

THE IMPACT OF LEADERSHIP STYLE AND ORGANIZATIONAL STRUCTURE ON THE ORGANIZATIONAL SUCCESS.

Abdulrazak Fahd Radwan*¹

*Istanbul Aydin University (Department of Business, Istanbul, Turkey).

ABSTRACT

This study focusses on analyze and investigate the impact of three managerial variables (leadership style, Organizational structure, and organizational success) on each other's and the effects that will occur on the organization as whole, the study implemented in the private sector organizations in Jordan by online questionnaire submitted to 400 employees in a different position in a period of two months from the middle of August until the middle of October / 2021. We analysed the responds via SPSS application and the results were outlined with the help of charts and diagrams to find the impact of the variables on each other. The results show there is an impact between the organizational structure and the leadership style, between the Organization structure and organization success, between leadership style and organization success and, also found an impact between organizational structure and organization success with the leadership style as a moderate variable.

Keywords:

Leadership style, Organizational structure, Organizational success, Management system.

INTRODUCTION

The huge number of the studies focus on the connection between the organization's variable give an indicator about the importance of these connection, as the more the managerial team understand their organization the easier it got for them to fix any problem, increase their options to maintain or even to improve the overall performance of the company, which will reflect on the combination ability of the organization in the market.

In this respect, this study focuses on identifying the factors leading to improve the business competitive advantages. The variables that we will be focusing on are leadership style, organizational structure, and organizational success. each one of these variables consider as a major factor within the organization, but the most important part is to find if there are a relation between these variables, the fact that the connection between these variables can be as important as the factors itself because having a good leadership style with the wrong organization structure will not be a good choice for the organization which may affect its success. as these variables should be completing each other instead of effecting on each other negatively and due to the competitive and constantly changing environment in today's world understanding these variables and their relation on each other and on the organization can help the business ability to make adjustments based upon changes in the (market needs and trends, competition, technology or changes in the size and complexity of the organizations) by recorrect or improve itself effectively and efficiency.

For achieving the success of organization there are many factors to take care of, and many of these factors are connected to each other directly or indirectly, This study will be a little bit more specific, as it will focus on how leadership style and organizational structure will be affected by each other before studying their effects on the organization success which will be more comprehensive and helpful to understand the correlation between the management variables and their importance to achieve success to the organization. This study will link "One independent variable" "One moderate variable" and "one dependent variable" and will clarify how they will affect each other, as in the future other researchers can link more variables to this study or specify their study in a specific organization field.

Literature Review

The organization structure and the suitable leadership style are two managing knowledge that complement one another, as they are the most important topic in the organization and management concept, it is a vital mean for assisting the organizations in achieving its works and objectives efficiently and effectively, also they consider as a main variable that affects many variables and organizational sides for any Organization [1]. as many other studies focused on the “success of organization” and linked it with a different variable to study their effects.

Leadership Style:

A leader is defined as the person with responsibility to influence one or more followers and directing them to achieve the needed objectives or goals. [2]

Each leader has a different style influencing or delegating the followers to achieve the overall goals, the diversity of these styles will impact the effectiveness and performance of the organization directly or indirectly. [3]

The Leadership Styles can consider as the social influence process and method that the leadership use to lead his followers to reach the organization goals. [4]

Some situations require the leader to change his style in order to be more effective, build the follower trust or support them, the effective leader should be able to shift between these styles based on the overall goal [5], also many studies showed that the leadership style is vary based on the leader personality and the working environment, as the different followers’ personalities need different leadership style to better influence them [6]. leaders should know how their style influence the performance of their followers.



Figure 1: Leadership styles

- **Autocratic Leadership/ Authoritarian Leadership**

a leadership style where the leader control over all decisions with little or zero input from the followers, normally in this style the choices that they make are all based on their judgments and knowledge without accept any advice from followers.[7]

- **Democratic Leadership/ Participative Leadership**

Another leadership style where the leader and the followers take more participative role in the decision-making process, everyone can participate, give their ideas, and discuss about it, participative or consultative decision making can be involved in this style, but the leader is still there for guidance and control [8].

- **Laissez-faire Leadership/ Abdicratic Leadership**

The laissez-faire leadership style gives the followers the power to decide for themselves about their works and duties [9], in this leadership style the followers have a lot of space and flexibility as they are almost free to decide what to do, however the leader may provide relevant information [7].

