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Multi product and service organization structure for managerial transformation process

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The examples given in this work have clear implications for practitioners to improve managerial transformation process as far as possible via strategic structure management. The final results showed that managerial transformation process quantity in compliance with determined criteria of evaluation suggested model for each organization is different. The other implication of the research is that multi product and service organization structure impacts managerial transformation process. Further, results showed that if the total average value of each worker is very high, the created structure will be suitable for him or her, but if such value is very low, the execution place in strategic structure will be proposed. In other words, if the total average value of a person is average, he or she will be put in balancer or supporting place in multi product and service organization structure. In accordance with managerial transformation process, value increase in organizations is when multi product and service organization structure model perform more than 70 percent; if the result is higher than this range, the positive change of performance value will be possible in organization.

Key words: Managerial transformation process, organizational multi product and service organization structure, structure position, created structure, balancer, execution, supporter, personnel characteristics.

INTRODUCTION

Active structure management means large-scale, future-oriented plans for interacting with the competitive environment to optimize achievement of organization objectives as framework for managerial decisions that reflect an organization’s awareness of how to compete, against whom, when, where, and what for. Furthermore, organizational change is the process by which organizations alter their strategy and structure to improve performance. In order to increase organizations’ performance because of competition in nowadays world with more various threats, necessary actions is required to strengthen the problem of this study. The proposed model includes created structure, balancer, execution and supporter with the name of organizational multi product and service organization structure examined and tested in six industrial organizations as samples. Structure management is defined as the set of decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of an organization after the super ordinate goal and strategy. This article used data collected from studies in six industrial organizations in North West of Iran. The main purpose of this work is to examine managerial transformation process and multi product and service organization structure.

Organizational structure

Organizational change is the process by which organizations alter their strategy and structure to improve performance (Wayne, 2002, 28; Kim, 1996, 87). While organizational structure provides the overall framework for strategy implementation, it is not in itself sufficient to ensure successful execution. Within the organizational
structure, individuals, groups, and units are the mechanisms of organizational action, and the effectiveness (Toffler, 1990, 12; Denison, 2000, 82; Farahmand, 2000, 158) of their actions is a major determinant of successful implementation. Therefore, after formulating a organization's strategy, management must make designing the structure its next priority for strategy can only be implemented through organizational structure (Shertzer, 2002, 25; Ditcher, 1997, 98-112; Farahmand, 2000, 140-158). Activities of organizational personnel are meaningless unless some type of structure is used to assign people to tasks and connect the activities of different people or functions as follows (Denison, 2000, 212; Drucker, 1974, 117-129):

1) Management chooses how to distribute decision-making authority in the organization.
2) It chooses how to divide labor in the organization and group organizational tasks.

For this reason, strategic managers must design the organization correctly if it is to be effective in a particular strategy (Fiedler, 1984, 16-19; Farahmand, 2005, 264-271, 2009, 89-181). Because many problems arise when organizations become too tall and the chain of command becomes too long, strategic managers tend to lose control over the hierarchy; this means that they lose control over their strategies (Salvendy, 1992, 3-5; Farahmand, 2005, 87-93). On the other hand, implementing a strategy successfully depends on selecting the right structure and control system to match an organization's strategy (Fiedler, 1996, 9-16; Bertalanffy, 1963, 98-101; Duncan, 1999, 57-63). The basic tool of strategy implementation is organizational design (Perrow, 2000, 64; Farahmand, 2000, 78). Designing the right mix of structure and control at the business level is a continuation of designing an organization's functional departments through integration and differentiation (Harrington, 1982, 405; Freeman, 1994, 58-72; Farahmand, 2005, 147-152).

Together, the two processes determine how organizational structure will operate and how successfully managers will be able to implement their chosen strategies (Simon, 1957, 19). Having implemented right structure and control system for each individual function, the organization must then implement the organizational arrangements so that all the functions can be managed together to achieve business-level strategy objectives (Handy, 1981, 58; Duncan, 1999, 37-49).

Organizations must match their structures and control systems to their business level strategies if they are to survive and prosper in competitive environments (Howard, 1990, 68-74). Strategy, structure and performance are strongly linked at the business level; organizations that do not alter their structures do not perform as well as those that do (Holland, 1973, 11). In the corporate level, organizations must choose the structure and control system that will allow them to operate a collection of business.

