

Organizational Structure and Strategy implementation

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Introduction :

In this paper, we are going to focus on the role of organizational structure and strategy implementation and their significance and influence to rise up the organizational performance for any organization around the world. The strategic management has an essential role to develop the organizations and improve their performance in all fields (manufacturing, banking and service, communications, and agriculture etc.) (Hashim2008). Strategic management studies have to do with the relationship between organizations, their environments and the drive for profitability (Mintzberg, Ahlstrand, &Lampel, 1998). As a result of the dynamics of both the organization and the environment, the ability to adapt becomes even more important (Wheelen, & Hunger, 2014). In order to be competitive and remain in business, and with global innovative drive on technology and communication, it has become imperative for business to adjust accordingly to meet growing business demands. Organizations should be able to design strategies that are essential (vital) for their survival. Howbeit, these well-formulated strategies will not benefit organizations unless they are successfully implemented (Bhimmi&Smit, 2007). While the importance of implementing strategies by organizations have been noted, members of the organizations still lack understanding of actual implementation of these strategies (Noble, 1999).

Normally, while drafting strategic plans for organizations, it is also important for such plans to be supplemented by corresponding implementation plans. In it, responsibilities, chronologies, needs for resource and organizational or operational changes required to deliver on the strategic initiatives of plan are exposed in there. The expressing 'strategic plan' is most times applied as an all-encompassing expressing covering the part of strategy planning and implementation and the critical success factors needed for meeting operational goals (Bossidy, Charan&Burck 2002). Every strategic plan has the particular aspects that are related to the environment ,internal processes and structures, human capacities and money resources.

Strategy formulation involves substantial doses of vision, analysis, and entrepreneurial judgment. However, to successfully implement strategy implementation, it is dependent On the skills of management, the organization, motivation, construction (the building) of culture and the creation of the stronger crises enters the strategy and how the organization operates (works). This is so because learnt behaviors are not easy to change as some workers are not susceptible to change either. To that end, enterprise manager suggested so much easy to develop a clear strategic than it's to form it happen (Bossidyet al, 2002).

At organizations, the strategy manager is charged with the responsibility of managing strategy and change. However, this process is not as easy as it seems due to The number of implied tasks, their various complexities while the myriad of steps involved in handling every task. Strategy implementation has in imitation of be normal according to go well with the organization's basic purpose then objectives yet enterprise working conditions. This is in view of managements' pool of skills, style and methods (Gottchalk, 2008).

Based on the above submissions, four categorical areas stand clear, namely, performing the routine administrative tasks related to strategy implementation; creating "fits" between strategy and the various internal "ways of doing things" so as to align the

whole organization behind strategy accomplishment; figuring out an agenda and a set of action priorities that matches up well with the organization's overall goals and objectives and under which context implementation should take place, and finally, what management model and leadership vogue is best in initiating the required organizational variable (Cater &Pucko, 2010).

To be able to bring the organization into an awareness state of strategy accomplishment, the strategy implementer is challenged on the need to factor the strategies into the daily operations of the organization while uniting varying challenges that may accrue there from (Grogaard, 2012).

Organization Structure and Strategy Implementation

Chandler (1962) was the pioneer in presenting the first description of the link between strategy and structure. He defined structure as the make-up of organization by which the enterprise is overseen. Further submitted that whether the design is formal or informal, it is composed of two important aspects. Firstly, authority and message lines among the various structure ,manger and officers, secondly, the knowledge and data that flow over these lines of authority and message lines. Like structures of authority and communication lines are important in assuming effective coordination, appreciation and planning, and also to align with set organizational goals and objectives.

In the opinion of (Noble, 1999), they suggested that a structure is a procedure in itself. This means the holding with each other of an organization so it is capable of determining its own destiny and shaping its future. They further submitted that organization's that work in uncertain dynamically and environments changing , should have structures and processes that are organic/ flexible, while extra steady environments give themselves to added familiar mechanical inflexible structures.

