

## **THE IMPORTANCE OF IMPLEMENTING A MODERN ORGANIZATIONAL STRUCTURE**

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### **Abstract**

*Economic and technological development has influenced the creation of dynamic structures of organizations where employees who own the right information and knowledge in order to create main roles in one of organization. The organizational structure influences the maximization of efficiency and break even. All duties and responsibilities of the organization need to be identified, and the authority lines must be carefully defined in case of all members of the organization understand who their duties are. Every manager draw up programs related to the organizational structure. The aim of this study is to identify the factors of organizational structure in the competitive market. The organization manager, as a strategic partner, should create a vision for employees by implementing employee policies in such a way as to demonstrate and recognize the organizational structure. An efficient structure facilitates management and maintains relationships, roles and responsibilities, levels of authority, oversight, or reporting. By reviewing the structure of an organization, a manager will be able to determine which of the human, financial, technical resources are available, how they should be allocated, and which of these resources are missing. The conclusions of this study will serve not only the organizations to be competitive but and the managers and employees.*

**Keywords:** *Organizational structure, organization, manager, human resources*

## INTRODUCTION

### The organizational structure

The organizational structure defines the activities of how tasks are subdivided, coordinated and supervised with the achievement of organizational goals (Pugh, D. S., 1990), being considered as a perspective through which individuals see and understand the organizational environment (Jacobides, M.G., 2007). An organization can be structured in different ways, depending on their objectives. The structure of an organization will determine the ways in which it operates and performs its tasks.

The purpose of an organization presents the reasonableness of its existence. Goals are the desired state of the organization, in which the behavior of individuals towards their fulfillment is oriented. The goals represent the final result to be achieved with the plan in certain time frames (Baligh, H., Burton, R., Obel, B. 1996). The formulation of goals includes the activities of managers to become something, including important activities that are expressed with the desire to do something or with the desire to work and possess one thing. Thus, the procedures are set to assign responsibilities for different functions by relying on organizational goals. The organizational structure is about how an organization organizes people and jobs so that its work can be accomplished and its objectives can be fulfilled (Blau, P. 1970).

When a working group is too small and face-to-face communication is frequent, formal structures may be unnecessary, but different when dealing with a large organization where decisions need to be made about delegating various tasks (Aguer, O., 2003).

As internal factors that influence the definition of goals are:

- ✓ The size of the organization,
- ✓ Resources,
- ✓ Organization culture
- ✓ Motivation of senior management.

In the process of setting goals, the key factors of achieving the goals must be respected so that they are intelligent by clearly describing the SMART's intentional objectives, which means that goals should be:

- ✓ specific (specific),
- ✓ measurable,
- ✓ accessible (achievable),
- ✓ realistic (realistic)
- ✓ in time-bound terms.

In each organization, regardless of size or complexity, employee responsibilities are typically defined, where employees have a duty to report, and consequently managers report to them (Birkinshaw, J., Nobel, R., Ridderstrale, J. , 2002).

According to Birkinshaw, J., Nobel, R., Ridderstrale, J., 2002 the organizational structure for each organization depends on many factors, including its work; its size in terms of employees, income, and geographic distribution of its facilities; and the range of the field in which it operates. There are numerous structural variations that organizations can take, but there are some basic principles that apply. The manager using an organogram - a graphical representation of the organization's structure - will be able to determine the tasks, determine the flow of information within the organization, and secure the responsibilities for achieving organizational goals and objectives (Blau, P., Schoenherr, R. 1971).

## Organization

The word organization has Greek origin "organon" that has the meaning of the tool or tool, which in this case is taken as a means of realizing any work. So organization is a tool, way, opportunity, action of a certain task for a better realization (Baki Koleci, Fetah Reçica, Neritan Turkeshi, 2008).

*According to Baki Koleci, Fetah Reçica, Neritan Turkeshi 2008. There are different definitions for the organization:*

- Organization is a complex relationship between people when performing the work in order to achieve a goal.
- Organization is a structure of relationships, dictations, goals, roles, activities, communications, and other factors influencing where people work together.

***The notion of organization - organization must be realized in three respects (Baki Koleci, Fetah Reçica, Neritan Turkeshi, 2008):***

1. Organization as a system - it is about organizational systems such as: enterprises, institutions, political parties, non-governmental organizations, states etc.
2. Organizing as a process - it is about organizing broadly about the way of work eg "the enterprise does not show positive results because of poor organization". So the organization is taken as an internal characteristic of the enterprise.
3. Organize as a managerial function-as the goals have been defined and the plans have been drafted, with the function of the organization, the assignment of the works to be accomplished. It is therefore necessary to find (ensure) adequate organization of people to perform certain tasks.

By organizing each one, the work is ensured and the necessary staff is provided. In this function, there is always co-organization and teaming.

