A SURVEY ON THE RELATIONSHIP BETWEEN ORGANIZATIONAL STRUCTURE AND EFFECTIVENESS;( CASE STUDY; MELAT BANK BRANCHES IN KERMAN PROVINCE)

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Abstract

This paper aims to examine the relationship between organizational structure and effectiveness in Melat bank branches-Kerman province. Statistical population consists of 84 managers serving in Melat bank branches-Kerman province, where sampling due to few individuals in statistical population has not been provided so that the sample size taken equal to statistical population. 71 individuals of 84 individuals consisting the statistical population were asked to respond the questions of questionnaire. To define and analyze data collection through questionnaires, different descriptive tables including the features such as mean, standard deviation and variance and Statistical charts and radar boxes, t-student, binomial, Friedman, and Pearson and Spearman correlation Have been applied and the entire statistical analyses conducted by means of computer and SPSS software. Data analysis shows that a significant relationship exists between organizational structure and effectiveness, and the results show managers have to select a structure to have correlation with organization's status and conditions.

Keywords: Organizational Structure, Effectiveness, Bank Mellat, Job division

Introduction

Organizational structure and its accurate design have been considered from the very beginning as the important concerning for scholars in the field of management. Theorists in the classical school have been influenced of mechanical perspective where such a view in designing Organizational structure focuses on formal relationships and centralization as well as job division.

Issues associated to human relationships and human's social-mental needs have been depicted by scholars in neoclassic school within management scope in typical and designing structure in particular. Secure business environments in the early 20th century justified lack of attention to change, while today, despite 20th century, needing to flexibility to adapt everything with the changing world has been remained as an unavoidable requirement (Englehard charless and simmons peter R. 2002). This important issue, that is, value and
importance of speed in adapting the conditions with the environment in business has been confirmed regarding a large body of evidence. Proper structure to realize the organization's objectives and strategies found effective (Mintzberg, Henry. 1979). Select a proper organizational structure is one of the necessary conditions to adapt successfully with changes where this can be possible by designing an effective organizational structure (Bafandeh Zendeh, ). So far as Nadler and Tushman knows organizational structure as an important source to gain competitive advantage by means of effective changing, flexibility and power of adaptation (Nadler, Tushman, 1997). organizational effectiveness is the theoretical axis in all organizational models mentioned as the final dependant variable in most organizational studies; on the other hand, this structure has a long history, mentioned complicated so that a variety of theoretical approaches to evaluate organizational effectiveness have been developed.

Herman & Renz(1997) stated that likewise different organizational models, there exist several models to evaluate organizational effectiveness. The most prominent effectiveness approaches available at organization include goal-oriented approach, resources-oriented approach, internal processes-based approach, strategic beneficiaries-based approach and also competitive values-based approach. The approaches which are based on goals, resources and internal processes while used as theoretical model would not be used as an authentic and adequate criterion to assess organizational effectiveness, because the single-dimension orientation has been used (Sajadi et al. 2012, pp 14). Effectiveness is a topic, considered by Peter Drakran 50 years ago and was studied since 1970. Indeed, recognizing factors including organizational structure, effectiveness as well as developing them can be a step towards improving organizational goals at high level. Managers have to be aware of changing occurring inside organization so far as to forecast the events before occurring. This paper aims to examine the relationship between organizational structure and effectiveness.