Strategy and structure are both connected in the sense that structure is needed for strategy application. This is the structure is a means to an purpose. That is, it provides

facilities for implementing strategy. Hence, both should be integrated. Confusion, misdirection and misconceptions may arise as a result of the absence of integration. To this end, it is important to note here that, there can be various possible ways an organizational structure can be designed (Noble, 1999). However, there are issues involved in designing a structure that best fits the strategic planning of the organizations, and that is in response to the three questions down: What be supposed to constitute the various units in the organization? What parts of the organization ought to be annexed and that parts ought to be separated, and eventually, what's the appropriate placement and link of various units (Kristy & Huxley, 2014).

The researchers argued that the connection and the final synergy between the strategy and the structure of a company lead to the best performance . However, there is a paucity of research aimed at providing empirical evidence indicating/confirming that firms which matched strategy and structure perform better than those that have not. Companies that are able to manage the compatibility between strategy and structure in their operations should be able to create a big competitive advantage, while corporation that do not have a fit are left susceptible to foreign changes and inside inadequacies (Gottchalk, 2008).

Structures are an indispensable part of strategy implementation (Noble, 1999). In as much as there are changes in the technology and production environments of an organization, irrespective of stability, implementation remains an ongoing and ever-changing process and organizations must also allocate resources to meet up these changes. Strategy implementation is an important part of the strategic management operation . It is the collection of activities whereby people use different resources in accomplishing the aim of the strategy (Hrebiniak, 2005). According to Groggaard, 2012) implementation of strategies has to do with the design and management of systems for the achievement of best ways of integrating human, process and material in achieving set organizational objectives. Though strategy implementation is important, it is to

some extent difficult because of the time frame involved in implementation of activities compared to the time frame involved in formulation. Whereas the myriad More so, he involves more people and the biggest complexity of task and needs the sequential and simultaneous thought on directors' part of implementation (Hrebiniak, 2005).

Strategy implementation has to do with the introduction of modify processes to an business. Managers sometimes use a lot of valuable time, probably months, even years, evaluating alternatives and selecting a strategy. This is then followed by the announcement of the strategy to members of the organization who are all expected to key into the strategy implementation process. When a strategic change is poorly introduced, managers may actually spend more time implementing changes consequential from the new strategy than was spent in selecting it. Strategy implementation includes both macro-organizational issues (technology, reward systems, decision processes, and structure), and micro-organizational issues (e.g., organization culture and resistance to change (Bhimani& Smith, 2007).

Organization Structure

The essence of organizational structure is to institutionalize how people interrelate with each other, the top-down and bottom-up flow of communication and how clearly relationships are defined (Noble, 1999). The structure of an organization is a reflection of the choices made by the company based on the organizational values inherent within the organization (Gottchalk, 2008). It also has to do with how job tasks are formally shared, clustered, and coordinated.

Organizational structure can also be seen as the way responsibilities and powers are allocated so that work procedures are carried accordingly by members of an organization (Groggaard, 2012) .It is important to note here however that organizational principles be based on the tenets of teamwork, face-to-face interactions, learning, and innovation. However, certain qualities conventionally considered egalitarian, for example, equality, empowerment, horizontal relationships, and consensus building

become more important (Noble, 1999). Organizational structure is somewhat affected by the firm's external environment (Groggaard, 2012). Studies suggests that firms that are set up based on response to dealing with reliable and stable markets may not necessarily be as effective based on the complexity and the rapidly changing business environment (Gottchalk, 2008). The more positive the environment, it is most likely that the firm's organizational structure may have a centralized hierarchy, with formal rules and procedures. Additionally, organizations that operate with a high degree of environmental uncertainty may decentralize decision-making (Gottchalk, 2008) and are more likely to reduce the stance or holding onto formal rules and policies (Catar&Puko, 2010), and compress their hierarchies. More so, organizational structure has multiple dimensions; however, (Noble, 1999)suggested a rather in depth view of the relationship between organizational determinants and innovation (Cater &Pucko, 2010). Also, Noble (1999) provided a resume of organizational determinant to include formalization, specialization, and standardization, hierarchy of authority, complexity, centralization, professionalism, and personnel ratios. However, visible of this write-up, the subsequent are going to be the 3 structural dimensions which will influence communication, coordination, and deciding that area unit key to strategy implementation: rationalization, centralization, and specialization.

