to make decisions and act in certain situations (Ezigbo, 2011). Delegation of authority is one of the most important elements in the process of organization. Organisations are characterized by a network of activities and roles. Delegation

is the process through which the interrelationships are created among individuals in their different roles in the organization. Thus, the process of delegation helps managerial development in an organization. It reduces the burden of the managers and leaves him free to look after important matters of the organization. It is a method by which subordinates can be developed and trained to take up higher responsibilities. It provides continuity to the organization and creates a healthy organizational climate by creating better understanding among the employees.

TYPES OF ORGANISATIONS' STRUCTURE

Formal Organisation: Formal structure is the planned structure and represents the deliberate attempt to establish patterned relationships among components that will meet the objectives effectively. It sets a general framework and delineates certain prescribed functions, responsibilities, positions, hierarchy of authority, etc. and relationships among them.

Informal Organisation: Informal organization refers to these aspects of the system that are not planned explicitly but arise spontaneously out of the activities and interactions of participants. Informal relationships are vital for the effective functioning of the organization when the formal organisation is slow in responding to external and internal forces; informal relationships develop to deal with these new problems.

Tall Structure: A tall structure would have many hierarchical levels. There is a long distance between the topmost manager and the bottom-most manager. There are large number of job titles and a career path to the employee. Thus a tall structure has many levels and relatively small spans of management. As an organization grows in size, its hierarchy of authority normally lengthens, making the organization structure taller. As a hierarchy becomes taller problems that make the organisation's structure less flexible and slow manager's response to changes in the organizational environment may result. Communication problems may arise when an organization has many levels in the hierarchy. It can take a long time for decisions and orders of top-level managers to reach lower level managers and it can take a long time for top level managers to learn how well their decisions worked out. Another communication problem that can result is the distortion of commands and orders being transmitted up and down the hierarchy, which causes managers at different levels to interpret what is happening differently. Tall organizations are known for centralization of authority.

Flat Structure: A flat structure has relatively few levels and relatively large spans of management at each level. An organization can keep organization structure flat by decentralization of authority to lower-levels managers and non managerial employees, if managers at higher-level organizations are minimized.

Functional Structure: The most widely used structure is the functional or centralized type. Functional structure exists when units and sub-units of activities are created in organization on the basis of functions. Besides being simple and inexpensive, a functional structure also promotes specialization of labour, encourages efficiency, minimizes the need for an elaborate control system and allows rapid decision -making. Employees within the functional divisions of an organization tend to perform a specialized set of tasks. This leads

to operational efficiencies within that group. However, it also leads to a lack of communication between the functional groups within an organization, making the organization slow and inflexible. Coordination and specialization of tasks are centralized in a functional structure which makes producing a limited amount of products or services efficient and predictable (Robbins and Judge, 2007). Some disadvantages of a functional structure are that it forces accountability to the top, minimizes career development opportunities, and is sometimes characterized by low employee morale.

Divisional Structure: The divisional organization structure is more suited to every large enterprise particularly those which deal in multiple products to serve more than one distinct markets. A divisional structure can be organized by geographic area, product or service, customer, or process. With a divisional structure, functional activities are performed both centrally and in each separate division. In other words, independent divisions (product divisions or market division), are created under the overall control of the head office. Each divisional manager is given autonomy to run all functions relating to the product or market segment or regional market. A divisional structure may consist of two or more product divisions or market or territorial divisions. By geographic area, it is appropriate for organizations whose strategies need to be tailored to fit the particular needs and characteristics of customers in different geographic regions. In terms of product, it is most effective for implementing strategies when specific products or services need special emphasis. With regard to the process, it is similar to a functional structure.

Activities are organized according to the way work is actually performed. A divisional structure has some clear advantages: first and perhaps, foremost is accountability. Other advantages are that it creates career development opportunities for managers, allows local control of local situations, leads to competitive climate within an organization, and allows new businesses and products to be added easily. A divisional structure is characterized by decentralization of authority. Thus, it enables managers to take decisions promptly and resolve problems appropriate to the respective divisions. It also provides opportunity to the divisional managers to take initiative in matters within their jurisdiction. However, divisional structure involves heavy financial costs due to the duplication of supporting financial units for the divisions. Moreover, it requires adequate number of capable managers to take charge of the respective divisions and their functional units.

