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FACTORS AFFECTING THE TRANSITION TO FLAT ORGANIZATIONAL STRUCTURES

In the past decades horizontal organizational structures were adopted in most organizations. These flat structures offer new managerial open actions, less bureaucracy, more team work, open communication, professional development of job and higher satisfaction levels. Shifting organizational shapes to lower levels is directly affected by changing managerial structure trying to take utmost from their most valuable resource – employees. In turn, the transformation of the organizational structure, its transition to flat organizational forms depends on the changing external environment and the internal factors of the organization.
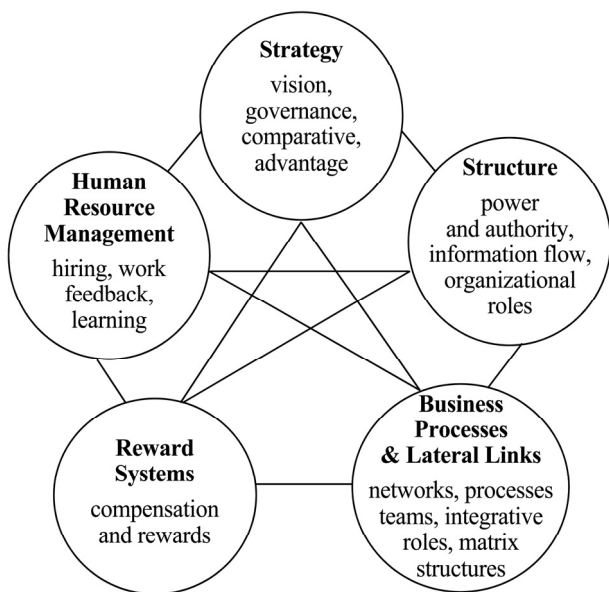
Key words: structure, modification, organization, strategy.

Introduction. The decentralized organizations are characterized by faster decision making, flattened hierarchies and higher responsibilities to empowering employees in specific and the whole environment in general (Holbeche, 1994). Employees, managers and owners as the organizational stakeholders are affected by and affect the transformation of an organization.

Main part. Traditionally, structures were formally allocating resources to tasks needed, including people. Human relations and systems were indulged in organizational challenges affecting the effectiveness and efficiency of vertical organizations. The vertical hierarchal structure was viewed as slow responding to external changes, over bureaucratic and ineffective to development and growth of organizations and employees as well. Studies of Kanter (1989) and Peters and Waterman (1982) and due to their quality concerns emphasized the structures that focus on values, norms, rituals and beliefs that guide the organizational life. Therefore; and in our nowadays environment and due to the ongoing change, organic decentralized flatter organizations are to be adopted and organizations are willing to shift its structures due to their proved higher efficiency. Historically people used "smoke signals" or pigeons to communicate, they were physically isolated. This has changed nowadays to the information and communication technologies. Local problems in any part of the world may become global in no time. Competition is quickly and highly growing, especially in Asia, fast technological development is shortening products' lifecycles and making the business environments more dynamic. These circumstances urge organizations to increase their competitiveness. The rapid external changes and the internal technological developments pressure the organizations to think in a new way to differentiate themselves in order to stay unique and survive. Organizations and after these challenges try to face, adopt to and harmonize those conditions with internal situations. Reflecting these circumstances, organizational cultures or designs are built to increase the organizational uniqueness and competitive advantage.

Organizational theory states, an unable organization to organize its elements, then neither qualified employees nor technology or information are of any use. An organization is an open system reacting to changes and impulses of surrounding environments. R. Ackoff (1971) defined organizations as goal-directed systems including minimum two elements of common purpose with one leading system at least. These organizations arrange their key elements – information, technology, work and people to create their organizational structure. "Structure involves a net of roles and relationships helping to ensure collective effort to achieve specific aims" (Armstrong, 2009). Neither organizational structure, design nor architecture are isolated anymore but are considered in a more complicated way. Hard and soft elements compose the organizational architecture. Working positions – formally arranged as organizational structure – and procedural arrangements – logically connected operations – create the hard elements. On the other hand, the social network (informal structure), organizational culture and the human resources create the soft elements. Organizational strategy is the way of connecting and managing such factors through the organizational structure's shared values that are vital in adjusting and guiding employees' behaviors and reactions towards the desired directions. A. Chandler (1962) explained that organizational structure is subsequent to the strategy, and leads to created models explaining the relation between the structure and other organizational elements. Those models consider the organizational structure as a primary factor for an organization's success stressing at the same time that the organizational change doesn't lead to expected success if not accompanied with advanced changes of its basic elements. When building effective organizations, harmonizing key components should be taken into consideration, what is called Star model (Figure).

