



Investigate the Relationship between Organizational Structure and Organizational Performance in Aghajari oil and gas Production Company

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ABSTRACT

Objective: The aim of this article is investigate the relationship between organizational structure and organizational performance in aghajari oil and gas Production Company. **Methodology:** The present research is applied research. Also according to way of data collection (research project), the present study are descriptive research. In classification based on the type of research, this study is correlational research. The population of the study consisted of all employees in aghajari oil and gas Production Company which were selected as the subjects of the study. In this research, questionnaire was used as a data collection tool. For analyzing data is used descriptive and inferential statistics by using the SPSS software. **Results:** Research findings are as follows: (1): There is a significant relationship between organizational structure and organizational performance; (2): There is a significant relationship between complexity of organizational structure and organizational performance; (3): There is a significant relationship between formality of organizational structure and organizational performance; (4): There is a significant relationship between concentration of organizational structure and organizational performance. **Conclusion:** With regard to the organizational structure can explain or predict the behavior of employees. In addition to the individual and group factors, structural relationships between people in the organization, however, has a high effects on their attitude and behavior in organization.

1. Introduction

1.1 Introduction and Problem Statement

Participative management and professional ethics are two

An era in which we live, is the era of organizations. In this era, around us is surrounded by large and small organizations. Most part of our different needs met by organizations. Although the organization has been discussed throughout the history of human life. In fact, after the Industrial Revolution, organization was stressed as a social phenomenon with the advent of large industrial and commercial organizations and developing the large public institutions. Today, social organizations have raised as one of the most diverse and complex systems. Because of this, the scientific understanding of the phenomenon requires a structural analysis of different dimensions. In fact, can be found recognition to an organization when organizational structure and different functions of organizations be assessed and analyzed. For this reason, need to know about management theories, dating or structure and its different dimensions, design and dimension of its different criteria for scientific analysis is required. In general, the structure and administration of any organization is not an end in itself, but is a means of achieving to the organizational goals for effective and successful implementation of tasks and responsibilities. Each organization needs to build of organizational structure and effective formations, so that tasks and responsibilities are clearly divided between different units and had been given the power versus their responsibilities and duties. Non-effective formations and organizational structure has

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been introduced as an important factor in the lack of effectiveness in any organization. The understanding of organizational goals is the first step in understand of the organization and its effectiveness. Organizational objectives should reflect the organization's *raison d'être*. Structured events is in such a way that organizational structures is based on old structures and assumptions that is not consistent with their current duties. However, it is not in accordance with the current needs of society and has been neglected to the Human and motivational dimension of workforce (Rabbins & Decenzo, 2000). Due to the fact that the most important tasks of management is organizing and organizing is a dynamic process, it should be structured and revised according to the environmental change and reorganization have be taken according to the variables and affecting factors. Needs of society is existential philosophy of organizations and every organization is created in order achieving to the certain goal. In order to meet these requirements, organizations need to carry out better and more efficiently duties by employees; thus, effectiveness and efficiency is considered in the organization that the realization of both depends on the participation of individuals and organizational factors. Several factors affect the performance of employees. One of the affecting organization factors is structure. Good performance in the organization requires a certain structure in the organization. The internal structure of organization can be incentive or hinder of organization performance. Studies conducted in this respect indicates that focus on decision-making and it formality in processes and working relationships are preventing the creation of new ideas; while the distribution of power and flexibility enhanced high performance in organization and facilitates the creation of new ideas in the organization. In this study, among the organizational factors that have been mentioned in various organizational models investigates the effective key factor of organizational structure that used in relation to employees performance in aghajari oil and gas Production Company; since the performance of any organization is basis of society performance and performance of employees each organization is basis of organization performance which is measured through executive activities of employees (Majidi, 2011; Fazel, 2012).