All organizations have a management structure that determines the relationship between different activities and members, and shares and assigns roles, responsibilities, and authority to perform various tasks. Organizations are open systems - they affect and are affected by their environment.

***Many management researchers distinguish two types of organization:***

- a) Formal organization
- b) Informal organization.

**1. Formal organization**

Formal organization can be defined as the communication network in the organization, ie it has to do with the formal (formal) channels through which the information passes. It presupposes the establishment of certain policies and procedures that describe future actions (Blau, P. 1970). In many cases, for business firms, determining how the work is done is of particular importance. An appropriate degree of formalization assists the process of controlling and coordinating the works, helping to establish a whole set of rules for delegating decision-making. Formalization begins with the determination of the policy of decisions. Thus, a successful manager of an emerging organization knows well that if you want to have time to deal with other jobs, you should reduce your senior-level contacts and the frequency of their arrival to ask for anything . If he has clearly defined what subordinates should be and how far their competences lie, then for the price reduction policy, for example, they know how to act and when to whom they can lower Of course, in the formulated policy there may be unforeseen cases or of special importance, for which the subordinate should consult with his superior (Blau, P. 1970).

**2. Informal Organization**

In the informal organization managers selected very important tasks, such as the determination of authority and responsibility at each link and level of management. However, as we know from practice, firms also include informal networks within them: people who in the work process create informal connections between them, form ideas and attitudes that can help or hinder the achievement of objectives, to the extent that they are related to these objectives (Blau, P. 1970). Ch. Barnard, in his classical book *The Functions of the Executive*, describes the informal organization as "any joint activity of individuals without a specific purpose and yet they affect common results." While K.Davis has described informal organization as "a network of personal and social relationships that are not firm or required by formal organization, but spontaneously

born when people associate with one another" (Brews, Peter J., and Christopher L Tucci, 2004). Each organization has a formal structure. The formal structure consists of the departments, divisions, tasks and relationships of the organization. According to Blau, P. (1970), based on studies conducted in this area, he concluded with three hypotheses:

Structure follows the organization's strategy; In each organization, the structure and the strategy follow uninterruptedly each other and organizations change their structure only when compelled by competition. Studies have shown that no organization structure is applicable in all situations. The size and stage of growth of an organization is a key variable in determining its organizational structure. According to Blau, P. (1970) proposed five stages of organization growth:

1. Entrepreneurial stage.
2. Functional development stage.
3. Decentralization Stage.
4. Staff Completion Stage.
5. Re-centralization stage.

### **Departamentation**

To decide on how the interdependent activities will be coordinated, the managers form an organization structure by dividing the staff into grouped formations. Managers can form co-operative groups that have their basic functions similar, resulting in efficient groups (Child, J. 1972: 21). Managers follow this logic and logic and workflow, joining together individuals with the same job characteristics, so it becomes easier in an organization. And these unions result in 2 types of departments. To illustrate these two alternatives let us assume that in an organization we have only four major activities, marketing, research development, finance and production of a line of cars, trucks and small brnxine engines. It is equivalent to the functional grouping but, more than group formation with individuals, the focus here is the formation of groups that are composed by groups (Blau, P., Schoenherr, R. 1971: 30). In the diagrams, all groups are combined into a single marketing department, all research groups are combined into a single research department and so on. As functional groups, departments deriving from functional departments are economically efficient. In each department, members can exchange information about their particular functions that prove their abilities. Managers can also reduce one on staff by assigning each employee specific tasks. The change in any of the production lines would lead to the formation of a new department, however this requires a reorganization of the entire department (Child, J. 1972: 22).

For example, members of the marketing department may base their actions on exchanging knowledge between them, using a more specific language and a different viewpoint that can not easily be done with other groups of employees. Thus, managers can manage situations based on the same managerial approach.

## CONCLUSIONS AND RECOMMENDATIONS

- Societies are characterized by complex dynamics involving interaction between the large numbers of actors and stakeholder groups.
  - The organizational structure specifications specifically have a schematic form and detailed dynamics.
  - Organizations should be structured so that the lines of authority together with individual tasks and responsibilities can be understood by each member of the organization.
  - Leaders should create a working environment where people with their own well-behaved features should make it possible for all employees to feel entangled with their work and remain productive members of the organization.
  - Adapting the organization's culture to the internal and external environment of the organization is a very important aspect that managers must take into account.
  - Leaders in Albania think short-term, they do not pay attention to employees' ideas and do not include them in important decisions.
  - Organizations in Albania do not pay attention to employee motivation by not allowing employees to work to achieve their personal and organizational goals. – Employees who are stressed are usually unhappy, unmotivated, less productive, and less at work.
  - To achieve success an organization should have its objectives: it will then decide how these objectives will be achieved, which requires an analysis and study of the organizational environment.
  - The objectives of an organization are further broken down into sub-objectives and then the methods are used to achieve the objectives.

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