

THE MEDIATING EFFECT OF JOB ENGAGEMENT ON THE RELATIONSHIP BETWEEN ORGANIZATIONAL STRUCTURE AND ORGANIZATIONAL PERFORMANCE: A THEORETICAL MODEL

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Abstract

The influence of certain factors on organizational performance has drawn the attention of the researchers for years, along with their impact on the overall organizational success. This paper presents the findings of a study to evaluate the mediating impact of job engagement on the relationship between organizational structure and organizational performance. The aim of the findings of this study focuses on a relationship between organizational structure and organizational performance through job engagement. The development of this extensive literature review, suggestions and conceptualization would be helpful for researchers while they aim for further empirical investigation of job engagement and organizational performance.

Keywords: Organizational Structure, Job Engagement, Organizational Performance, HRM

INTRODUCTION

In the study of management literature, organizational performance is deemed to be the most crucial constructs (Combs et.al., 2005). A significant number of research on organizational performance have been carried out by the researchers in an effort to provide an insight into the antecedents, processes and other factors that can improve organizational outcomes (Jing & Avery, 2008). Organizational performance has been referred as the effectiveness of the organization by Hammer and Champy (1993); and Henri et al. (2004) that denotes the organization's results or emphases on the achievement of the objective.

Many organizations apparently alike industries over the world experienced performance success and failures in recent years. Microsoft, Southwest Airlines, Nike and Wal-Mart turned into leading forces in their business whereas other equivalent industries like Apple Computer, People Express, L.A.-Gear, and K-Mart have experienced hurdles and faced failure after a certain period of rising progress (Flamholtz & Randle, 1998). Even after long-term organizational success, few companies have faced trouble and even failure. Worldwide renowned industries like IBM, General Motors, Xerox, Glaxo, Unilever, Nestle, and Philips are among them. Organizational structure has a relevant and predictable effect on a wide range of organizations (Csaszar, 2008). Organizational form changes have a significant impact on service provision and investments. Changes in organizational form affect performance directly (Ciliberto, 2006).

As pointed by Laschinger et al. (2009), for supporting and empowering followers to put more effort and dedication to the organization and for best performance job engagement is considered as a major indicator of well-being. According to Loehr and Schwartz (2003), after engagement employees beyond their self-interest found emotionally connected, mentally focused, physically energized and spiritually alighted.

APPROCH OF THE STUDY

In the current study, the researchers relied on existing literature to explore organizational performance and some extensive discussions on organizational structure through the mediating effect of job engagement. This review study has examined the contribution of job engagement in terms of organizational structure and organizational performance. Throughout the study, the researchers have conducted a general search for a relationship between organizational structure and organizational performance, and stepwise more specifically on the mediating role of job engagement. Researchers gathered the information by searching in different online database sources such as GoogleScholars, SpringerLink, ResearchGate, Wiley, ScienceDirect, TaylorandFrancis, JSTOR, Emerald, Scopus, Repository of Universiti Utara Malaysia Library, WorldCat, and EBSCOHOST. During the searching of articles, the researchers have tried to

figure out the most relevant articles, conference proceedings, books, published dissertations in order to provide an extensive review of the topic and as well as to provide legitimate suggestions for future study. The review has been examined on the basis of research objectives, methods, and findings of the study in accordance with previous empirical and conceptual studies on that particular subject area.

LITERATURE REVIEW

Organizational Structure

Organizational structure has received significant attention by the researchers over the last few years. Organizational structure describes how activities such as task allocation, coordination, and supervision are directed toward the achievement of organizational goals (Pugh, 1990). Allocation of responsibilities for different functions and processes to different entities such as the branch, department, workgroup and individual are expressed by the organizational structure. The formal system of authority relationships and tasks that control and coordinate employee actions and behavior to achieve goals in organizations is defined as the Organizational structure (Jones, 2013). According to Robbins and Coulter (2007), organizational structure describes the formal arrangement of jobs and tasks in organizations. Nahm et al. (2003) mentioned organizational structure describes the allocation of authority and responsibility, and how rules and regulation are executed by workers in organizations. Mostly the studies on organizational structure focus on centralization, formalization, and standardization.

Organizational structure has been explained as the conducts by Flamholtz (1995) where people are organized and actions are coordinated. Shadur et al. (1999) and Strauss et al. (1998) described that the greater commitment, more involvement and integration of the workers at highest level due to participation in decision-making accelerate this to happen. Similarly, empowerment of people particularly at the bottom stairs of the organization influences the innovative behaviors at the work place (Samaratunge, 2003). Employees decentralized structure has a positive motivational effect (Khandwalla, 1995). In specific sectors of organization, structures seem to perform better (Meijaard et al., 2005). Kosova et al. (2010) found, the performance of different types of structure is almost equal but without changing structure established organization has not found prospects to increase their profit.