Organizational multi product and service organization structure

In short, the profitability of mergers and acquisitions depends on the structure and control systems that organizations adopt to manage them and the way an organization integrates them into its existing businesses by organizational strategic structure. As we all know, the present specifications of organizations are as follows (Farahmand, 2005, 298; Boudreau, 1993, 48-95):

1) At the threshold of a new era, they are driven this time not by the technologies of production and services, but by the structure of technologies of information, communication, and coordination.
2) The command and control design in organizational multi product and service organization structure is dead and organizations are struggling to adapt to new pressures or even to survive by downsizing and redesigning their structures, and rethinking their strategic focus whereas reengineering existing structures will never be enough.
3) Advances in organizational multi product and service organization structure are vastly increasing the quantity, quality, and accessibility of all forms of managing. Insights into the structure and dynamics of organizations and the process of learning, coupled with expectations of a more demanding and educated workforce, are challenging conceptions of the nature of relationships in the workplace. Taken together, these developments are transforming the capabilities for communication and coordination among managers, workers, customers, and suppliers-nearly everyone involved in the conception, production, delivery, and use of products and services worldwide.
4) Organizational strategic structure is one of the key enablers fueling globalization and organizational innovation. It provides virtually unlimited access to information, and opens the door to previously unimaginable ways for people to work together. So the working environment over the coming decades will be radically different from the current model. Many senior executives are already grappling with such pressing issues as learning to adapt structure and impacting new ways of working, innovation and measures of success. The proposed initiative has major components as study of today’s innovative organization and experiment with new structures, develop new theories about the nature of work, create scenarios of future possibilities and encourage testing and implementation of new concepts and develop structure programs.

In the direction of this situation, the organizational strategic structure principles and the philosophy of organization activities are as follows (Hymowitz, 2001,
Organizational multi product and service organization structure model

The choice of organizational strategic structure must be determined by the organization’s strategy (Morgan, 1994, 25; Farahmand, 2005, 88). This structure must use segment key activities and or strategy operating units to improve efficiency through specialization, response to competitive environment and freedom to act at the same time. So the organizational strategic structure must effectively integrate and coordinate these activates and units to accommodate interdependence of activities and overall control (Kats and Kahn, 1966, 11; Carnell, 1998, 97; Critchley, 1996, 27; Farahmand, 2005, 295). It must deal effectively with all that affects the ability of an organization to grow profitably, executives design. Active and dynamic management (Morgan, 1994, 15; Farahmand, 2002, 95) will facilitate the optimal positioning of the organization in its competitive environment.

Such positioning is possible, because these active and dynamic processes allow more accurate anticipation of environmental changes and improved preparedness for reacting to unexpected internal or competitive demands (Fiedler, 1996, 54-59; Farahmand, 2002, 257). This type of management is defined as the set of decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of an organization. Moreover, it involves super ordinate goal, strategy, structure, system, style, skill and staff (7S) (Farahmand, 2002, 7). Active and dynamic management and organizational multi product and service organization structure means large-scale, future-oriented plans for interacting with the competitive environment to optimize achievement of organization objectives (Bertalanffy, 1963, 22-32; Farahmand, 2002, 257-296). Thus, active and dynamic management and organizational multi product and service organization structure represents an organization’s game plan. Although it does not precisely detail all future deployments, it does provide a framework for managerial decisions.

In order to determine the role and functions of various departments at organizations (Clard, 2002, 5; Shertzer, 2002, 89), the whole structure of such organizations is divided as follows (Farahmand, 2000, 197, 2001, 38):