Organizational Structure:

Organizational structure refers to the models of internal relations of organization, power, relations and reporting, formal communication channels, responsibility and clarify the decision-making delegation is clarified. [10]

Having organizational structure can help the company stay focused and efficient also can lead to be more productive as it clarifies all the responsibilities for each employee, the success of organizational structure appears if each employee knows exactly his job and what's his responsibility within the system and his effects on the organization objectives to achieve its goal.

- ***Functional Structure***

Type of structure that divides the organization into a department's "sections" based on their function, each department have a special "functional manager" and employees under his command, Employees are classified according to their function in this structure.

- ***Divisional Structure***

This structure divides the organization into a parallel group, each group (division) are responsible about either product, service, or geographic location. Every division contain all the functions that required to work independently with a supervisor responsible about them.

- ***Divisional Structure***

Type of structure that all focus on the project, each project group contain a project manager and the employees, the employees should directly report to the project manager as he is the one with power and authority, the project manager responsible to bring the right team member for each project, after finish the project the team transfer to the next project and the project manager may change or add a team member depending on the new project requirements.

- ***Matrix Structure***

Defined as structure with a dual or multiple managerial accountability and responsibility, usually there are two chains of command in this type of structure the first from their own department or function, the other can be connected either to project, product, or client lines.

Organizational Success:

The ability of the organization to reach its main goal by committing to its strategic and tactical plans within the planned duration.

The organizational success is a general expression, as can hold a lot of sides to study, in our research we will focus on two of the main sides for organizational success which are the "Organizational development" and "Organizational performance".

- ***Organizational Development***

The Organizational development refers to the process of developing the set of "organizational capabilities" or "form" required by an enterprise as it increases in size and complexity.

- ***Organizational Performance***

The Organizational performance is a wide expression that have a lot of meaning depending on the individual perspective, as the "success performance" can be judge by many different constituencies as the organization stakeholders may connect it to the "return on investing", while the Industrial and organizational psychology is obsessed in "employees' efficiency" or "individual level performance", the financial department may focus more on the "profit", and the sales head department will count more into the "marketing share and sales".

The connection between the organization components and parameters can be consider complicated or overlapping as each usually affect all the other parameters, and these affect vary depends on the business type, structure and many other variables, investigating the relation between the most important context variable “strategy, leadership, organizational culture and organizational structure” as one researcher assume and “organizational effectiveness” was his main goal in this research as he studied 14 Organization of Mashhad Municipality to investigate the effects of strategy, leadership, organizational culture and organizational structure on the organizational effectiveness with intervening mediating variable of knowledge management, as he assume these are the most parameters that will affects effectiveness and that the effectiveness is a crucial theme in organizational theories as organizations evaluate their performance through monitoring their organizational effectiveness. [11]

Leadership style also consider an important factor effect the productivity as the style that let the employees engage with the decision making or having their voice can increase their engagement to the organization which increase their productivity and effectiveness as the feminine, democratic, and transformational leadership [11]

The results indicate that the organizational structure, organizational culture, organizational strategy, and leadership style have a directly significant effect on the organizational effectiveness.

Another study to ensure the connection between these variables, applied to the private secondary school in Palembang city, as they analyzed the influence of organizational structure, and leadership, on the teacher performance, they also conclude that there are a positive direct effects from organizational structure on the teacher performance, and for leadership style also have a positive direct effects on the teacher performance, which mean if the organizations want to achieve a better teacher performance the school need to implement a suitable organizational structure that describe all the details needed to individuals as job specification, chain of command, communication, coordinators and formalization, etc...., so that each individual understand his point within the organization and know how to better perform his job, also that the school manager should apply the right leadership style that’s suitable for both of the selected structure and for the individuals including the motivation and include them as possible with the improvement and hear from them to increase their performance within the school [12].

Ifedi, C. followed another procedure in his study to reach a connection between Leadership style as he studied “transactional and transformational styles”, Organizational performance “Functional, Divisional and matrix structures” with innovation and business performance in the technology industry in the United States of America. As he assumed that if the organizational structure is aligned with the CEO’s leadership style within the organization, then it’s a high-performance organization, in the other hand if the organizational structure does not align with the CEO leadership style, then the organization is not a high performance one. As a result, in the leadership style effects, the researcher found that the transactional leadership style do not consider as a significant predictor of company innovativeness or business performance, but for the transformational leadership style is consider as predictor of organizational innovativeness and performance, therefore the researcher conclude that the CEO with a transformational leadership style is a greater predictor of organizational and employee effectiveness than CEO with a transactional leadership style is. [13]