**Problem statement**

Today, organizations in order to sustain on severe competitiveness arena and adapt themselves with environmental conditions have brought about changes in their structure. The main reason for this mentioned customer-oriented strategies and produce whatever customers desire, so that customer-oriented strategies prevailed all around the world today. Indeed, customer determines the type of service and product rather than organization. For this, organizations to meet customers' needs in an earliest time have to bring about some changes and devolve most authorities and responsibilities upon the organizations which are in direct contact with customers. Each unit in the organizations has to respond customers' needs whereby the organizations are responsible to the organization's performance mentioned with high decision-making power. In addition to customer's need due to increasing trend in knowledge and employees' awareness and experts' engagement within organizations, drawing attention to employees' needs inside organizations has been increased. Experts need freedom of action and authority to use their knowledge and expertise. Severe control by supreme management of organization has affected negatively knowledge-oriented feeling of people, causing organization lacks from presence of such individuals.
For this, organizations across the country have to think about reconstruction of their structure and set customer-orientation and meeting the customers’ needs their first priorities. They have to devolve adequate responsibility and authority upon intra-organizational units to let each unit directly meet customers’ needs. Organization structure is defined as the strategies at which tasks are dividend to separate tasks and then coordination comes to realize (William s, T. 2005).

In viewpoint of Fransis A. R. effectiveness implies to what extent policies lead to decisions with more likely favorable results rather than alternative approaches (Denhar, 2004, pp.199). Peter Draker has defined effectiveness doing tasks correctly to get optimum performance (Seid Javadi, 2009, pp. 31). Deterministic goals within organizations mentioned mission, desire and goals of organizations, showing the desired status. Effectiveness shows that to what extent organization managed to determine the missions so as to achieve desired status and goal (Daft, 2011, pp. 123). Generally, measuring effectiveness is not that much easy within an organization, mentioned that organizations are generally large with different goals by which different outcomes would be given.

To measure organizations’ performance, a variety of indices and strategies have been proposed where each give a difference scale from effectiveness. Hence, to determine effectiveness of organization, the extent to which multi-dimensional goals provided, has been evaluated and judged (Daft, 2012, pp.104). Organizational effectiveness is the very extent to which organizational goals come to realize; it seems that governmental organizations do not achieve their predetermined goals as assumed. Because regulations found ambiguous, as a bottleneck where the bureaucracy governing the governmental departments reduce the way applied to perform such regulations so that the regulations here mentioned a big problem overshadowed the governmental organizations, further reported as problem addressing it implied unavoidable.

On the other hand, organizational effectiveness implies access to priorities and multi-dimensional goals in common value framework such that attaining goals in terms of cost and time have been optimum and providing priorities and satisfaction of beneficiaries who try to realize the goals (Kamau, Munyoroku. 2012). Considering this fact and according to the improvement of banking system within country, building a big change in organizational structure and improving management system, as well as regarding all those discussed above, this paper aims to find a proper response to "is there a significant relationship between organizational structure and effectiveness in Melat bank branches-Kerman province? ", where a response to this question needs an academic and research work

**Research importance**

Organizational goals are desires status of the affairs which the organization tends to achieve them and an organization would be effective while outcomes derived from its activities equal to organizational goals or go beyond (Hasani, Sameri, 2010, pp. 21)

Since, organizational structure determines how to communicate, place of decision making, how to report and hierarchy of authorities, recognized it reflects the overall view of organization. According to the points which determine the structure, a proper structure fitted with goals and needs of organizations is required because all management decisions in the
context of planning, organizing, coordination and control can be applied on organizational structure where on the structure has to be provided with the power of decisions in sufficient. If an organizational structure faces a problem, then naturally the organization cannot have the essential effectiveness and performance. Efficiency and effectiveness of organizations depend on different factors such as employees' knowledge and skill, job strategies and regulations, intra-organizational communications and organizational structure where on organizational structure mentioned as the most important factor influencing effectiveness and performance because it can influence other factors. Hence, If an organizational structure faces a problem, then naturally the organization cannot have the essential effectiveness and performance. Today, there exist so many organizations but most of them after a short while exit from competition arena. It seems that one of the most important cause to have such conditions can be the very lacking a proper organizational structure to face problems (Shirani, Sehat, Tem Zar, 2012, 170).