1) Management (M). Including top management, members of board and managing director role of coordination between other roles whose specifications are explained below items (Quinn, 1983, 65; Farahmand, 2003, 68).
2) Create Structure (CS). Role and function of determining quality, quantity, cost and time of products or services for market in accordance with environment conditions including threats and opportunities (Freeman, 1994, 25-26). This structure must do determined above items in such a manner that they can take advantage of opportunities and compare or collide with threats of environment (Cameron, 1996, 51-65; Carnall, 1998, 45-55). In compliance with famous departments in nowadays industrial organization, affairs and departments such as engineering research, application engineering, marketing, financial, technological, research and development should be put in this structure place.
3) Execution Structure (ES). For turning the above mentioned items from potential to reality (Silichter, 1980, 12; Farahmand, 2001, 15), the main role of this structure is to change and turn execution inputs to outputs. Inputs items include related materials, machines, equipments, men, money, method and etc. The outputs are the same products or services that must be like and equal with quality, quantity, cost, time determined by CS. In accordance with famous departments in nowadays originations (Schumacher, 1994, 50; Farahmand, 2001, 65, 2004, 259), related affairs such as production, production planning will be put in this structure place.
4) Keeper and Balancer Structure (KBS). In order to organize and restore equilibrium (Dichter, 1997, 65-69; Farahmand, 2005, 25-39) of between results of ES and CS, a few departments must be responsible for this action (Fiedler, 1987, 19-29; Farahmand, 2000, 215; Sharplin, 2001, 101-150; Dimock, 2002, 46-69; William, 1994, 271). The main role of this type of structure is to make comparison between products or services that they will produce or will present through ES to market with specifications determined through CS. In other words, all outputs from ES must be equal with specifications and characteristics determined by CS. In the case of disequilibrium for any items for example about quality,
quantity, cost or time of products or services, the role of this structure is to find problems and causes of unbalancing and relates them to this structure or top management (Fiedler and Garcia, 1987, 12-25; Schumacher, 1994, 72). 5) Supporting Structure (SS). The necessary actions about supporting (Binder, 1992, 44-46) the above mentioned structures are the responsibilities of this structure. For example, administration, training, personnel, general services and other like affairs must be done by this structure. Personnel, administration, training, maintenance and prevention, services, security departments will be put in strategic structure place.

Figure 1 presents organizational multi product and service organization structure for organizations.

Managerial transformation process

The mission of an organization is the fundamental, unique purpose that sets it apart from other organization of its type and identifies the scope of its operations in product and market terms. It is a general, enduring statement of organization intent and embodies the business philosophy of strategic decision makers; it implies the image the organization seeks to project, reflects the organization self-concept, and indicates the principal product or service area and primary customers’ need the organization will attempt to satisfy. In short, the mission describes the product, market, and technological areas of emphasis for the organization in a way that reflects the values and priorities of the strategic decision makers (Robbins, 1990, 111; Farahmand, 2003, 169). In fact, it determines the mission of organization including broad statements about its purpose, philosophy and goals, developing an organization profile that reflects internal conditions and capabilities, assessment of the organization internal environment, analysis of possible options uncover in the matching of the organization profile with the external at nowadays organization (Crithley, 1996, 20-31; Robbins, 1990, 264). An organization internal analysis determines its performance capabilities based on existing or accessible resources (Krom, 1987, 41; Salweny, 1992, 357). From this analysis, an organization profile is generated. At any designated point in time, the organization profile depicts the quantity and quality of financial, human and another resource available to the organization. In contrast, it involves the historical successes of the organizations and the traditional values and concerns of management with the organizations’ current capabilities in an attempt to identify the future capabilities of the business (Glieneck, 1997, 88; Farahmand, 2004, 58). The presumption and belief is that:

1) The products or services can provide benefits at least equal to its price.
2) The products or services satisfy a customer’s need currently not met adequately for specific market segments.
3) The technology to be used in production will provide products or service that is cost and quality competitive.
4) With hard work and support of others the business can do better that just survive; it can grow and be profitable (Maynard, 1990, 16-19; Harington, 1982, 49).
5) The management philosophy of the business will result in a favorable public image and will provide financial and psychological rewards for those willing to invest their labor and money in helping the organizations to succeed. Then, standards relating to productivity, cost, or quality of production are set up and used as the basic line measures for evaluating performance. Generally, performance is measured at four levels in the organization (William, 1994, 45-66; Holland, 1973, 79): the corporate, divisional, functional, and individual levels.

METHODOLOGY

Managers at the corporate level are most concerned with overall and abstract measures of managerial transformation process (Adizes, 1998, 20-35; Farahmand, 2002, 58). Truly, the aim is to choose performance standards (Drucker, 1974, 13-19) that measure overall
corporate performance. These measures should be tied as closely as possible to the work activities needed to meet strategic objectives at each level. Selecting the appropriate standards for evaluating performance is one of the most important decisions that strategic managers can make because these standards determine what the organization should be doing that is its strategic mission. Because so many different kinds of standards are available, assessments of an organization's performance can vary according to the measure selected (Lary, 1992, 55-56; Farahmand, 2005, 109-129). Organizational multi product and service organization structure management reflects an organization's awareness of how to compete, against whom, when, where, and what for. For this reason, we have three alternatives for fulfillment of above subject in industrial organization as follows:

1) Applying fundamental and basic changes at organizations for example in field of human, machines, equipment and other available facilities in order to prepare them for performance improvement. Certainly, the fulfillment of this alternative has required more expenses and sometimes it is impossible.