METHODOLOGY

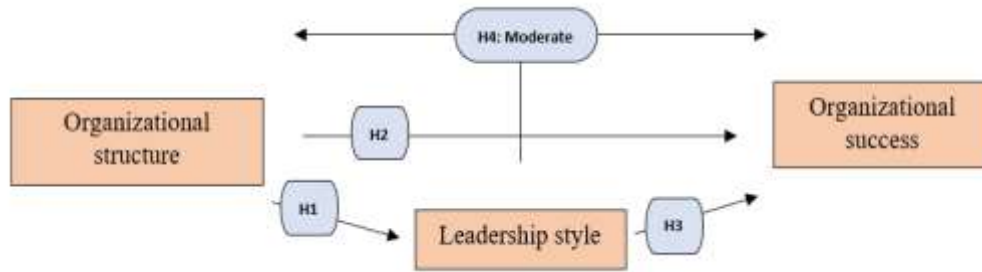


Figure 2: Study model

- H1: “Organizational Structure” has effects on the “Leadership style”.
- H2: “Organization Structure” has effects on the “Organizational success”
- H3: “Leadership Style” has effects on the “Organizational Success”
- H4: “Leadership Style” Moderate effects between “organizational structure” and “organizational success”.

In this study we used Google forms as an online survey tool to submit our questionnaire, to avoid leaving any question empty or non-response cases, the questionnaire designed in a way only accept if the respondent fills all the questions. The data was collected in the duration of almost two months beginning from the middle of August till the middle of October / 2021 we used IBM SPSS statics 25 were used to analyse the collected data, several tests implemented on these data including, Descriptive analysis, validity analysis, factor analysis, reliability analysis, correlation analysis, regression analysis, moderator analysis and Hierarchical regression analysis.

DISCUSS AND ANALYSIS

Demographic analysis

For this study the demographic analysis showed that based on **Gender** 219 out of 400 are males who have filled the questionnaire while 180 out of 400 who have responded respectively. And have 1 value missing. Based on **Age** 167 out of 400 are under (30 years) and for people between (30 and 60 years) years are 233 out of 400, for the **Working position** 90 were Top managers, 84 middle manager, 134 first line manager and 92 normal employees, as **Company's age** were categorized to (less than 5years, 5-9years, 10-14years, 15-20yearsand More than 20years) and the results were respectively as shown (79, 78, 46, 83 and 114) for **Number of employees in the company** categorized as (0-9 employees, 10-19 employees, 20-29 employees, 30-39 employees and more than 40 employees) the frequency were (72, 86, 44, 46 and 152).

Descriptive Statistics analysis

The descriptive analysis was done to quantify general qualities of the respondents with respect to their organization structure and organization success with leadership style. The table below shows discoveries and fluctuation with respect to three components of green advertising and purchaser buy conduct just as consumer loyalty.

	N	Minimum	Maximum	Mean	Std. Deviation
Organization Structure	400	1.62	5.00	3.4338	.70202
Leadership Style	400	2.00	4.81	3.4556	.54451
Organization Success	400	1.13	5.00	3.5594	.81831
Valid N (listwise)	400				

Factor Analysis

Factor Analysis of Organization Structure:

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.825
Bartlett's Test of Sphericity	Approx. Chi-Square	1529.726
	df	78
	Sig.	.000

Factor Analysis of Leadership Style:

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.720
Bartlett's Test of Sphericity	Approx. Chi-Square	2156.629
	df	120
	Sig.	.000

Factor analysis of Organization Success:

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.751
Bartlett's Test of Sphericity	Approx. Chi-Square	1375.681
	df	28
	Sig.	.000

Reliability Analysis

Reliability for	Cronbach's Alpha	N of Items
Organization Structure	.829	13
Leadership Style	.736	16
Organization Success	.823	8
All Variables	.801	37

Reliability test of items has checked through Cronbach’s alpha of all variable’s items, and it is .801 which is excellent it means we can say that all variable’s items which we have used in this research that are valid and acceptable.

Correlation analysis:

		Organization Success	Leadership Style	Organization Structure
Organization Structure	Pearson Correlation	.088	.181**	1
	Sig. (2-tailed)	.078	.000	
	N	400	400	
Leadership Style	Pearson Correlation	.073	1	
	Sig. (2-tailed)	.148		
	N	400		
Organization Success	Pearson Correlation	1		
	Sig. (2-tailed)			
	N			

** . Correlation is significant at the 0.01 level (2-tailed).

For this study the correlation analysis for Organization Structure, Leadership Style, and Organization Success are described as below:

- Firstly, the relationship between Organization Structure and Leadership Style its significant because $p < 0.05$ and positive but not strong.
- Secondly, the relationship between Organization Structure and Organization Success it’s not significant because $p > 0.05$ and not correlated.
- Lastly, the relationship between Leadership Style and Organization Success it’s not significant because $p > 0.05$ and not correlated.