Formalization

Formalization can be defined as the extent to which decisions and employee relations are guided by formal rules and procedures. Rules and procedures are management practices that provide a basis for explaining appropriate behaviors in the work place and across different work settings. When daily problems, grievances and issues arise in the workplace, procedures explain how these problems are and should be addressed. Rules and procedures act as a type of organizational memory and empower organizations to completely misuse past disclosures and advancements.

Formal principles and techniques can likewise prompt expanded proficiency and lower regulatory expenses and furthermore broad organizational execution (Gottchalk, 2008).

The term “organic” is used to describe firms that have few formal procedures. These firms encourage communication across all lines of the organizational hierarchy in addition for well-spelt out flexible job roles. However, there is a slight variation for high-tech businesses. This is so because they frequently use a relatively stable substrate that is formal, notwithstanding little gatherings of impermanent undertaking groups and multi-useful gatherings. The reason and inevitable impact for cutting edge organizations taking part in this structure procedure is to accomplish the productivity expected of an utilitarian association and the market viability of a divisional frame. Normal for cutting edge organizations is additionally that the impermanent groups are generally utilized for a heap of exercises, for example, new item improvement, vital evaluations, and process advancement. The advantages logical from this type of process is that incorporates fast attention to and reaction to developing business sector intensity and market changes, more compelling data sharing, and a decrease in the slack among choice and activity (Bhimani, Smith, 2007).

Centralization

Centralization is a popular organizational action-term used in referring to delegation of authority and shared responsibilities. Workers are meant to feel the essence of management through delegated authority to middle and lower level managers. By this act of delegation, communication lines within an organization are made as clear as possible, thereby accelerating approval processes and reducing bureaucracies. In organizations where decisions and management processes are centralized, there might be fewer innovative ideas, however, when decisions are made, the implementation process is usually faster and moves quickly on the organizational decision making chain. This is however felt in stable and non-complex organizational set ups (Gottchalk, 2008).

In a decentralized organization, there is always the emergence of a variety of ideas from different groups (e.g., product management and sales). For the maximum deciding making is distributed in an exceedingly decentralized organization, deciding and implementation could take longer than necessary. within the long haul, though, it's possibly that a decentralized organization can turn out higher and new ideas, and even better programs that will affect the needed organizational growth, than a centralized organization. More so, at the point when anon-routine employment happens in an intricate domain, decentralization will probably be successful, as it enables chiefs near the issue to settle on choices and execute them quickly (Grogaard, 2012).

Specialization

Specialization alludes to how much errands and exercises are shared over specialists in the association. In exceptionally particular associations, “specialists” make up a high percentage of their workforce and are charged with the responsibility of positioning the organization to achieve set organizational goals and objectives. These specialists normally focus on the following important elements needed to achieve organizational goals: agreeable promoting, valuing, wholesaler relations, or on particular market sections. Masters are specialists in their particular zones and regularly are given generous self-rule, which braces the association to act quickly in light of changes in its condition (Olson, Slater, &Hult, 2005).

The differences between generalist and specialist organizations have been noted in the organizational performance literature. It has been noted that it is better to have specialist-based organizations rather than the former. This is as a result of generalists ar usually low in data regarding specific market segments or in specific experience like e-marketing. Generalists, as a results of their exposure should do some extra

“homework” before responding to alter. Generalist organizations may additionally lie in a position to keep prices down by using decreasing the fee over hiring experts (Olson, Slater, & Hult, 2005).