2) Continuous available conditions with related performance, that if each organization has satisfaction from its performance, it has not done anything. But, the number of such organization is very few. Anyhow, some of these organizations under environment changeable condition about threats and opportunities have required increased and improved performance.

3) Finding and choosing of comfortable method that can perform it, and capable to increase and managerial transformation process. The fulfillment and cost of this method must be very suitable for organizations that often are capable of executing it in their organizations as follows:

a) Defining multi product and service organization structure for organization.

b) Giving effects to organization very easily with replacement of departments of organization at related structure.

c) Placing personnel at above mentioned structures under the pretense of structure place in compliance with related personnel characteristics that will be suggested.

d) Review and evaluation of quantity managerial transformation process in accordance with determined standards for evaluation.

e) Results comparison.

After determination of above mentioned structure places for manufacturing organizations, the finding of alternatives for its performance is very important. As we know, the performance of each organization is function of total performance of relative departments and performance of each department is function of total performance of relative individuals and personnel of this organization (Porter, 1962, 17-19; Kolbe, et al, 2001, 59; Farahmand, 2003, 241-264). It is manifestly clear that standards and criteria are not always consistent and may be in compatible that is pursuing one type of standard may stop an organization from achieving another.

The measures chosen to evaluate performance may depend on whose interests are at stake (Blake and Mouton, 1990, 2-12). Then, in short, which measures of performance should management adopt? In selecting performance standards, managers decide what criteria they will use to evaluate the organization's performance standards or measures of an organization's performance fall into basic categories in this research:

1) Quality ratio (Total defects divided by total products).
2) Production ratio (Total products divided by total labor time).
3) Defects ratio (Total defects divided by total received materials).
4) Equipment ruined ratio (Total time of ruins divided by total time of production planning).
5) Innovation ratio (Total new product/s divided by total available product/s).
6) Compliant ratio (Total received compliant divided by total presented products).
7) Delay ratio (Total delay order/s divided by total received order/s).
8) Sale ratio (Total sales divided by total production).

For this reason, the performance improvement of organization depends on personnel performance and one of the most alternatives in this thesis for increase of managerial transformation process is to determine suitable and relative structure place for personnel in organization on the basis of individual characteristics defined and determined after collection of top management and specialists opinions through questionnaire and conversations as follows: (Kolbe and etal, 2001, 19-39; Maynard, 1990, 52; Farahmand, 2000, 83-95):

1) Creativity.
2) Group or Individual orientation.
3) Self-confidence.
4) Crisis acceptance or Crisis running
5) Risk acceptance or Risk running
6) To excite self and coworkers.
7) Membership in-group
8) To give freedom to group.
9) Interpersonal skills
10) Planning ability

RESULTS

Active management as a pattern or an improvement that integrates the objectives, policies, and action sequences of an organization into a cohesive whole if well formulated, can be useful in allocation of an organization's resources into a unique and viable posture based on its relative internal competencies and shortcomings, predicted environmental changes, and intelligent rivals' contingent moves. Active management as the large-scale and future-oriented improvements for interaction with the competitive environment to optimize achievement of an organization's objectives (in other words, a game improvement that although does not give detail of all the future needs associated with people, finances, or materials) provides a framework for decision-making. Management by patterns of active thinking must provide all required resources, according to improvement then produce and sell products to commitment organization. After the adjustment and improvement, management by patterns of active thinking should re-measure customer expectations, to ensure the improvement scheme is proper and effective. Active management with the determination of an organization's major and long-term goals can select actions, and allocation of the required resources for achieving goals.

Result of this research showed that if the total average values of each person were very high, the CS will be suitable for him, and if such values be very low, the ES will be proposed. In other words, if the total average values of person be medium, he or she will be put in KBS or multi product and service organization structure place. For clarity of above decision, Table 1 is presented.