Regression analysis

Regression Analysis Between Organization Structure and Leadership Style

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.626	.222		11.810	.000
	Leadership Style	.234	.064	.181	3.680	.000

a. Dependent Variable: Organization Structure

Table above contains analysis of beta interpretation for dependent variable ingratiation. This test is considered to be very important in terms of finding significant of the model. The table contains T values, standard errors and beta coefficients.

As per table the T values for Leadership Style are 3.680. The beta 0.181 and significant value (p=0.000) and less than 0.05 that is mean significant.

Regression analysis between Organization Structure and Organization Success

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.164	.156		20.229	.000
	Organization Success	.076	.043	.088	1.767	.078 (0.039)

a. Dependent Variable: Organization Structure

Table above contains analysis of beta interpretation for dependent variable ingratiation. This test is considered to be very important in terms of finding significant of the model. The table contains T values, standard errors, and beta coefficients.

As per table the B values for Organization Success are 3.164. The beta 0.156 and significant value p=0.039 (Because the H2 is a single tail hypothesis, the P value 0.078 divide by 2= 0.039) and less than 0.05 that is mean significant.

Regression analysis between Leadership Style and Organization Success

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.284	.121		27.030	.032
	Organization Success	.048	.033	.073	1.451	.148

a. Dependent Variable: Leadership Style

Table above contains analysis of beta interpretation for dependent variable ingratiation. This test is considered to be very important in terms of finding significant of the model. The table contains T values, standard errors and beta coefficients.

As per table the B values for Leadership Style are 3.284. The beta 0.121 and significant value (p=0.032) and less than 0.05 that is mean significant.

Hypotheses Test

H	Hypothesis	P-Value	Supp/Not
H1	Organizational Structure has effects on the Leadership style	0.000	Supported
H2	Organization Structure has effects on the Organizational success	0.039	Supported
H3	Leadership Style has effects on the Organizational Success	0.032	Supported
H4	Leadership Style Moderate effects between organizational structure and organizational success	0.000	Supported

CONCLUSION

As a result, for the Jordanian private sector organizations, we found that there are a connection between all hypotheses as for H1 we found a connection between the variable that OS have effects on the LS, which mean choosing the LS will be based on the applied OS and can be effects by it. For H2 showed a connection between the OS and OSS, that means implementing the right OS or enhance the structure of the organization will have effect on the success of the organization as the relation found between the variables, also the OSS will effects by the LS as shown in H3, which mean implementing, enhancing or changing the LS within the organization should effect on the OSS. For the last hypotheses H4 where the LS is the moderate between OS and OSS we also found a connection. Which mean that the OS will effect on the OSS with the LS as a moderate, That's lead us to conclude that if the business owner wants to achieve the success for his organization should find a LS that's suitable with their OS, improve the LS to a variable that fit in line with the OS is required to enhance or achieve the organization success.

In this study we focused in three of these parts and according to the results we conclude that there is an effects between OS and LS as in H1. Which mean any business owner or manager should focus on the bond between these variables and try to implement a leadership style that suitable and in line with the structure in their organization. As for the organizations where the employees are all count on the manager like the organizations with new employees or fresh graduate team the manager usually be tough, and the best style may be the Autocratic in this case. While for more experience team, the leader can be democratic or use Laissez-faire leadership as his team may have another point of view according to their experience and can join with their ideas, this example is not always true, but we used it as explanation for the linking part. So For new businesses the manager should study and analyze the needed business operations that achieve the best output, divide these tasks on employees efficiently, and find the best candidate for the position, also for old businesses need to enhance their work and output should redesign the organization structure based on their employees ability and knowledge while make extra sure that the leadership and his style are in line with the rest of the structure and employees that will not affect them negatively.

As a connection between LS and OS in H1 for H2 and H3 we showed that each of OS and LS Dependently effects on the organizational success which mean for the Leader or the manager who want to achieve or improve their organization outcomes and lead it to success should focus on the organization structure as implementing a structure that serve thier organizations plans and goals as in H2 also, for H3 also the LS that the leader should use will have effect on the success as well.

For H4 which focus on the effects between OS and OSS with moderate of LS in the Jordanian market also confirm our hypothesis while connect it to the success of the organization, that the leader or the manager should analyze the OS and carefully implement a LS that suitable with it to achieve the success for the organization which consider the most important connection in this study.

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