Matrix Organisation: Matrix organization provides a flexible structure ideally suited to the requirement of changing conditions. It facilitates pooling of specialized and technical personnel from different functional departments, who can be deputed to a number of projects. They acquire valuable experience of handling varied and complex problems in project work. There is speedy exchange of information and decision-making as they work under the coordinating authority of project managers. The major drawback of matrix organization is that the personnel drawn from specialized functional departments are subjected to dual authority, that of the functional heads and the project managers. The principle of unity of command is thereby sacrificed. This generates stresses and strains in project management, because there is simultaneous engagement of the same individual in a number of projects.

Weak/Functional Matrix: A project manager with only limited authority is assigned to oversee the cross- functional aspects of the project. The functional managers maintain control over their resources and project areas.

Balanced/Functional Matrix: A project manager is assigned to oversee the project. Power is shared equally between the project manager and the functional managers. It brings the best aspects of functional and project organizations. However, this is the most difficult system to maintain as the sharing power is delicate proposition.

Strong/Project Matrix: A project manager is primarily responsible for the project. Functional managers provide technical expertise and assign resources as needed.

Factors Affecting Organisation's Design: The factors that affect organisation's design are strategy and environment. Strategy: A change in strategy is likely to result in structural changes. Also, a change in strategy is likely to give rise to administrative problems because the existing organizational structure is not adapted to cope with the new strategy.

Environment: Environment has strong impact on the organization structure of a business organization. Organisations face different types of environment such as stable, changing or turbulent environment. The structure of each organization must fit the nature of its environment.

Stable environment: A stable environment is characterized by few changes in products, technology, competitive forces, markets, and political forces, and the changes that do occur have minimal impact on the organisation's internal operations. No environment is perfectly stable, and all undergo some changes. A mechanistic organization seems best suited to firms operating in stable environment: This is an organization design in which activities are broken into specialized tasks and decision-making is centralized. Changing or turbulent environment - a changing environment is unpredictable because of frequent shifts in products, technology, competitors, markets, and/or political forces. In changing environment, managers should constantly seek to satisfy the needs of the customers whose demands and needs are changing. Success depends on the organisation's ability to anticipate market trends and respond to them quickly. To do so may mean partial or complete redesign of the organization (Hellriese, Jackson and Slocum 1999). An organic organization is well suited to a changing environment. It stresses teamwork, open communication, and decentralized decision-making.

Job Design and Job Analysis

The first step in organization design is on one hand job design and on the other is job analysis. Job design is the process by which managers decide how to divide tasks into specific jobs. Managers of every organization must analyze the range of tasks to be performed and then create jobs that best allow the organization to give customers the goods and services they want. Job design involves job simplification and job enrichment.

Job Simplification: This is the process of reducing the number of tasks that each worker performs. Job simplification may reduce efficiency rather than increase it, if workers find their simplified jobs boring and monotonous, they become demotivated and unhappy, and as a result, perform at a low level.

Job Enrichment: This involves changing job specifications to broaden and add artificial challenges to the tasks required to increase productivity. Job enrichment is increasing the degree of responsibility a worker has over a job, thus empower workers to experiment to find new or better ways of doing a job, encourage workers to develop new skills, allow workers decide how to do the work and giving them the responsibility for deciding how to respond to unexpected situations, and allow workers monitor and measure their own performances. The idea behind job enrichment is that increasing workers' responsibility increases their involvement in their jobs and thus increases their interest in the quality of goods they make or the services they provide. Workers who perform a variety of tasks (job enrichment) and who are allowed and encouraged to discover new and better ways to perform their jobs are likely to act flexibly and creatively. Thus, managers who enrich jobs create a flexible organizational structure, and those who simplify jobs create a more formal structure. If workers are also grouped into self- managed work-teams, the organization is likely to be flexible because team members provide support for each other and can learn from one another (Ezigbo, 2011).

Job analysis on the other hand, is the process of determining through observation and study, the pertinent information relating to the nature of a specific job. The end products of a job analysis are job specification and job description.

Job Specification: This is a written statement that identifies the abilities, skills, traits, or attributes necessary for successful performance in a particular job. Generally, a job specification identifies the qualifications of an individual who could perform the job.

Job Description: This has to do with a written statement which identifies the tasks, duties, activities, and performance results required in a particular job. The job description should be used to develop fair and comprehensive compensation and reward systems.