Organizational multi product and service organization structure model is tested in six manufacturer organizations and the final results of performance quantity in compliance
with determined criteria of evaluation before and after performance of suggested model for recording of each stage in each organization are in Table 2.

In accordance with information and results that are received from the six organizations, consequently, the increase of performance of each organization depends on percent of adoption between structured place for relative personnel suggested in accordance with model requests with numbers of personnel whose structure places are in compliance with proposed places. For example, total number of relative personnel for determining structure places at organization (E) is 25 and total number of personnel that had adaptation with mentioned places under conditions of available limits because of various causes is 21. In the result, 84 percent of personnel could be put in places suggested by the model.

Finally, the quantity of increase of performance for this organization became 31 percent. The relative between adaptation and performance change quantity is positive and only for one of the organizations, we have performance decrease, caused by more limitation at this organization (A) for performance model about Job and Structure Rotation of relative personnel. In the result, the quantity of performance and fulfillment of suggested model at this organization is less than 62%.

Result from other studies shows that while organizational structure provides the overall framework for strategy implementation, it is not in itself sufficient to ensure successful execution. Within the organizational structure, individuals, groups, and units are the mechanisms of organizational action, and the effectiveness (Toffler, 1990, 12; Denison, 2000, 82; Farahmand, 2000, 158) of their actions is a major determinant of successful implementation. Therefore, after formulating an organization's strategy, management must make designing the structure its next priority for strategy can only be implemented through organizational structure (Shertzer, 2002, 25; Ditcher, 1997, 98-112; Farahmand, 2000, 140-158). Activities of organizational personnel are meaningless unless some type of structure is used to assign people to tasks and connect the activities of different people or functions.
Conclusion

All of the organizations, before choosing alternatives for improving organizations' performance, it is proposed for them to test and evaluate the organizational strategic structure model; if they could not receive suitable results from performing it, in that case they will be free to choose and select another alternative. In order to have performance improvement, it is better that before starting or during organizational activities, personnel with high value individuals characteristics be put at Create Structure Place, and personnel with low values be put in Execution Structure Place and the rest in Balancer keeper or Supporting Structure Places.

In accordance with performance value increase in other organizations, our performance model was more than 70 percent; we have received results that after this range, the positive change about performance value will be possible. The summary suggestions are as follows:

1) The increase of performance quantity depends on determining the structure place for personnel of organization in accordance with individuals' characteristics that were suggested.
2) For improvement of organization’s performance, it is better that structure place of organization be specified for personnel in compliance with mentioned individual characteristics as follows:
   - Create structure place suitable for personnel with high average values of individuals' characteristics.
   - Keeper and Balancer or supporting structure place is suitable for personnel that have medium average values of individual's characteristics.
   - Execution structure place is appropriate for personnel whose average values in individuals' characteristics are low.

3) The complete performance of model because of existence of various limits in organization is impossible, and its probability performance less than about 70 percent has not led to improvement of performance quantity.

For generalization of model, the regression line by actual information is shown in Figure 2.

Other previous research shows that outcome of this research is the same. Strategy, structure and performance are strongly linked at the business level; organizations that do not alter their structures do not perform as well as those that do (Holland, 1973, 11). At the corporate level, the organization must choose the structure and control system that will allow it to operate a collection of business. In short, the profitability of mergers and acquisitions depends on the structure and control systems that organizations adopt to manage them and the way an organization integrates them into its existing businesses by organizational multi product and service organization structure. As we know the present specifications of organizations' role and function are to determine quality, quantity, cost and time of products or services for market in accordance with environment conditions including threats and opportunities (Freeman, 1994, 25-26). This structure must determine above items in such a manner that they can take advantage of opportunities and compare or collate with threats of the environment (Cameron, 1996, 51-65; Carnall, 1998, 45-55). In compliance with famous departments in nowadays industrial organization, affairs and departments such as engineering research, application engineering, marketing, financial, technological, research and development will be put in this structure place.

Finally, the complexity and sophistication of decision making requires Active and Dynamic organizational multi product and service organization structure management. Managing various and multifaceted internal activities is only part of the Modern Executive’s responsibilities. Organizations must match their structures and control
systems to their business level strategies if they are to survive and prosper in competitive environments (Howard, 1990, 68-74). Strategy, structure and performance are strongly linked at the business level; organizations that do not alter their structures do not perform as well as those that do (Holland, 1973, 11).

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