Today, it is stated that organizational structure is neither a framework nor a flow, i.e. structure not just as the framework or chart of organization sustains the formal form of organization and define form of organization, but also provide a structure and arrangement of organizational structure, which tends to equip the organization depending on the quantity and quality of environmental changes so that dynamism and flexibility of organization can be performed within an organization just while there exists flexibility within organization, showing it in different infrastructures defining that the structure is an essential dimension of relationship architecture, further as a major source of competitive advantage within organizations and companies(William, 2005, pp. 58). Since, banking system required to a proper structure in order to provide better services for people and attract essential resources, so to select an effective structure regarding existing competitive values within society can be a solution to reach excellence goals of banking system; This paper aims to examine the relationship between organizational structure and effectiveness in Melat bank branches-Kerman province, so as to increase effectiveness.

Research hypotheses

Main research hypothesis: there is a significant relationship between organizational structure and organizational effectiveness in Melat bank branches-Kerman province

Secondary research hypothesis:

- First secondary hypothesis: there is a significant relationship between formality level and organizational effectiveness in Melat bank branches-Kerman province
- Second secondary hypothesis: there is a significant relationship between complexity level and organizational effectiveness in Melat bank branches-Kerman province
- Third secondary hypothesis: there is a significant relationship between centralization level and organizational effectiveness in Melat bank branches-Kerman province

Research Background

1- Omran Latif et al.(2013) in a study entitled "the relationship between organizational structure and strategy and overall effectiveness in universities ", concluded that a significant
relationship exists between strategy and structure whereby any change within organization can be influenced over the years.

2- Viva alun and others (2012) in a study entitled "a survey on the relationship between effective planning and organizational productivity in Sterling Bank of Nigeria", concluded that a significant relationship exists between effective planning and organizational productivity where effective planning conducts employees to go forward within organization.

3- Camaro (2012) in a study entitled "a survey on the role of organizational structure in performing strategy within Food companies producing in Nairobi ", concluded that organizational structures by means of multi-dimensional factors can be influenced and effective structures let the organization to perform its strategies effectively and sustain the current competitive advantages.

4- Baldvk and Benz (2009) in a study entitled “the relationship between organizational structure and overall effectiveness in Football clubs in Belgium ", deduced that:
- there is a significant relationship between Centralization and Model of internal processes
- there is a significant relationship between Formality and Strategic beneficiaries Model
- There is a significant relationship between Formality and Model of internal processes
- There is a significant relationship between complexity and Strategic beneficiaries Model

5-Poorkiani and Hosseini Kahnoj(2013) in a study entitled " a survey on the relationship between organizational structure and overall effectiveness", concluded that:
- There is a direct significant relationship between organizational structure and overall effectiveness
- There is not a significant relationship between complexity and overall effectiveness
- There is a direct significant relationship between complexity and overall effectiveness
- There is not a significant relationship between Centralization and overall effectiveness

6-Kafashpoor et al.(2013) in a study entitled " a survey on the relationship between Organizational culture, structure, leadership styles, strategy and organizational effectiveness in the municipality of Mashhad" , concluded that a significant relationship exists between variables of Organizational culture, structure, leadership styles, strategy and organizational effectiveness. Further, a significant relationship exists between Knowledge Management and the variables mentioned. Generally, they deduced that Knowledge Management acts as Mediator among variables of Organizational culture, structure, leadership styles, strategy and organizational effectiveness.

7-Gowhari poor (2009) in a study entitled " a survey on the relationship between organizational structure and organizational effectiveness in Physical offices in selected ministries", concluded that a strong significant relationship exists between organizational structure and organizational effectiveness.

**Conceptual research model**

Organization effectiveness is the first variable received attention in this study, considered as a criterion variable, the variable which tends to define the changes via the variable of dimensions of organizational structure as predictor variable.
Research methodology

In this study the correct and logical method often used by researchers and experts in research, has been used to have the characteristics of a scientific investigation. This study in terms of goal categorized in applied research type and descriptive study in terms of nature and method, where field study has been used to collect data.

Statistical population
Statistical population consists of 84 managers serving in Melat bank branches-Kerman province, where 13 individuals of population did fill the questionnaire and turned it back.