Table 1: Environmental Influence on Organisational Structure

	Stable	Dynamic
Complex	Decentralised bureaucratic e.g hospital	Decentralised Organic
Simple	Centralised bureaucratic e.g mass production	Centralised Organic or Decentralised Bureaucratic e.g retailing

Source: Adapted from Mintzberg, H: *The Structure of Organisations: A synthesis of Research*, Prentice Hall.

According to Johnson and Scholes (1988), in an environment which is essentially simple, organizations gear themselves to operational efficiency. Not faced with high degrees of change, they can standardize their ways of operation, management styles tend to be mechanistic or bureaucratic and there is fairly centralized management. This type of organization is called Centralised Bureaucratic. Increasing complexity is handled by devolving decision responsibility to specialists. This means that organizations in complex but stable environments tend to be more decentralised at least for operational purposes.

Hospitals and universities are good examples of those that traditionally have been in fairly stable or predictable environments. The ongoing operational tasks, the operation management of a hospital, for example, are done in a standard way, often with a highly bureaucratic management style. The complexity of some of the aspects of the patient care is then devolved to the specialist skills of the physicians, surgeons, psychiatrists, among others. In simple but dynamic environment, it may make sense to retain fairly centralized strategic decision making as a means of ensuring speed in important matters, whilst removing bureaucratic procedures, lengthy referral processes, extensive departmentalization and layers of management. This type of organization is called Centralised Organic. In situations of high levels of competition; which require rapid response and change, it has been noted that organizations may decentralize decision making but ensure that overall control at a strategic level is monitored and planned through more formal systems. In such competitive environments a key organizational issue is likely to be centralization versus decentralization. The answer is likely to depend on the circumstance of competition and the size of the organization. It would be difficult to centralize all strategic decisions in a conglomerate with a very wide diversity of business interests; here there is need to some degree of decentralization, presumably at least to the business unit level. Where the environment is both complex and dynamic: This means that their environment is changing so fast that they need the speed and flexibility that organic styles of management provide. The level of complexity is such that they must devolve responsibility and authority to specialists.

CONSEQUENCES OF STRUCTURAL DEFICIENCIES

Child (1988) identifies the consequences of structural deficiencies as listed below.

Late and Inappropriate Decisions: This may result from lack of relevant timely information to the right people, poor coordination of decision-makers in different units, overloading of decision-makers due to insufficient delegation, and inadequate procedures for re-evaluation of past decisions.

Conflict and Lack of Coordination: This may result from conflicting goals and people working at cross-purposes because of lack of clarity on objectives and activities, failure to bring people together into teams or through lack of liaison, and lack of effective systems for communicating the modification of tasks.

Low Motivation and Morale: This may result from apparently inconsistent and arbitrary decisions, insufficient delegation of decision-making, lack of clarity in job definition and assessment of performance, competing pressures from different parts of the organization. Poor Response to New Opportunities and External Change. It may also result from failure to establish specialist jobs concerned with forecasting environmental change, failure to give adequate attention to innovation and planning of change as main management activities, inadequate use of teamwork and attention to relevant aspects of new projects.

Rising Costs: Rising costs may result from a long hierarchy of authority with a high proportion of senior positions, an excess of rules, procedures and administrative work at the expense of productive work, and presence of some, or all of the other organizational problems.

FRAMEWORK OF STRATEGY

Strategy consists of actions taken by an organization to accomplish stated objectives (Ezigbo, 2011). Strategy Formulation is the process whereby management develops an organisation's strategic mission, derives specific strategic objectives and chooses a strategy (Thompson and Strickland, 1987). There are corporate strategies and growth strategies. Corporate strategies involve the purpose, mission and objective (goals) of the organization. **Organisation's purpose:** The purpose of an organization is its primary role as defined by the society in which it operates. Purpose is thus, a broad aim that applies not only to a given organization but all organizations of its type in that society. Therefore, the purpose of all religious organizations is to bring people to repentance while the purpose of educational institutions could be for human resource development.