Matching Organization Structure to Strategy

Munyoroku (2012) mentioned in his study on the relationship between organizational structure and strategy. He pointed out that the under listed five–sequence point would serve as a useful evidence for fitting structure to strategy: 1. Identify the requisite functions and tasks needed for successful strategy achievement. 2. Understanding the Relationships among activities, in organizations, relationships between and among activities can be related via the production and distribution chains. More so, the technical skills and know–how also plays a major role in this regard. In view of this, there is the continued call for decentralization of organizational processes so as to achieve optimal organizational performance. Such relationships are necessary due to the fact certain (or more) interrelations would commonly turn out to be the groundwork because class things to do among organizational units. If the requirements of strategy are to drive organization style, then the relationships to appear out for are people who have a association among the strategies (Munyoroku, 2012). 3. Grouping Activities in Organization Units, for things to do that are vital to organizational degree successes in imitation of arrive the favored attention, since he bear in imitation of remain prominent or need to be out. Management infrequently hand over enhanced indicators as like in imitation of the ingredients regarding such as is strategically vast or not, toughness by using make the answer feature or critical capabilities the most necessary constructing blocks of the company and, in addition, gift them a high position in the organization's hierarchy (Munyoroku, 2012). 4. Determine the dimension about mastership then particularity accorded after each unit, because of gadgets yet activities so are skillful in accordance with the entity about somebody organization, such is important as their roles are separated beyond events and non–key activities. stability Also, revenue–

producing yet results-based activities no longer remain done subservient in imitation of inner aid then staff functions. It is however suggested that the decision making process should be let at the behest of managers with direct to close supervision. Corporate level decisions should not have an overwhelming bearing on unit –level decisions. But unit-level decisions should key into the general organizational level performance indicators (Munyoroku, 2012). 5. Providing because of Coordination among the Units, Organizations so much grant because of consistency of organizational gadgets attain that by positioning them among the hierarchy regarding mastery (Munyoroku, 2012).

In addition to the above, the process of formulating strategic plans itself is more of a coordinating role; all the method of discussing and coming back to a choice on the objectives and techniques of every organizational unit and making certain that connected activities match fittingly, facilitate coordinate process, across organizational units.

Strategy – Structure Relationship

Chandler (1987) defined strategy as a way of determining the basic long-term goals and objectives of an organization, and the other strategies needed for the allocation of resources necessary for carrying out these set organizational goals and objectives. In the study by Chandler (1987) it was suggested that as soon as a strategy is developed, the structure through which such a strategy would be implemented would have been developed. As organizations struggle to cope with modifications in their management processes based on innovations in technology, economic and demographic changes, new strategies create administrative problem and sometimes economic inefficiencies. To this end, structural and strategic changes are needed to address these issues.

Another line of thought with regard the relationship between strategy and organizational structure has emerged after the submission of Chandler (1987). For example, Mintzberg, Ahlstrand, & Lampel (1998) are of the opinion that the strategy – structure

relationship can be styled as interdependent. When the strategy is at the development stage, the learning and experimentation involved may need a more open and less formal organization structure. In their submission, they noted that strategy and structure are habitually intertwined and any can come first in organizational management process.

The traditional approach of the strategy – structure relationship suggests that structure follows strategy. However, it is recommended that strategy be set up first, and then the respective organizational structure developed to support implementation of the strategy. Noble (1991) made his submissions based on a study of a number of American firms. Meanwhile the following key parameters for measuring strategy growth and organizational performance as proposed by Chandler (1987) are volume, geographical expansion, vertical integration, and product diversification. He submits that simple strategic solutions may be unavailable and particularly where the changes are complex and contentious. Organizational structure may be unable to cope with the palpable solutions for reasons of culture, people involved and organizational political pressures (Wheelen & Hunger, 2014).

Strategy Implementing

The manager plays a significant role in the strategy completion process in that he/she leads and sets the tone for implementation of other organizational functions. Be that as it may, the manager, as the implementer of organizational strategy may choose to play which ever role he/she wants, whether active, visible or non-visible. However, the manager must be at a position where he/she can monitor and reward progress accordingly. More so, the manager can also delegate responsibilities to group leaders who reports back on how the strategy implementation process is going; and also noting the successes, failures and devising means of attending to challenges.