Sample sized and sampling
Sampling due to few individuals in statistical population has not been provided so that the sample size taken equal to statistical population where 13 individuals of population did fill the questionnaire and turned it back.

Data collection
As questionnaire is one the most practical tool for data collection in Management, so two questionnaires has been used to collect data, where include:
First questionnaire used to measure organization structure where on three dimensions of organizational structure including Formality, Centralization and Complexity are examined. The questions used in this questionnaire totally mentioned 18 questions where each question consists of five options, totally agree, agree, neutral, disagree and totally disagree , scores 1-5 given to these questions.

The scale for measuring the sum of scores for the organizational structure questionnaire is as follows:
Table 1. the scale for organizational structure

<table>
<thead>
<tr>
<th>Scale</th>
<th>Totally agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Totally disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>the sum of scores</td>
<td>75/6 – 90</td>
<td>61/2 – 75/6</td>
<td>46/8 – 61/2</td>
<td>32/4 – 46/8</td>
<td>18-32.4</td>
</tr>
</tbody>
</table>
The scale for measuring the sum of each of three-dimensional components of organizational structure including formality, complexity and centralization is as follows:

Table 2. the scale for components of organizational structure

<table>
<thead>
<tr>
<th>Scale</th>
<th>Totally agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Totally disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>the sum of</td>
<td>25.5-30</td>
<td>25.2-20.4</td>
<td>15.6-20.4</td>
<td>10.8-15.6</td>
<td>10.8-6</td>
</tr>
<tr>
<td>scores</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Questionnaire 2 is used to evaluate organizational effectiveness, including 24 questions used to evaluate eight dimensions of competitive values approaches including Flexibility, attracting resources, planning, productivity and efficiency, access to information, stability, cohesive workforce and skilled labor. Each dimension includes three questions where each score assigned to the questions varies from 1-5.

The scale for measuring the sum of scores for the organizational effectiveness questionnaire is as follows:

Table 3. the scale for organizational effectiveness

<table>
<thead>
<tr>
<th>Scale</th>
<th>Totally agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Totally disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>the sum of</td>
<td>84.8-100</td>
<td>69.6-84.8</td>
<td>54.4-69.6</td>
<td>54.4-39.2</td>
<td>39.2-24</td>
</tr>
<tr>
<td>scores</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The scale used to evaluate eight dimensions of competitive values approaches including Flexibility, attracting resources, planning, productivity and efficiency, access to information, stability, cohesive workforce and skilled labor, has been calculated as table shown below.

Table 4. the scale for components of organizational effectiveness

<table>
<thead>
<tr>
<th>Scale</th>
<th>Totally agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Totally disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>the sum of</td>
<td>10.6-12.5</td>
<td>8.7-10.6</td>
<td>6.8-8.7</td>
<td>6.8-4.9</td>
<td>4.9-3</td>
</tr>
<tr>
<td>scores</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Further, the average score for the questionnaires of organizational effectiveness and organizational structure within all the questionnaires and each of the components have been calculated as follows:

Table 5. The scale for organizational effectiveness and structure and their components within questionnaire

<table>
<thead>
<tr>
<th>Scale</th>
<th>Totally agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Totally disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>the sum of</td>
<td>4.2-5</td>
<td>3.4-4.2</td>
<td>2.6-3.4</td>
<td>2.6-1.8</td>
<td>1.8-1</td>
</tr>
<tr>
<td>scores</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data collection

The questionnaire has been used to collect data. The questionnaire provides the possibility to use the statistical population in order to collect data. To provide questions of questionnaire and the response method, the questionnaires designed clearly and the participants were assured of the fact that the results from extracting the questionnaire are used merely in academic research. The sample size taken as 84 individuals where on 90 questionnaires were distributed and then collected so that 71 questionnaires given back.
Data analysis
To describe and analyze data, various descriptive tables including average characteristics, standard deviation and statistical charts like Radar charts have been used. Further, to test descriptive hypotheses, t - student and binomial tests have been used; to test analytic hypotheses, Friedman test and Pearson and Spearman correlation have been used.