One of the main features of any organization is structure which based on different activities have been separated and coordination is created between tasks. Also through structure is characterized the process of authority delegation, responsibility, control and enforcement of regulations and standards between the activities. Mintzberg suggests that organization structure is the set ways in which organizational activities divided to recognized duties and among these tasks established the coherence (Mintzberg, 1992). Each of the theoretical structure (mechanical and organic) can be helpful in certain situations. Conditions that can be decided about the suitability of a structure according to them are proposed under the title of content and structure factors:

Content dimension: this dimension is represents the whole of organization such as the large, size, or type of technology. They actually are represent the position of organization. These dimensions include: strategy, environment, size, technology and culture.

Structural dimensions: These dimensions are expressing the internal features and can be achieved foundation from them whereby can be compared and determined the type of structures. (Daft, 1998). Most theorists use twelve evident and acceptable variables for defining the variable of structural dimensions which are as follows (Khaki, 2005).

1.2 Organizational Performance

The result of employee's activity in terms of assigned tasks implementation includes: Set of behaviors that people exhibit in relation to business. In other words, performance is a set of behaviors that people exhibit in relation to jobs. In other words, performance is the rate of product and efficiency that can be achieved by virtue of person employment in the job (Eskandari, 2014).

Identifying the organizational structure governing on aghajari oil and gas Production Company and its relationship with organizational performance leads to discovery of functional weaknesses caused by organizational structure. Also, Identifying and providing the suitable model of organizational structure will help officials and company executives in improving organizational performance and according to the old structure and lack of accountability, new transformations caused a lack of promotion and productivity and employees performance. The other hand, labor productivity is one of organizational factors and goals. Therefore, the organizational structure should be reviewed and its relationship to performance be analyzed in an objective and transparent manner. Also, despite of recruitment in the last few years (almost twice) but have been not improved the organizational positions and organization management caused staff motiveless and the main reason is lack of improvement on the organizational structure.

1.3 Literature

Emmanuel (2014) in research with title "Organizational Structure, Function and Performance of Agribusiness Enterprises in Nigeria" examined the Organizational structure, function and performance of agribusiness enterprises in Nigeria. The results indicated that there are significant relations between variables of research include variables of organizational structure (formalization, standardization, specialization, centralization and flatness) and variables of performance (effectiveness, efficiency, innovation and quality).

Csaszar (2008) in research with title "organizational structure as a determinant of Performance evidence from mutual funds" develops and tests a model of how organizational structure influences organizational performance. The findings suggest that organizational structure has relevant and predictable effects on a wide range of organizations. Applications include designing organizations that compensate for individual's biases, and that achieve a given mix of exploration and exploitation.

Bohte & Meier (2001) in research with title " Structure and the Performance of Public Organizations: Task Difficulty and Span of Control" examines how one structural attribute, span of control, shapes performance in a large set of public organizations. Research analysis of 678 school districts in Texas covering the years 1994 to 1997 reveals that span of control variables have the greatest impact on student performance under moderately difficulty task scenarios.

Claver-Cortes et al. (2012) in research with title " Characteristics of organizational structure relating to hybrid competitive strategy: Implications for performance" examines the characteristics of organizational structure that relate to hybrid competitive strategies. The findings reveal that hybrid competitive strategy influences firm performance positively. Similarly, organizational complexity and the existence of formalization positively influence hybrid competitive strategy, whereas centralization has a negative influence. Organizational structure does not exert a direct influence on performance, but an indirect one, through hybrid competitive strategy.