Based on the above, it is important to note here that every strategy implementation process is unique in its own sense in that managers have their own agenda; they plan

their strategy and execute same accordingly. This makes the manager to be conscious of the implementation process, so he/she can provide the necessary guidance. This action paves way for problem-solving should any arise in the strategy implementation process. The above submissions indicate that the manager's role is key in driving the strategy implementation process, even if the manager is not involved in the day-to-day implementation process.

The role of personnel in strategy implementation cannot be over-emphasized. This is because the personnel are the resources who drive the process. In building a skillful organization that has a strong internal control system, the personnel therein plays an important role. However, three organizational issues stand out which should be clearly noted: firstly, there needs to be the development of a good internal system that is responsive organizational needs. Secondly, developing a skills pool with clear competencies, and thirdly putting square pegs in square holes and not vice versa.

The transformation and restructuring of the organizational structure is always the first thing to in the implementation of a new strategy (Hrebiniak, 2005). This is because the grounds for which strategy implementation is done, is for the coordination of goals and tasks, resources and control. However, structures and systems are interconnected in many instances, as they are both wide and abstract concepts. A myriad of empiricists have established a link between implementation and goal setting practices. Goal setting is therefore a systematic practice that has to do with how strategy is implemented in organizations. Goal setting is closely linked with management by objectives (MBO) and related management ideas (Mintzberg et al. 1995).

For the successful implementation of a strategy in organizations, Al-Ghandi (1998) identified ten factors that are important, taking a cue from the manufacturing setting: the factors are: backing, assess ability, specificity, cultural receptivity, familiarity, priority, resource availability, structural facilitation and flexibility. However, Alexander (1985), and Al-Ghandi (1998) identified some of the problems faced in implementing

strategies: the identified problems are: longer implementation time; unexpected problems, sub-standard coordination, presidency problems, intention to leave, ambiguity of organizational aims, bad communication, inefficient, management, cross-functional conflicts, vague strategies, lack of neutral commitment, inability to understand progress, to grasp progress, lack of worker commitment.

Strategy – Structure – Implementation

Hrebiniak and Joyce (1985) noted that for the successful implementation of strategy in any organization, there has to be a strong alignment between strategy and structure. They further noted that the dynamic nature of the business environment calls for changes in organizational structures. When this is not done, it most time metamorphoses to poor organizational performance and also leads to diminished competitive advantage. On another note, Cater and Pucko (2010) examine the relationship between SBUs strategy and submitted that structure that are more decentralized create higher levels of SBU efficiency, regardless of the strategic background. On a similar note, Gottschalk (2008) suggested that check organizational structure according to job needs should sponsor effective strategy implementation. It is thus obvious that strategy implementation is a key challenge for today's organizations. Consequently, seminal factors abound that play key influencing roles in the successful implementation of organizational strategies. They are people who communicate or implement the strategy to the systems or to the mechanisms ready (in position) for the coordination and the control. How can be then there a better understanding of these questions and their importance for the implementation of successful strategy?

Noble (1999) made a distinction as to the difference between structure and operation views of strategy application. He noted that the structural prospect concentrates on the formal organizational structure and the control mechanisms, while the interpersonal operation focuses on the people-related issues as a strategic agreement, independent strategic conduct, dispersal perceptions, leadership and application designs, and

connecting and alternative processes. a standard theme within the strategy–structure alignment behavior is that sure analgesic factors could have {an effect on} an best strategy–structure alignment which organizations with a particular strategy–structure configuration could have the next or lower performance than alternative organizations with similar strategy–structure configurations. Structure is dissimilar in every business. Olson et al, (2005) said to that organizational shape (such namely formalization or centralization) may be a high a part of strategy completion.

Conclusion

Noble (1999) summarized the relationship between the organizational structure and strategy especially the strategy implementation. He further explained that structure seems to have an effect on how strategy is executed. This is buttressed by his claim that a proper strategy–structure alignment is a necessary precursor to the successful execution of new business strategies (Kristy & Huxley, 2014).

Finally, we summarized here in this term paper that the most effective factors can be success or obstacle factor during the implementation of strategy is the organizational structure. Organizational structure can determined the truck of the strategy implementation for any organization.

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