Mission: This is what an organization is and why it exists. Organisations relate their existence to satisfying a particular need of the society. They do this in terms of their mission. Mission is a statement, which defines the role that an organization plays in a society. Mission of a business organization is the specific or unique business activity it actually produces for a segment of the market. For instance, a book publisher and a magazine editor are both engaged in satisfying the information needs of the society but they do it through different means: both have different objectives but an identical mission. The basic characteristics of mission statement is that it should be feasible, it should always aim high but should not be an impossible statement. It should be realistic and achievable. It should be precise, a mission statement should not be so narrow as to restrict the organization's activities nor should it be too broad to make itself meaningless and unrealistic. It should be clear enough to lead to action. It should not be a high sounding set of platitudes meant for publicity purposes.

Many organizations do adopt such statements but probably they do so for emphasizing their identity and character. It should be a motivational statement to all members of the organization and of society, and they should feel it worthwhile working for such an organization or being its customers. A bank, which lays great emphasis on customer service, is likely to motivate its employees to serve its customers well and to attract clients. A mission statement should be distinctive. A mission statement that is indiscriminate, is likely to have little impact. It should indicate how objectives are to be accomplished. Objectives are performance targets which the organization wants to accomplish. Thompson and Strickland (1987) accept that the strategic objectives set forth the competitive market position that an enterprise seeks to have and the specific performance targets that management seeks to achieve in pursuing the strategic mission. Objectives must be expressed in quantitative terms and must also have a specified time period during which it must be accomplished. They should attempt to overcome weaknesses and they should take maximum advantage of strengths, and form a crucial part of the strategy of an organization. They give the scope and direction for the company's business. Objective sets out what the business should do. They provide for consistency in decision making among different managers as well as provide for specific planning, and provide the basis for corrective actions and control (Ezigbo, 2011).

Table: 2: The Organisational Growth Strategies

Intensive Growth	Integrative Growth	Diversification Growth
Market Penetration	Backward Integration	Concentric Diversification
Market Development	Forward Integration	Horizontal Diversification
Product Development	Horizontal Integration	Conglomerate Diversification

Source: Onwuchekwa, C.I (1995), *Strategy formulation and Implementation*, Awka Goshen Publishers.

Growth strategies include the basic secondary strategies which actually implement the corporate mission and objectives. These are Intensive Growth Strategies, Integrative Growth Strategies and Diversification Growth Strategies. Intensive Growth Strategies are unexploited opportunities that are tied to a company's present product-market relationship. The intensive growth opportunities available to a business organization are market penetration, market development and product development. Integrative Growth Strategies are unexploited opportunities that exist in the core marketing system. They are backward integration, forward integration and horizontal integration. Diversification Growth Strategies simply means that a company is now going to an unrelated business from its present product-market relationship. The reason for diversification could be that the present product-market relationship is no longer lucrative. There may be new opportunities in the environment that provides the company a differential advantage. It could be that the company has uninvested liquid cash. The Strategy Implementation is the process of analysis oriented to selecting appropriate organizational structure to implement a formulated and selected strategy. An analyst who is involved in strategy implementation may likely choose functional, divisional or matrix organization (Onwuchekwa, 1995).

Findings indicate that job enrichment increases worker's involvement and interest in his job while job simplification reduces efficiency and makes the employee demotivated and unhappy. Job specification identifies the qualification of an individual to a particular job, while job description identifies the tasks, duties, and activities required in a particular job. Job description could be used to develop a fair and comprehensive compensation and reward system. The implication of environmental influence on organisational structure highlights that:

- i When an organization is simple and in a stable environment, it represents a functional structure and it is called centralized bureaucratic.
- ii When an organization is complex and in a stable environment, there could be decentralization; thus, it is called decentralized bureaucratic.
- iii When an organization is simple and in a dynamic environment, it is called centralized organic.
- iv When an organization is complex and operating in a dynamic environment, it is called decentralized organic.

CONCLUSION

The study concludes that strategy formulation is an important general management activity that guarantees the survival of an organization. There are corporate strategies and growth strategies. Corporate strategies provide long term guidance for the choice of relevant growth strategies. Corporate strategies tell us where a business wants to go and growth strategies tell us how to get there; that is growth strategies implement the corporate strategies. It is actually the implementation of growth strategies that affect structural changes in an organization. The study recommends that efficiencies can further be realized as functional organizations integrate their activities vertically so that products are sold and distributed quickly and at an affordable cost. The structure of an organization affects not only productivity and economic efficiency but also the morale and job satisfaction of the workforce structure should be designed therefore, so as to encourage the willing participation of members of the organization and effective organizational performance.

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