
The Relationship Between Organizational Structure And Job Performance

Much research has been performed to determine whether organizational structure influences job performance and what relationship the two have. Many of these studies have determined that there is, in fact, a relationship between structure and performance, but to better understand the link between organizational structure and job performance, it is necessary to recognize the definitions and elements of each. Ahmady, Mehrpour and Nikooraveh (2016) define organizational structure as “the framework of the relations on jobs, systems, operating process, people and groups making efforts to achieve the goals.” Three main components of organizational structure are specialization, departmentalization and effective communication, and a decision-making hierarchy. Job performance is defined as “the set of behaviors that are relevant to the goals of the organization or the organizational unit in which a person works” (Murphy, 1988). In his report, “Dimensions of Job Performance,” Kevin R. Murphy determined dimensions of job performance to include effectiveness in a position, task performance, down-time behaviors, social relationships, job proficiency, and job-related skills or knowledge. Each component of organizational structure relates to one or more dimensions of job performance.

Components of Structure Related to Performance Dimensions

One of the main components of organizational structure is specialization. Specialization is essentially how a company breaks down and assigns specific tasks and responsibilities to each employee. This relates to three dimensions of job performance: task performance, job proficiency, and down-time tasks. According to Murphy (1988), task performance includes “the tasks one can perform, the tasks one will perform, and the total set of task and non-task behaviors that determine evaluations of effectiveness.” Job proficiency is similar to task performance but focuses on an employee’s ability to perform when he or she is not in normal work conditions, meaning his or her ability to perform their job well when some tasks or job duties change. These both relate to the specialization component of structure because for an organization to develop this component, members must be motivated and understand each of their responsibilities and contributions to the organization’s goals. Murphy (1988) refers to down-time tasks as the behaviors that limit job performance and lead to periods of time in which the worker is not capable of performing at his or her normal level. These behaviors could potentially be a result of specialization. According to “Effect of Organizational Structure on Organizational Effectiveness through Face-to-Face Communication” by Santra and Giri (2015), “people like variety, and if their jobs become the same process over and over again, they become tedious, empty and unsatisfying.” Although specialization is advantageous in many ways, if a worker is only specialized in one job, he or she could potentially become bored with his or her role and be less productive during down-time. Cross-training is a method that could potentially resolve this problem. A worker that is cross-trained can use down-time to assist with tasks that other workers may not be able to complete in that day. An example of a structure that promotes cross training is at Business Impact Group, a mid-size company located in Minnesota. The structure at this company gives each employee clear, specialized jobs, but also trains each new employee on tasks that can be shared by any employee in the department. This is to allow one employee that completed all his or her tasks to assist with any general projects that others

may not have the time to complete. This improves both organization performance and job performance as each employee is completing more work and learning new tasks that may prevent them from feeling tediousness in their position.

Another component of organizational structure is departmentalization and effective communication. These concepts both relate to job performance dimensions of social relationships, and job-related skills and knowledge. While specialization focuses on each employee's specific duties, departmentalization groups jobs together in a logical arrangement that aligns with the organization's goals (Adeyoyin, Agbeze-Unazi and Oyewunmi, 2015). Santra and Giri (2015) refer to communication as "a mechanism by which organizations come into being," and that "the structure and processes of organizations determine the kind of communication to their members." Communication complements departmentalization by being an essential part of the process by which jobs are grouped together. Social relationships, or relationships with coworkers, are formed through communication. Communication also provides a gateway for workers to share any skills or knowledge they possess that relate to their position. When testing aspects of job performance for workers that did not participate in open communication activities and those that did participate, Roberts and O'Reilly (1977) found that participants of open communication activities tended to have better job performance and job stability.

An organizational structure also includes a decision-making hierarchy. The decision-making hierarchy is the system that determines which employees have the authority to make decisions. Erol and Ordu (2018) define this as "the degree of employees' taking initiatives on their jobs, ie. individual decisions related to their jobs." This hierarchy relates to the remaining dimension of job performance, effectiveness in a position. According to Murphy (1977), effectiveness is affected by other dimensions of job performance: task performance, down-time tasks and social relations. An effective worker excels at his or her position by completing all necessary tasks, is productive during down-time, and has positive social relationships. Employee empowerment is a strategy that many leaders use to develop more effective employees, who in turn, contribute to the organization's goals more effectively. Page and Wong (2002) define empowering others as a leader giving more trust and responsibility to employees in addition to their current responsibilities, encouraging employees to take initiative, and appreciating and acknowledging the work they do. According to "Relationship between Employee Empowerment and Employee Effectiveness" by Mehrabani and Shajari (2013), empowering employees leads to high employee effectiveness. Empowerment, effectiveness and the decision-making hierarchy all tie together because an empowered employee that is encouraged to take on more decision-making responsibilities will develop their position into a role that has a specific place on the hierarchy.

Conclusion

There have been many studies to determine what type of relationship exists between organizational structure and job performance. Many of these studies have determined that organizational structure does, in fact, have an effect on job performance. Ajagbe, Cho, Udo, and Peter (2016) determined that "when a clear structure exists, people perform better, tasks are divided and productivity is increased." To further examine this relationship, one can look at the three components of organizational structure and how they each relate to the dimensions of job performance that have been defined by Murphy (1977). Specialization relates to the dimensions of task performance, down-time behaviors, and job proficiency, while the component of

departmentalization and effective communication are linked to relationships with coworkers and job-related skills and knowledge. Lastly, the decision-making hierarchy is affected by employee effectiveness and vice-versa.

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