

The Reflections of Leadership Types on Organizational Structure: A Research on SME at Düzce

Yunus Emre TAŞGİT

Düzce University
Faculty of Business Management
Düzce, Turkey
orcid.org/0000-0001-6261-1278
yunusemretasgit@duzce.edu.tr

Havva TEMİZ SERT

Düzce University
Institute of Social Sciences
Düzce, Turkey
orcid.org/0000-0003-3656-4038
havva_temizz@hotmail.com

Extensive Summary

Introduction

The main purpose of the research is to determine which leadership style is more correlation-interaction with the organizational structure when the organizational structure is managed.

When the findings in the literature and the applications in the business world are examined, it is seen that successful organizations under different environmental conditions have different structural characteristics. Among the structural elements, the most important factors affecting organizational success are conceptualized as the organizational environments, strategy, technology and the size of organization. However, the relationship between organizational structures and leadership styles attracts attention; it is observed that the design and operation of organizational structures are significantly influenced by the leadership characteristics; and it is understood that there is a strong relationship between leadership styles and organizational structure. So that it can easily be accepted as a phenomenon that mechanical and organic structures need different leadership styles and if the leadership style and the formation of a correct structure are provided, there will be a positive change in organizational success. In this framework, an examination of the relationship between leadership styles and dimensions of organizational structure is becoming a critical issue for organizations' success. It is necessary for organizations to create internal mechanisms to bring themselves to tomorrow and to move their dynamic balances from today to tomorrow. The provision of dynamic balances is related to the harmony and concordance of the elements within the organization. This can only be achieved through leadership and structure alignment.

When the literature is examined, it is seen that the dimensions that define organizational structure are examined by different authors to different names and similar characteristics. In this research, Henri Fayol's principles of organization based on organizational structure are taken as basis. On the other hand, it is discussed in the literature that different conditions require different leadership styles. Considering today's dynamic conditions, transactional leadership, transformational leadership, charismatic leadership, strategic leadership and servant leadership styles are discussed as independent variables in the research.

Method

This research carries a quantitative research feature from a point of view. It is based on the primary data according to the characteristics of the data used.

The research model is designed on literature and based on two basic variables; leadership styles and dimensions of organizational structure. The dimensions of organizational structure are the dependent variable and have five six sub-dimensions; the division of labor and specialization, authority and responsibility, one-handed management, hierarchical order, centralization level and communication. The leadership styles are the independent variable and consist of five sub-styles; transactional leadership, transformational leadership, charismatic leadership, strategic leadership and servant leadership. According to the created model; it is foreseen that there will be a different level of relationship and influence between the leadership styles of the managers and the dimensions of the organizational structure.

The research population consists of senior and middle level managers at the SMEs (small and medium-sized) in Düzce. According to the data obtained from Düzce Chamber of Commerce and KOSGEB, there are 420 SMEs operating in Düzce. Full census method was used to reach research data. Since the entire universe is accessible, a survey has been sent to all but positive return (feedback) has been received from 202 firms. The data were collected by face to face interview technique, a total of 202 surveys were taken for analysis of the data.

Findings

The research is mostly based on the viewpoints of senior and middle level male managers who have been educated at 25-34 years of age, in high school and undergraduate level, experienced in 1-5 years of operation. On the other hand, the study mostly reflects the structural characteristics of micro- and small-scale enterprises, and the proposals for implementation are more concerned with businesses operating in the service sector, food sector, textile sector and construction sector as a function of the enterprises.

According to the research findings, senior and middle level managers at the SMEs located in Düzce mostly prefer servant leadership and transactional leadership style and they are most interested in the communication dimension while managing organizational structure.

Transformational leadership is most related to the division of labor-authority and responsibility; Servant leadership is most related to the communication; Charismatic leadership and strategic leadership are most related to the decentralization; Transactional leadership is most related to the one-handed management-hierarchical order dimension.

When the influence of leadership styles on the communication dimension is examined, it is seen that the communication dimension is influenced by transformational and servant leadership styles. The relative order of importance of leadership styles over communication is servant leadership, transformation leadership.

Given the influence of the leadership styles on the centralization dimension of the organizational structure, it is understood that the centralization dimension is influenced by transformational and servant and charismatic leadership styles. The relative order of importance of leadership styles over the centralization is servant leadership, transformation leadership and charismatic leadership.

When the influence of leadership styles on the division of work-authority and responsibility dimension is examined, it is seen to be the dimension influenced by the transformational, servant and transactional leadership styles. The order of importance of leadership styles over the division of labor-authority and responsibility is servant leadership, transformational leadership and transactional leadership.

Given the influence of the leadership styles on the one-handed management-hierarchical order dimension, it is understood that the dimension is influenced by the transformational and the transactional leadership. The relative order of importance of leadership styles over the one-handed management-hierarchical order is the transformational and the transactional leadership.

Conclusion

Leadership styles that best represent the leadership style of managers in SMEs are transformational and servant leadership. This is respectively followed by strategic leadership, charismatic leadership and activist leadership. It can be said that this is an expected result. Because managers in micro and small businesses generally prefer trust and value-based behavior styles. So this style of relationship helps to bring about the emergence of transformational and servant leadership.

The dimensions that best represent the organizational structures of SMEs are communication and centralization. This is followed by the division of work-authority and responsibility, the one-handed management-hierarchical order dimension. Given the fact that the research covers more micro and small businesses, it is anticipated that the dimensions of communication and centralization will dominate other dimensions for these businesses. Because especially in small enterprises, organizational structure is based largely on verbal communication rather than written rules and procedures. Due to the small number of employees, different hierarchical levels can easily communicate with each other and with their superiors.

Although the research subject is quite critical and interesting for the success of the firms, comprehensive empirical studies on the topic have not been found in the literature. This research is limited to some points, but it presents original findings. In further research, studying with different sectors and larger samples will help fill the gap in the area.