Nahm et al. (2003) defined, organizational structure as the way responsibility and power are allocated, and work procedures are carried out among organizational members. Size, age, and the technological system are an important matter in the study of organizational structure (Mintzberg, 1989). Parnell (2008) concluded that small organizations may suffer due to lack of required and sufficient competent human resources that largely effects to execute strategy. As

Csaszar (2008) observed, a wide range of organizations is affected by the organizational structure in relevant and predictable manner. Ciliberto (2006) argues that on service provision and investment organizational changes have a positive impact, and performance is directly affected by organizational changes. According to Teixeira et al. (2008), performance outcomes are influenced by the centralization level or flatness. Organizational performance is directly affected by organizational structure (Fang et al., 2007). Cater & Puko (2010) examined that organizational performance can be influenced by the centralization level and formalization level of the organization structure. Researchers found, in Slovenia, good organizational structure, and organizational performance has a relationship in between that further recommends for studies in other areas like education (Cater & Pucko, 2010). In another study strong link between the organizational structure, organizational culture, and reward system have been found, considering them as performance factors, which have a positive influence on the performance of an organization (Alashloo et al., 2005). In the discussion of the relationship between the structure and performance Leitao and Franco (2008) strongly suggested, both economic and non-economic performance are significantly influenced by the efficient structure of the organization.

Organizational Performance

In the management arena, the most widely studied aspect is organizational performance (Neely, 2005). Scholars like Ford and Schellenberg (1982); Johannessen et al. (1999) clearly mentioned that regardless of the extensive studies carried out in the literature about organizational performance, no universal consensus has been reached on the way it should be defined. Organizational performance refers to the organizational effectiveness (Hammer & Champy, 1993; Henri et al., 2004).

The area of organizational performance is enriched with the contribution of the scholars in the fields like operations management, human resources management, strategic management, marketing and organizational behavior (Neely, 2005). Organizational performance is identified with a comparison to some benchmarks in terms of effectiveness and efficiency and concurrently to the action (Neely, 2002).

As per the definition of Sawalha (2013), organizational performance denotes the organizational skill of organization to accomplish its goals like profitability, strong financial results, sizeable market share, quality products, customer satisfaction, and long-term survival, using appropriate strategies and action plans. According to Boyne & Walker (2005), many factors influence organizational performance in including a set of internal factors like organizational culture, leadership styles, human capital and capacity, and other external factors

such as environmental, political and social factors. It is a continuous innovation and advancement process that remains evolving in line with the organizational growth that requires the involvement of all levels of management and staff within the organization (Sener et al., 2011). Highly performing organizations not only aim to maintain at a predefined level of performance but also continuously drive towards raising the performance by enhancing performance elements. Li and Tan (2013) emphasized on adopting policies to reach the performance and raise the efficiency in organizational performance both in profit and non-profit organizations.

Job Engagement as the Mediator

Job engagement is the physical, emotional, and cognitive energy that individuals employ on a work assignment (Kahn, 1990). Christian et al. (2011) mentioned, job engagement can be seen as a motivational concept that characterizes the active employment of personal resources toward the tasks associated with a work role.

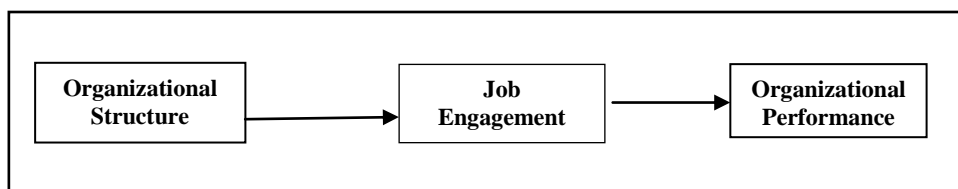
The mediator role of job engagement on the relationship between organizational resources and job performance or other affirmative job outcomes like proactive job behavior, commitment, and extra-role behavior has been evident by researchers (Laschinger et al., 2009; Llorens et al.; 2006). Xanthopoulou et al. (2008) found that through the mediating effect of job engagement colleague support had an indirect effect on in-role performance. Salanova et al. (2005) noted that the relation between organizational resources and service climate was fully mediated by job engagement. Xanthopoulou et al. (2009) further found, the relation between supervisor coaching and financial returns are partially mediated by job engagement.

On the basis of the literature reviewed, it can be stated that job engagement may mediate the relationships between leadership styles and organizational performance.

THEORETICAL BACKGROUND AND CONCEPTUAL MODEL

On the basis of the thorough literature review, the study proposes a research model (Figure 1).

Figure 1: Proposed Research Framework



The model conceptualizes the relationship between the leadership styles and organizational performance. It also posits the mediating effect of job engagement on the above-proposed relationship. The model can be employed to form the basis of future empirical research.

CONCLUSION

Although several studies have examined the factors influencing the organizational performance, studies on the relationship between organizational structure and organizational performance through the mediating role of job engagement are still scarce. Accordingly, the present study minimizes the gap in the literature by determining the relationship between the organizational structure and organizational performance through the mediating role of job engagement. A further empirical study in this area is in progress along with a follow-up of the survey to determine statistical findings.

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