Research findings
The results from the research about the first hypothesis show that there is a significant relationship between organizational structure and organizational effectiveness in Melat bank branches-Kerman province. Poorkiani and Hoseini Kahnoj (2013) in a study entitled "a survey on relationship between organizational structure and organizational effectiveness in Government offices in Rafsanjan", concluded that there is a significant relationship between organizational structure and organizational effectiveness.
Hence, according to the result of the present paper based on the strong relationship between organizational structure and organizational effectiveness in the organization being studied, a huge effort has to be made in order to choose the type of organizational structure and a structure for the organization, to achieve their goals sooner. The response of organization's theory to this question "what make an organization effective?", is that an accurate structure makes the organization effective. In Robins' view, a method by which organization combines the individuals and jobs and defines the regulations and relationship governing them, is an important factor in success of organization(Robins, 2011, pp.48).
According to the results from the first secondary hypothesis, there is a significant relationship between formality level and organizational effectiveness in Melat bank branches-Kerman province, meant to what extent formality increases, the effectiveness level across the organization increases whereby this would not be in consistent with the results of research by author. Research by Alkenes shows that the organizations which lack from formal regulations are those modern organizations; further, according to theory of Robins, it is believed that if a work is formal, the practitioner would have the freedom of action to do the tasks associated to that job and when do it(Robins, 2011, pp. 63).
According to second secondary hypothesis, there is a significant relationship between complexity level and organizational effectiveness in Melat bank branches-Kerman province, meant that to what extent the level of complexity increases, effectiveness would be further increased; yet this does not go through with the results of research by authors. The studies by Poorkiani and Hosseini Kahnouj(2013) show that to what extent division of tasks within organization increases, the organization would be less effective.
Further, according to the research conducted to date, there exists a large body of evidence based on the fact that, there exit so many horizontal and vertical division and number of hierarchal levels keeps increasing, Manager responsibility for the daily supervision reduces and Manager assigns more time to have a relationship with top managers. Further, the observations have shown that big organizations with Planar structure would be less effective (Robins, 2011, pp.87).
The results from the third secondary hypothesis show that there is a significant relationship between centralization level and organizational effectiveness in Melat bank branches-Kerman province, meant that increasing trend of centralization, organizational effectiveness
increases. Centralization increases specific advantages while a comprehensive view used in
decision making or where the economically effective savings occur.
This leads in a fact that the managers have to be required to choose the methods which are
in consistent with the overall structure of organization instead of adapting it with Group
interests. some of the activities using centralization are conducted with more performance.
for this, financial and legal decisions have to be taken using centralization strategy because
these states affects all the organizational activities and rely on the specific economical
saving (Robins, 2011, pp. 103-104). Hence, it can say that in the organization being studied,
which is a Financial and economic institution cause centralization and effectiveness
increase.

Conclusion
As the results from statistical calculation show, a strong significant relationship exists
between organizational structure and organizational effectiveness; hence, the managers are
required to recognize each of the organizational structures to increase effectiveness and
implement the most proper structure for their organization.
The results of research show that: there is a significant relationship between formality level
and organizational effectiveness. To increase effectiveness, it is recommended to employees
to provide the written rules to recognize the organization's goals so as to improve the
organizational effectiveness. The results of research have shown that there is a significant
relationship between complexity level and organizational effectiveness.
Hence, in the organization being studied, mentioned as the Large financial institutions
where the complexity increase leads to an increase in effectiveness, it is essential the
management focuses on the issues on Communication, coordination and control.
According to the results of research based on a significant relationship between
centralization level and organizational effectiveness, this relationship can be considered to
increase effectiveness in Melat bank branches-Kerman province. While centralization
strategy is considered in important financial issues, Total benefits to customers and
stakeholders would be taken into account and the activities would be come to realize with
more performance and effectiveness.

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