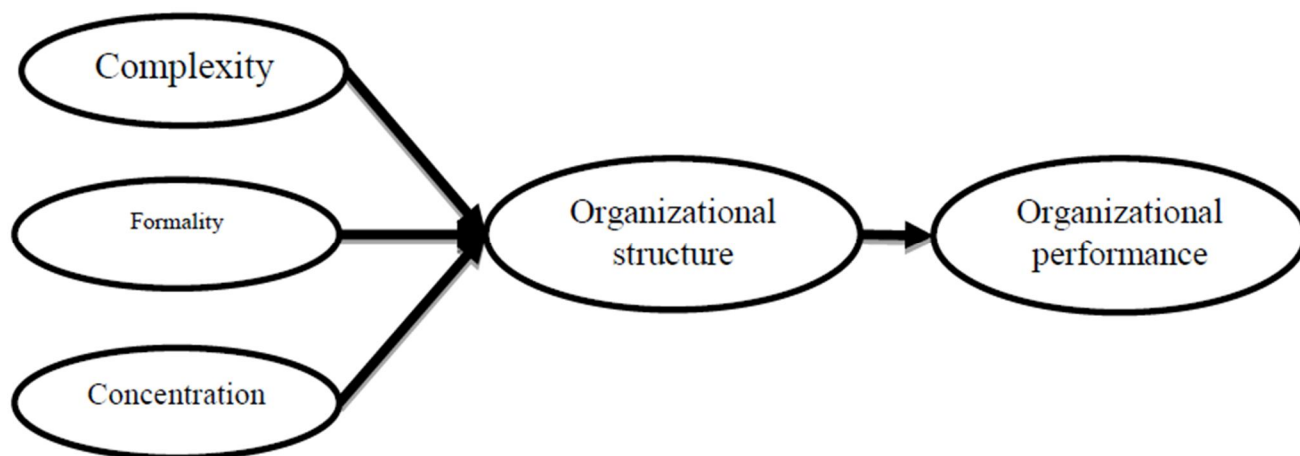


Fig 1. Conceptual model

2. Materials and methods

2.1 Main hypothesis

There is a significant relationship between organizational structure and organizational performance in aghajari oil and gas Production Company.

2.2 Sub-hypothesis

- 1- There is a significant relationship between complexity of organizational structure and organizational performance in aghajari oil and gas Production Company.
- 2- There is a significant relationship between formality of organizational structure and organizational performance in aghajari oil and gas Production Company.
- 3- There is a significant relationship between concentration of organizational structure and organizational performance in aghajari oil and gas Production Company.

2.3 Research Methodology

The aim of this article is investigate the relationship between organizational structure and organizational performance in aghajari oil and gas Production Company. According to the purpose of study, the present research is applied research. Also according to way of data collection (research project), the present study are descriptive research. In classification based on the type of research, this study is correlational research. The population of the study consisted of all employees in aghajari oil and gas Production Company which 367 persons were selected as the subjects of the study. In this research, questionnaire was used as a data collection tool. All constructs were measured using five-point Likert scales with anchors strongly disagree (= 1) and strongly agree (= 5). For analyzing data is used descriptive and inferential statistics by using the SPSS software. In order to evaluate the validity of the data achieved through instrument (questionnaire) readers, advisors, and experts. (Azizi, 2011)

3. Discussion and results

3.1 Organization situation in terms of organizational performance

How is the situation of the respondents in terms of performance?

Table 1. Regression test

Variable	Mean	N	SD	T	df	sig
organizational performance	3.78	350	0.12	169.481	349	0.000

The results of this analysis are presented in Table 1. As can be seen average of organizational performance is higher than 3 a significant level is smaller than 0/05 that indicates the optimal organizational performance is more than 3.

3.2 Organization situation in terms of organizational structure

How is the situation of the respondents in terms of organizational structure?

Table 2. Situation of the respondents in terms of organizational structure

Variable	Mean	N	SD	T	df	sig
organizational performance	3.85	350	0.42	34.25	349	0.000

The results of this analysis are presented in Table 2. As can be seen average of organizational structure is higher than 3 a significant level is smaller than 0/05 that indicates the optimal organizational structure is more than 3.

3.3 Test of Research Hypotheses

In this section, we will discuss with the appropriate analysis to test research hypotheses. By using the Pearson correlation coefficient investigated the relationship between each of the research variables.

3.3.1 Main hypothesis: There is a significant relationship between organizational structure and organizational performance in Aghajari oil and gas Production Company.