Strategy
vision, governance, comparative, advantage

Human Resource Management
hiring, work feedback, learning

Structure
power and authority, information flow, organizational roles

Reward Systems
compensation and rewards

Business Processes & Lateral Links
networks, processes teams, integrative roles, matrix structures

Star model (Galbraith et al., 2002)

There are various versions of this model, in addition to other models that may be adopted like Mckinsey's 7S or Leavitt's diagram. Each company nowadays has its unique Star model or 7S model in practice. These models aim is harmonizing all organizational elements not only internally but with the environment as well in order to achieve utmost productivity, efficiency and effectiveness. J. Plaminek (2014) has a similar view who adopted the Vitality pyramid of organizational systems. Vitality pyramid includes dynamics, stability, effectiveness and usefulness. Based on that it can be said that organizational structure is a major element, but changes made in it do not guarantee performance, health and vitality of the organization. If structural changes are made separately from other changes, they are to return to their original status. To make sustainable changes organizational structure is to be set at last; as a start, it is vital to know the factors that slowed the organization's reactions in the past and lead to adaptation to changing environment slower as well. In general, managerial problems, decision making ways, keeping qualified employees and information flow became the most often occurring problems. Organizations should start by eliminating non-productive activities, distributing responsibilities and then providing changes in the system.

Factors influencing the transition to flat structure. In the 21st century, it is necessary for successful organizations to create good conditions in order to implement knowledge management system, supporting or enhancing the permanent learning culture, creating manageable and flexible structure and simplifying the changing process as much as possible. Becoming familiar with internal and external organizational environment and its ability

to cooperate and get involved with organizational development specialists will be the deciding factor in sustaining the enterprise's competitiveness. The contingent school, Barns and Stalker (1961), Woodward (1965), Lawrence and Lorsch (1969) from the contingent school studied deeply various organizations and explained that their adopted structures and the way they function are the function of conditions, in which they exist. They did not agree with the statement that there is only one best organizational design. If the organization considers the external environment, it is necessary to take into account that there is a causal relationship with the impact of individual impacts, any changes in one affect the other. Environments surrounding organizations differ, so it is impossible to only scan the technological or market dynamic impacts. The literature clarifies that researchers differentiate when it's related to the factors influencing or affecting the organizational structure. Studies differentiated between internal and external difficulties or impacts affecting the transition or modification of the structure. This differentiation was considered according to technological impacts, creation of alliances and partnership, permanent changes, diversification, work structures and demographic changes. Internal situations are the factors having a relation with the organization's internal life and can influence the organizational structure [1–9].

Internal factors affecting the transition stage. The internal factors that may face organizations when trying to shift the structure are, but not limited to, the change of organization's life cycle, technology used, management style, organization's size and organizational strategy.

The change of the organizational life cycle from starting up or birth, growth ranging from early growth phase due to fast growth and the maturity where slow or no growth happens, maturity after that leads to a decline where it is the pillar of either the renewal or the death of an organization. Technology adopted ranging from the traditional systems to the new information systems indulged in organizations' lives. The managerial styles followed in the organization are explained by the manner of presenting or doing things. These styles are 1) autocratic where mangers inform employees about what to be done so employees are motivated through their fear of discipline; 2) consultive style where the management seeks opinions and feedbacks before proceeding to the final decisions; 3) style of persuasive is somehow like the autocratic but seeks to persuade employees behind the reasons of the taken decisions but still it is a one way communication; 4) democratic is the forth management style that may affect the structural shift, in this style decisions are to be taken up to the majority of employees' opinions.

Chaotic management style where no specific structures are set for the decision-making criteria. At last, the Laissez-Faire happens when employees ask for the manager's guidance after taking the decisions. Another internal factor that may affect the structure shift would be the size of an organization that is determined either by number of employees, operations largeness and its market share and reach. Finally, the organizational strategy that is the sum of actions or activities taken by organizations to achieve long-term goals.

External factors affecting the transition stage. After explaining the internal factors that are faced by organizational structural shifts, here are the external difficulties range from demographic changes, changes in the structure of work, workforce diversity, partnerships and alliances and technological changes.

The demographic changes in workforce deal with the gender, age and educational level changes in workforce. Changes in the structure of work where employees are reporting or dealing with more than one office or department and with different managerial levels. Workforce diversity, due to globalization, the diverse communities are emerging and so organizations are diversified. Partnership and alliances describes the mutual work of more than one organization in order to achieve predefined common or specific objectives. At last the technological fast changes are also considered one of the external influences that affect the organizational structural shifts.

Conclusion. The rapid organizational and environmental changes, nowadays, are leading to a conflict between the environment and the organizational statuses. To deal with or minimize such conflict, organizations seemed to shift their organizational structures to meet the changes around and solve the conflict inside. Such changes can't be isolated anymore; the organizational structure is the main building block of organizations. It develops performance and guarantees effective and efficient operations. N. Mansoor (2012) said that the change or shift in organizational structures is considered one of the reactions to the environmental changes to harmonize with them.

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