Table 3. Test of main hypothesis

Independent variables	dependent variables	N	Pearson correlation	sig
organizational structure	organizational performance	350	0.718	0.000

The table 3 shows the results of the Pearson correlation coefficient between organizational structure and organizational performance. As shown in table 9, the significance level is 0.000 and the Pearson correlation between the organizational structure and organizational performance is 0.718 which shows a strong correlation and desirable. So, there is a significant relationship between the organizational structure and organizational performance with 95% confidence.

3.3.2 First Sub-hypothesis: There is a significant relationship between complexity of organizational structure and organizational performance in aghajari oil and gas Production Company.

Table 4. Test of first Sub-hypothesis

Independent variables	dependent variables	N	Pearson correlation	sig
Complexity of organizational structure	organizational performance	350	0.578	0.000

The table 4 shows the results of the Pearson correlation coefficient between complexity of organizational structure and organizational performance. As shown in table 9, the significance level is 0.000 and the Pearson correlation between the complexity of organizational structure and organizational performance is 0.578 which shows a strong correlation and desirable. So, there is a significant relationship between the complexity of organizational structure and organizational performance with 95% confidence.

3.3.3 Second Sub-hypothesis: There is a significant relationship between formality of organizational structure and organizational performance in aghajari oil and gas Production Company.

Table 5. Test of second Sub-hypothesis

Independent variables	dependent variables	N	Pearson correlation	sig
formality of organizational structure	organizational performance	350	0.321	0.000

The table 5 shows the results of the Pearson correlation coefficient between formality of organizational structure and organizational performance. As shown in table 9, the significance level is 0.000 and the Pearson correlation between the formality of organizational structure and organizational performance is 0.321 which shows a strong correlation and desirable. So, there is a significant relationship between the formality of organizational structure and organizational performance with 95% confidence.

3.3.4 Third Sub-hypothesis: There is a significant relationship between concentration of organizational structure and organizational performance in aghajari oil and gas Production Company.

Table 6. Test of third Sub-hypothesis

Independent variables	dependent variables	N	Pearson correlation	sig
concentration of organizational structure	organizational performance	350	0.452	0.000

The table 6 shows the results of the Pearson correlation coefficient between concentration of organizational structure and organizational performance. As shown in table 9, the significance level is 0.000 and the Pearson correlation between the concentration of organizational structure and organizational performance is 0.452 which shows a strong correlation and desirable. So, there is a significant relationship between the concentration of organizational structure and organizational performance with 95% confidence.

4. Conclusion

4.1 Conclusions and Recommendations

The aim of this article is investigate the relationship between organizational structure and organizational performance in aghajari oil and gas Production Company. Research findings are as follows: (1): There is a significant relationship between organizational structure and organizational performance in aghajari oil and gas Production Company; (2): There is a significant relationship between complexity of organizational structure and organizational performance in aghajari oil and gas Production Company; (3): There is a significant relationship between formality of organizational structure and organizational performance in aghajari oil and gas Production Company; (4): There is a significant relationship between concentration of organizational structure and organizational performance in aghajari oil and gas Production Company. This results are consistent with the research results of Majidi (2011). With regard to the organizational structure can explain or predict the behavior of employees. In addition to the individual and group factors, structural relationships between people in the organization, however, has a high effects on their attitude and behavior in organization. People attitude and factors that improves performance of employees depends to removing the ambiguities by the organizational structure. For the members of organization should be clear the following concepts: What is expected the organization of me? How do I work? Who will receive my report? What do I do if I had a question or problem? The following suggestions presented for future research: As a conceptual work, this paper has to be subject to empirical scrutiny in order to verify whether the propositions presented here hold in practice. In this sense, future research could collect empirical data from different manufacturing sectors to test the validity of this results; examining the comparative study in other areas of country; examining the comparative study in other organizations (Manufacturing and service) for generalize the results of this study; organizational performance is assessed in this study and recommends that the next researchers investigate the environment, organizational and individual variables. Furthermore, in next research, organizational structure should be included in studies aimed at a better understanding the determinants of small and medium firm performance and not only the big organizations.

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